



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

---

May 5, 2009

Joint Committee on Finance

Paper #101

### **Telecommunications Access Appropriation Language (DOA -- General Agency Provisions)**

[LFB 2009-11 Budget Summary: Page 36, #14]

---

#### **CURRENT LAW**

The Public Service Commission (PSC) is required to collect fees from telecommunication providers. The amount of the fees collected must be equivalent to the amounts appropriated under various universal service fund appropriations under the PSC, the Department of Administration (DOA), the University of Wisconsin, and the Department of Public Instruction.

Certain educational agencies, such as school districts, private schools, technical college districts, private colleges, and public library systems, may participate in the educational telecommunications access program (the funding that remains from the original Technology for Educational Achievement or TEACH programs), under which DOA provides, or contracts for the provision of, internet access to the educational agencies.

Currently there are five SEG-biennial appropriations under DOA for telecommunications access as follows: (a) school districts, and cooperative educational service agencies (base funding of \$11,344,000 SEG); (b) private colleges, technical school districts, public library boards, public library systems, and public museums (base funding of \$5,066,000 SEG); (c) private schools (base funding of \$701,300 SEG); (d) state schools for the blind and visually impaired and deaf and hard of hearing (base funding of \$68,200 SEG); and (e) juvenile correctional facilities (base funding of \$102,300).

#### **GOVERNOR**

Specify that the Department may transfer funds between any of the telecommunications

access appropriations that are funded under DOA from the universal service fund. Specify that all amounts transferred would be included as revenues received under that appropriation and added in the appropriation schedule for the fiscal year in which the transfer is made.

## **DISCUSSION POINTS**

1. Under current law, DOA may biennially expend the amounts in the Chapter 20 appropriation schedule for telecommunications access for one of five purposes, including: (a) school districts and cooperative educational service agencies; (b) private colleges, technical college districts, public library boards, public library systems, and public museums; (c) private schools; (d) the Wisconsin Center for the Blind and Visually Impaired and the Wisconsin Educational Services Program for the Deaf and Hard of Hearing; and (e) juvenile correctional facilities. Each of these five purposes is separately appropriated on a biennial basis.

2. The amounts in the Chapter 20 appropriation schedule for telecommunications access appropriations are funded from assessments to telecommunications providers. These fees are deposited into the segregated universal service fund (USF). Funding is used to provide subsidies for access to new data lines and video links.

3. Under the bill, the Department would be allowed to move revenues between all DOA TEACH appropriations.

4. It could be argued that this provision would provide the agency with flexibility to move revenues, should demand increase or lessen in one or more particular appropriations during a biennium. If the Committee wishes to allow this flexibility, it could approve the Governor's recommendation.

5. Alternatively, it could be argued that maintaining separate appropriations would allow the Legislature to continue to determine how much funding will be set aside each biennium for the purpose of providing telecommunications assistance to various educational facilities. In contrast, the ability to move revenues between all of these sources would reduce the Legislature's authority to oversee the expenditure of these revenues, by allowing the Department, rather than the Legislature, to prioritize funding for each program. If the Committee wishes to maintain this authority, it could delete the provision.

6. The bill language would also specify that any amount transferred would be added to the appropriation schedule in order to increase the amounts that may be expended from that appropriation within a fiscal year. The provision would not, however, specify a reduction of expenditure authority from the appropriation from which revenues are received.

7. The effect of this provision would be to increase the base level funding of the TEACH appropriations with every transfer of revenue. Since telecommunications providers are assessed the amounts in the appropriation schedule, there would be an automatic increase to their assessments based on the amounts transferred. It would take Legislative action and Governor

approval to reduce these appropriation increases.

8. If the Committee wishes to approve the Governor's recommendation to allow transfers between the telecommunications access appropriations, it could instead allocate all funding under a single telecommunications access appropriation. This would allow the Department to issue grants to any of the current recipients based upon the total amounts of USF funding provided to the agency as recommended by the Governor, but would allow the Legislature to review whether increases to base level funds are appropriate.

## **ALTERNATIVES**

1. Approve the Governor's recommendation to allow the Department of Administration to transfer revenues between telecommunications access appropriations within the Department.
2. Modify the Governor's recommendation by combining the telecommunications access appropriations into a single biennial appropriation.
3. Delete the Governor's recommendation.

Prepared by: Darin Renner