



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #712

Eliminate TEACH Board and Transfer Functions to DPI (TEACH/DPI)

[LFB 2003-05 Budget Summary: Page 358, #15 and Page 401, #11]

CURRENT LAW

Under current law, the Technology for Educational Achievement in Wisconsin (TEACH) Board administers educational technology grant programs and coordinates with the Department of Administration (DOA) and the Public Service Commission (PSC) to operate a telecommunications access program. The Board also coordinates with DOA to provide infrastructure loans, technology purchasing services, technical assistance and educational technology services, equipment, and training to eligible educational institutions.

GOVERNOR

Eliminate the TEACH Board and transfer certain programs and related funding to the Department of Public Instruction (DPI). Transfer the telecommunications access program, state administration of the E-rate program, the infrastructure financial assistance program, and the Governor's Wisconsin Educational Technology Conference to DPI. The educational technology block grant and training and technical assistance grants would be eliminated, which is dealt with in a separate paper.

DISCUSSION POINTS

1. The TEACH Board was created by 1997 Act 27 (the 1997-99 state budget) to assist public school districts and public libraries, as well as other educational agencies, in expanding and upgrading the educational technology needed to take advantage of the Internet and to train teachers and others in the use of educational technology. TEACH is attached to DOA for administrative purposes, but it is an independent agency whose executive director is appointed by the Governor. In

2002-03, TEACH has position authority for 9.0 positions. Through fiscal year 2001-02, TEACH Board expenditures have totaled \$257.2 million, and \$90.5 million in general obligation bonding has been issued. In 2002-03, approximately \$64.7 million is budgeted from all fund sources. The TEACH educational technology block grant, telecommunications access for school districts, training and technical assistance, and GPR debt service for the infrastructure financial assistance programs are included in the calculation of the state's two-thirds funding commitment to public school districts, and, as categorical aids, are not subject to district revenue limits. The following table lists total appropriated amounts for TEACH programs in 2002-03, and budgeted amounts under the bill for 2003-04 and 2004-05.

<u>Program</u>	<u>2002-03</u>	<u>SB 44</u>		<u>Fund Source</u>
		<u>2003-04</u>	<u>2004-05</u>	
Agency Administration	\$598,000	\$0	\$0	GPR
Educational Technology Block Grants	35,000,000	0	0	GPR
Training and Technical Assistance Grants	4,000,000	0	0	GPR
Debt Service				
Infrastructure Assistance to Schools	2,877,800	5,197,200	6,467,800	GPR
Infrastructure Assistance to Libraries	24,900	73,900	159,500	GPR
Infrastructure Assistance to Schools--				
Local Share	2,421,800	3,206,800	4,487,000	PR
Infrastructure Assistance to Libraries--				
Local Share	23,800	72,700	158,200	PR
Federal Aid--E-rate	3,544,000	4,415,000	4,415,000	FED
Telecommunications Access	15,927,700	16,524,500	17,262,000	SEG
Computer Training	175,000	0	0	SEG

2. Under the bill, the Board would be eliminated, and 2.0 positions would be transferred to DPI. The educational technology block grants and training and technical assistance grants would be eliminated. Infrastructure financial assistance debt service payments would transfer to DPI; however, after the effective date of the bill, no additional bonds could be issued. Telecommunications access would transfer to DPI, along with state administration of the E-rate consortium application.

3. The telecommunications access program, along with 1.0 SEG position, would be transferred to DPI under the bill. The access program provides eligible entities subsidized access to new data lines and video links or grants for data lines and video links in existence prior to the enactment of the TEACH programs. This program is funded from the universal service fund, administered by the PSC, that receives revenues through assessments on annual gross operating receipts from intrastate telecommunications providers, which they are allowed to fully recover through an adjustment applied to subscribers' local exchange service rates. The following table details the allocations for telecommunications access for 2003-05 under the Governor's budget:

<u>Purpose</u>	<u>2002-03</u>	<u>SB 44</u>		<u>Fund Source</u>
		<u>2003-04</u>	<u>2004-05</u>	
School Districts, CESAs and Charter Schools	\$9,613,700	\$10,893,400	\$11,324,200	SEG
Private Colleges, Technical Colleges and Libraries	4,670,000	4,735,500	5,066,000	SEG
Private K-12 Schools	1,340,600	708,100	701,300	SEG
State Residential Schools	70,000	75,000	68,200	SEG
Secured Juvenile Correctional Facilities	<u>233,400</u>	<u>112,500</u>	<u>102,300</u>	SEG
Total	\$15,927,700	\$16,524,500	\$17,262,000	

4. To be eligible for the telecommunications access program, the TEACH Board has adopted the policy that school and library applicants must participate in the federal Education Rate, or E-rate, program. This program provides schools and libraries with federally funded discounts on telecommunications services, Internet access, and internal connections (computer wiring, hubs, and routers). TEACH staff currently coordinates a statewide consortium of school districts, public libraries, and private schools to apply for E-rate discounts.

5. The federal Telecommunications Act of 1996 created the E-rate program, which is administered by the Schools and Libraries Division of the Universal Service Administrative Company, a nonprofit organization established by the Federal Communications Commission for this purpose. In 1998-99, the first year E-rate was available, schools and libraries applied for discounts individually. However, the process is lengthy and complex, and collections totaled \$51,000 statewide in that year. In fiscal years 1999-00 through 2001-02, when TEACH filed consortium applications, over \$10.4 million was collected in the form of cash reimbursements from statewide service providers.

6. Under 2001 Act 16 (the 2001-03 state budget), an estimated \$7,240,000 in E-rate related monies were used to offset GPR funding for the educational technology block grant program in the 2001-03 biennium. It is estimated that an additional \$4,415,000 annually will be collected in the 2003-05 biennium. The administration of the statewide consortium application, along with 0.5 position and associated funding, would be transferred to DPI under the Governor's recommendations.

7. Duties associated with the coordination of the Governor's Wisconsin Educational Technology Conference would also transfer to DPI, along with \$188,900 PR in 2003-04 and \$211,400 PR in 2004-05, and 0.5 PR position. This annual conference is presented for the benefit of Wisconsin educators, including the elementary, secondary, and postsecondary levels, and focuses on effective applications of technology in education at all levels. The position and conference are funded with fees paid by conference attendees.

8. Finally, the Wisconsin Advanced Telecommunications Foundation (WATF) assessments appropriation would transfer to DPI under the bill. Under current law, all monies received by this appropriation are used to offset GPR expenditures under the educational technology

block grant program. Because block grants are eliminated under the bill, DPI is required under the bill to instead use these funds to promote the use of educational technology in the state. When the WATF voted to dissolve itself in 2001, this appropriation was created to receive any additional proceeds that were not already allocated by Act 16 or by the WATF upon dissolution.

9. The Legislative Audit Bureau issued a report on the TEACH Board in February, 2002. The Audit Bureau noted that the TEACH Board was originally presented to the Legislature in 1997 by former Governor Tommy Thompson as a five-year, \$500 million program. However, no sunset for the TEACH Board was ever established in statute, except for the existing contracts grant portion of the telecommunications access program. Originally set to expire June 30, 2002, the Legislature chose to extend the existing contracts grant program until December 31, 2005, under Act 16. TEACH is currently in its sixth year of operation, and has expended approximately \$347.7 million, including all fund sources and bonding revenue.

10. The TEACH Board was created to emphasize the state's commitment to improving technology use in school districts. This provision in the 1997-99 budget focused attention on technology use in education by establishing a separate state agency to provide staff and financial assistance to school districts and other educational entities. The board itself has members representing K-12 education, the University of Wisconsin System, the Wisconsin Technical College System, the Educational Communications Board, and the Department of Administration, as well as four public members. By having a board with representation from the major state agencies involved in public education, the TEACH Board can provide a different perspective than an agency that primarily works with any one segment of public education.

11. Some have argued that it would be beneficial to maintain the TEACH Board and its staff, as a resource for school districts, to provide technical assistance with their reported technology needs. Given the growing prominence of information technology today, it might be desirable to maintain an expert staff with an exclusive mission to improve the use of technology in schools and libraries. The Committee could restore the 5.0 GPR positions currently under TEACH, as well as the 1.0 SEG, 0.5 PR, and 0.5 FED positions that would transfer to DPI under the bill. This would reduce by 2.0 the total number of TEACH positions currently provided from 9.0 to 7.0. This change in positions would reflect the net effect of: (a) 1.0 PR position scheduled to sunset at the end of 2001-03; (b) reducing another 1.0 PR position to 0.5 position; and (c) eliminating 1.5 FED position currently provided. The 1.0 SEG position would be a new position, for a total TEACH staff of 7.0.

12. On the other hand, one could argue that DPI could be expected to fulfill this role. With 2.0 TEACH positions related to the administration of the telecommunications access and E-rate programs, as well as the Governor's Wisconsin Educational Technology Conference, transferring to that agency under the bill, it appears that DPI could provide technology expertise to schools and libraries. DPI currently has a Division for Libraries, Technology, and Community Learning. This Division currently administers such programs as BadgerLink and the federal educational technology grant programs, and provides expertise in information system implementation and use of technology in gathering and analyzing statewide statistical data related to

school districts and public libraries. For example, the Division facilitates school district information gathering required for school performance reports, and publishes guides to assist school district officials with integrating technology and telecommunications skills into their curricula.

ALTERNATIVES

1. Adopt the Governor's recommendations to eliminate the TEACH Board.
2. Delete provision and restore the TEACH Board. Provide \$641,600 GPR and 5.0 GPR positions annually and transfer \$11,898,400 GPR, \$8,830,000 FED and 0.5 FED positions, \$8,325,000 PR and 0.5 PR positions and \$33,786,500 SEG and 1.0 SEG position back from DPI to the restored TEACH Board.

<u>Alternative 2</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$1,283,200
2004-05 POSITIONS (Change to Bill)	5.00

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