

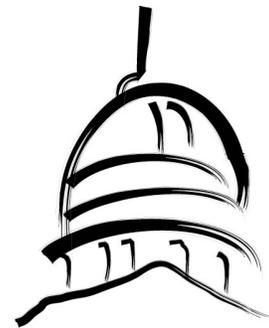
*Technology for Educational Achievement  
in Wisconsin Board*



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# *Technology for Educational Achievement in Wisconsin Board*



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## *Technology for Educational Achievement in Wisconsin Board*

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Over the past decade, concerns relating to the use and costs of information and communications technology have emerged within the educational community. In an effort to address these types of concerns and accelerate the statewide investment in educational technology, the Technology for Educational Achievement in Wisconsin (TEACH) Board was created in 1997 Act 27. The TEACH Board administers educational technology grants programs and coordinates with the Department of Administration (DOA) and the Public Service Commission 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. This paper discusses the responsibilities of the TEACH Board and the programs that it administers and coordinates.

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### **TEACH Board**

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The TEACH Board is attached to DOA for limited purposes of budgeting, program coordination and related management functions. The Board consists of nine members including: the State Superintendent of Public Instruction or his or her designee; the Secretary of the Department of Administration or his or her designee; and seven members appointed for staggered four-year terms including a member of the Board of Regents of the

University of Wisconsin (UW) System appointed by the president of the Board; a member of the Wisconsin Technical College System (WTCS) Board appointed by the president of the Board; a member of the Educational Communications Board appointed by the Governor; and four other members appointed by the Governor. The Governor appoints the Executive Director of the Board.

The Board has the following duties under Subchapter IV of Chapter 44 of the statutes:

- Promote the efficient, cost-effective procurement, installation, and maintenance of educational technology by school districts, cooperative educational service agencies (CESAs), technical colleges, and the UW System, in cooperation with these entities and DOA.
- Identify the best methods of providing preservice and in-service educational technology training for teachers.
- Enter into cooperative purchasing agreements, with the consent of DOA, under which participating school districts and CESAs can contract for educational technology training for their professional employees.
- Support the development of courses in the effective use of educational technology for the instruction of professional employees who are licensed by the Department of Public Instruction (DPI), in cooperation with the UW System, WTCS,

DPI, and other entities.

- Provide telecommunications access to school districts, charter schools, secured correctional facilities, private schools, CESAs, technical college districts, private colleges, public library systems, public library boards, and the state residential schools, in cooperation with DOA under the educational telecommunications access program.

- Submit a biennial report concerning the Board's activities, no later than October 1 of each even-numbered year, to the Governor and the appropriate standing committees of the Legislature.

- Coordinate the purchasing of educational technology materials, supplies, equipment, and contractual services for school districts, CESAs, WTCS districts, and the UW System through DOA and establish standards and specifications, in cooperation with DOA and with the approval of the Department of Electronic Government (DEG), for educational technology hardware and software purchases by school districts, CESAs, WTCS districts, and the UW System.

- With DEG's approval, purchase educational technology equipment for use by school districts, CESAs, and public educational institutions in this state and permit these entities to purchase or lease, with an option to purchase at a later date, the equipment from the Board. The law specifies that there is no requirement that any educational technology equipment be purchased or leased from the Board.

- Administer, modify, or rescind any grant or award made by the Wisconsin Advanced Telecommunications Foundation (WATF), to the extent allowed under a contract for making the grant or award.

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## TEACH Wisconsin Programs

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The TEACH Board administers the distribution of grants under the technology block grant and technology training and technical assistance grant programs. The Board also coordinates with DOA and the Public Service Commission (PSC) to operate a telecommunications access program. In addition, the Board coordinates with DOA to provide infrastructure loans, technology purchasing services, technical assistance, and educational technology services, equipment, and training to eligible educational institutions. The TEACH Board also provided administrative services to WATF. The WATF voted to dissolve in 2001, and 2001 Act 16 authorized TEACH to administer its outstanding grants. Finally, TEACH files a statewide consortium application for E-rate discounts on behalf of public libraries, school districts, and private schools. Each of these grant and loan programs is described in further detail below.

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### Educational Technology Grant Programs

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**Technology Block Grants.** This grant program provides funding to public school districts for any purpose related to educational technology. The TEACH Board determined that Milwaukee charter schools established by the common council of the City of Milwaukee, the Chancellor of the University of Wisconsin-Milwaukee, and the Milwaukee Area Technical College district board are eligible for all TEACH programs, including block grants. Act 16 codified this policy, and also made secured juvenile correctional facilities, operated by the Department of Corrections (DOC), eligible for TEACH programs. The eligible DOC facilities include: the Southern Oaks Girls School, the Ethan Allen School, and the Lincoln Hills

School. Educational technology is defined in the statutes as "technology used in the education or training of any person or in the administration of an elementary or secondary school and related telecommunications services." Examples of some uses of the grants include: network upgrades, wiring loan payments, computer lab improvements, purchase of hardware or software, consulting or planning services, professional development for district employees, and telecommunications access assistance. Grants under this program may not be used to fund salaries or benefits of any school district, charter school, or secured correctional facility employee or to replace funding available from other sources.

General purpose revenue (GPR) funding for educational technology block grants to school districts is budgeted at \$35 million annually for the 2001-03 biennium. The GPR block grants are distributed based on a formula that uses equalized value per member, which is the full value of the taxable property in the district as certified for the prior year, excluding value adjustments resulting from appeals. There is an adjustment for K-8 districts and union high school (UHS) districts. For UHS districts, equalized valuation is divided by three times membership. For K-8 districts, equalized valuation is divided by 1.5 times membership. Under Act 16, for Milwaukee charter schools, funding is distributed in proportion to their membership, rather than weighted membership. The DOC receives \$5,000 per eligible facility. Funding is distributed to districts as follows:

a. \$5,000 is provided to each eligible school district, charter school, and secured juvenile correctional facilities. In 2002-03, if all 426 school districts, 11 charter schools, and three secured juvenile correctional facilities request the grant, a total of \$2,200,000 will be distributed under this provision.

The balance of the funds (\$32,800,000) will be distributed to eligible school districts and charter

schools in proportion to the weighted membership of each school district. The weighting factor for members in each district is calculated by dividing the statewide average equalized value per member by the value per member in the district. For purposes of this calculation, if a district has an equalized value of less than \$75,000, it is treated as having a value per member of \$75,000, which applies only to the Norris School District.

Two examples of the calculation of this formula follow using the prior year factors that will be used to calculate grant amounts for fiscal year 2002-03:

a. Statewide equalized valuation per member equals \$353,153;

b. District A's equalized valuation per member equals \$140,000 and the weighting factor for membership is  $\$353,153 / \$140,000 = 2.522521$ . Therefore, each member is weighted as 2.522521. If District A had 1,000 members, its weighted membership would total 2,522.52.

c. District B's equalized valuation per member equals \$550,000 and the weighting factor for membership is  $\$353,153 / \$550,000 = 0.642096$ . Therefore, each member is weighted as 0.642096. If District B had 1,000 members, its weighted membership would total 642.10.

d. Based on preliminary data, for grant purposes in 2002-03, the statewide total weighted membership is 1,014,846, so that the grant amount per weighted member is \$32.32 ( $\$32,800,000 \div 1,014,846 = \$32.32$ ). District A would receive \$86,528 in GPR block grants, which is calculated by taking its weighted membership times \$32.32 and adding \$5,000 to the total ( $2,522.52 \times \$32.32 = \$81,528$ ;  $\$81,528 + \$5,000 = \$86,528$ ). District B would receive \$25,753, which is calculated by taking its weighted membership times \$32.32 and adding \$5,000 to the total ( $642.10 \times \$32.32 = \$20,753$ ;  $\$20,753 + \$5,000 = \$25,753$ ).

*Additional Factors.* For this block grant, school

districts must adopt a resolution requesting the grant through an annual meeting for common school districts, or a school board action for unified school districts or the Milwaukee Public Schools. A charter school sponsor must submit a written request to the TEACH Board. The Secretary of the Department of Corrections must likewise submit a written request to the board. In 2002-03, all 426 school districts submitted resolutions for 2002-03 block grants. New resolutions must be submitted each year. A school district or secured correctional facility that receives a block grant must deposit the monies in a separate fund.

The TEACH Board is required to distribute the general fund block grants on the first Monday in February. The grant program is a categorical aid, such as aid for special education and pupil transportation. As such, block grants are not subject to school district revenue limits.

**Training and Technical Assistance Grants.** Funding for this program is \$4 million GPR annually in the 2001-03 biennium. Under this program, the Board can award grants to CESAs, consortia of two or more school districts or CESAs, or one or more school districts or CESAs with one or more public library boards for training and technical assistance in the use of educational technology. Under Act 16, Milwaukee charter school sponsors and secured correctional facilities are also eligible for the grants.

The Board is required to ensure that at least one grant is awarded annually to an applicant located in the territory of each CESA. In order to facilitate the statewide distribution of these grants, funding guidelines adopted by the Board for the program provide that a single CESA may request a maximum grant amount of \$200,000. Larger consortia are eligible for proportionately larger awards with a TEACH recommended maximum grant request of \$500,000. The minimum recommended funding request for a consortium is \$10,000. Under program guidelines, the Executive Director of the TEACH Board staff may negotiate

the final grant amounts to ensure an equitable statewide distribution of these funds.

Grants are awarded through one funding cycle annually on a competitive basis with preference statutorily required to be given to consortia that include one or more public library boards. Beginning in 1999-01, the grant program was implemented by the TEACH Board as a two-part process with the first part as a planning phase and the second as a two-year implementation phase. Grants were awarded separately for each phase, and only planning grant recipients were eligible for implementation grants. Guidelines required grant recipients implement educational technology model demonstration sites, reinforcement strategies, technical support, and community partnerships. The TEACH definition of a model demonstration site is a classroom where teachers who are highly skilled in the integration of educational technologies into the curriculum model effective curriculum integration methods, strategies, and activities from their regular classrooms for teachers participating in training. Planning and implementation grant recipients for 1999-01 included all twelve CESAs, a consortium of the Beloit and Janesville school districts, as well as Milwaukee Public Schools.

Of the \$8 million available in 2001-03, the TEACH Board awarded \$3 million in educational technology training and technical assistance grants for continuation of the model classroom demonstration projects. Of the remaining \$5 million, staff from TEACH indicate that \$4 million will be disbursed in implementation grants in 2002-03 for other staff development models of the applicant's choosing, and \$1 million will be used to maintain and upgrade TEACH-owned equipment used at model demonstration sites across the state.

Some activities and costs that are eligible for funding under this program include: (a) staff training in the use of technology and the integration of technology into the schools' curriculum; (b) training public library patrons in

the use of available educational technology; (c) costs of hiring substitute teachers or other temporary employees to replace staff who are attending training activities during working hours; and (d) costs of contracts, services, fees or other costs for providing educational technology training or technical assistance.

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### **Telecommunications Access Program**

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This 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 as part of 1997 Act 27. Under the statutes, the TEACH Board, in consultation with DOA, and subject to the approval of the DEG, must promulgate rules establishing an educational telecommunications access program that provides eligible school districts, charter school sponsors, secured correctional facilities, private schools, CESAs, technical college districts, private and tribal colleges, public library boards, the Wisconsin Center for the Blind and Visually Impaired, and the Wisconsin Educational Services Program for the Deaf and Hard of Hearing with access to data lines and video links. Data lines are statutorily defined as data circuits capable of providing direct access to the Internet. Video links are statutorily defined as two-way interactive video circuits. In addition, the PSC is required to promulgate rules, in consultation with DOA and the TEACH Board, specifying the telecommunications services eligible for funding under the program.

In the 2001-03 biennium, a total of \$18,007,000 of segregated revenues (SEG) is budgeted to provide access subsidies and grants to public school districts and CESAs. A total of \$8,648,000 SEG is appropriated for providing access to new data lines and video links to private and tribal colleges, WTCS districts, and public library boards in those years. A total of \$2,248,700 SEG is

provided for private school subsidies and grants. In addition, \$134,900 SEG is provided for state residential schools in the 2001-03 biennium. Finally, \$484,500 SEG is provided for the secured juvenile correctional facilities.

Funding for this program is provided through the segregated universal services fund (USF), which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. The monthly assessment for TEACH, effective September 1, 2002, was set at 0.06191% of annual 2001 gross operating revenues from intrastate telecommunications. Assessments for this program will total an estimated \$15.9 million in 2002-03.

Under 1997 Act 27, telecommunications providers are allowed to fully recover their share of assessment costs for USF expenditures related to the TEACH Board through a "pass-through" adjustment applied only to subscribers' local exchange service rates. Local exchange service is defined as basic local exchange service and business access line and usage service within a local calling area. The recovery of such costs may be effected by the telecommunications utility notwithstanding any other rate adjustment provisions under Chapter 196 of the statutes affecting telecommunication utilities.

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 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). The TEACH staff may waive this requirement in situations where the E-rate process would prevent an institution from receiving a service in a timely fashion. Participants in this federal program are prohibited from receiving assistance from the USF for access to other education or library services similar to those provided under the federal program.

The two components of the access program, subsidized access to new data lines or a video link and grants for existing contracts, are described below.

*New Data Line or Video Link.* Under this component of the access program, a school district, charter school, secured correctional facility, private school, CESA, technical college district, private college, public library board, or state residential school may make a request to the TEACH Board for subsidized access to either one new data line or video link. Technical college districts could only participate in this component of the program after the TEACH Board determined that there were sufficient moneys for their participation. A school district with more than one high school may apply for access to both a data line and a video link or more than one data line and video link; however, by administrative rule, a school district may not request access to more data lines or video links than the number of high schools in the district.

If an eligible institution meets certain eligibility requirements, established under state law and administrative rule, and the Board determines that there is sufficient funding, DOA may provide the institution a subsidized data line or video link. The actual access to a data line or a video link is provided by telecommunications providers under contract with DOA. Eligible institutions cannot provide access to the data line to any business entity.

Under 2001 Act 16, a public library board that receives access to a data line under the program may enter into a shared service agreement with a political subdivision, including cities, villages, towns or counties. Such an agreement would provide the political subdivision with access to any excess bandwidth on the data line not used by the library. Library boards are prohibited from selling or accepting anything of value from the political subdivision in exchange for the access and cannot request access to an additional data line for purposes of providing bandwidth to a political

subdivision. Similarly, a political subdivision is prohibited from receiving compensation for providing access to the bandwidth to a third party. The agreements must allow a library to cancel the agreement at any time after providing notice to the subdivision. A library board must provide the TEACH Board with written notice within 30 days after entering into or modifying a shared service agreement.

An approved applicant is required to pay DOA not more than \$100 per month for each data line or video link that relies on a transport medium that operates at a speed of 1.544 megabits per second and not more than \$250 per month for each data line or video link that operates at a different speed. The remaining cost of the data line or video link is paid by the TEACH Board, which receives its funding for this program from the USF.

The actual amount of the subsidy that the TEACH Board provides under this component of the program varies due to a number of factors including: the type of data line or video link installed, the location of the institution, and the contract amounts that DOA negotiates. Based on the state contract amounts for telecommunications access, the total cost of a data line provided by DOA operating at a speed of 1.544 megabits per second is currently \$775 a month; therefore, under an annual contract term a school district would pay \$1,200 per year for the data line and the TEACH Board would pay the remaining \$8,100 per year. The contract amount for data lines operating at a speed other than 1.544 megabits per second is determined on an individual case-by-case basis by DEG, based on cost plus an administrative charge.

Video link prices are site-specific for each of the approved sites. The average video link cost in 2002 is approximately \$2,100 per month. Using this average cost, the school district would pay \$3,000 per year, and the TEACH Board would pay approximately \$22,200 per year. There is also a one-time installation charge of \$2,725 for data lines and video links, set by DEG based on cost plus an

administrative charge, which TEACH pays.

As of November, 2002, applications were approved to support 222 new video links and 557 new data lines. The monthly cost of the new data lines for the approved institutions is approximately \$432,000, without payments from educational institutions deducted. Video link costs are generally financed through the state's master lease program. TEACH makes two payments per year through DOA, in September and March, for the principal and interest, based on the master lease schedule provided by the State's Capital Finance Office. Approximately \$6.6 million in master lease payments will be paid by TEACH in 2002-03. TEACH estimates that over \$40 million in video link-related costs will have been master leased by the close of 2002-03. Some access costs associated with video links that are not master lease eligible are paid outright by TEACH through DOA, and currently total \$350 per month per link.

*Grants for Existing Contracts.* Under this component of the access program, the TEACH Board may award an annual grant to a school district or private school that had in effect on October 14, 1997, (the effective date of the 1997-99 state budget), a contract for access to a data line or video link, as documented by the PSC. Under Act 16, a school district that operates multiple high schools may receive an annual grant from TEACH for each high school covered by the contract. Technical colleges, CESAs, public libraries, and private colleges are not eligible for these grants. The Board is required to set the amount of the grant to be equal to the amount of the subsidy received by an institution under the new data line or video link access program, but the grant may not be greater than the contract cost in effect on October 14, 1997. Districts and private schools that receive funding for existing contracts

are not guaranteed the maximum monthly price of \$100 or \$250 as for a new data line or video link. In addition, an institution may not receive support for both existing contracts and new lines or links under the access program. The existing contracts grant component of the access program will sunset on December 31, 2005.

Table 1 provides information regarding the number of data lines and video links that have been approved for each type of institution as of November, 2002, under both components of the access program.

**Table 1: Telecommunications Access Program: Number of Services Provided by Institution Type -- As of November, 2002**

	New Video Link	New Data Line	Existing Video Link	Existing Data Line	Total
Public School Districts	175	149	100	2	426
CESAs	8	2	NA	NA	10
Charter Schools	0	0	0	0	0
Technical Colleges	16	0	NA	NA	16
Public Libraries	1	356	NA	NA	357
Private Colleges	10	13	NA	NA	23
Private K-12 Schools	7	37	0	0	44
State Schools	2	0	NA	NA	2
Secured Correctional Facilities	3	0	NA	NA	3
<b>Total</b>	<b>222</b>	<b>557</b>	<b>100</b>	<b>2</b>	<b>881</b>

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### Infrastructure Financial Assistance

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Under the TEACH infrastructure financial assistance program, school districts and public libraries may apply for loans and grants to fund the upgrading of electrical wiring in buildings in existence on October 14, 1997, and installation and upgrading of computer network wiring. Schools and libraries are required to pay the debt service on the loans which represent 50% of the financial assistance, and the state pays the debt service for the grants, which are the other half of the financial assistance.

The Board establishes the application procedure for, and the terms and conditions of, the infrastructure financial assistance, which may include the provision of professional building construction services from DOA. The Board also determines the interest rates on the loan portion of the program, which have to be as low as possible but sufficient to fully pay all interest expenses incurred by the state and to provide reserves that would ensure against losses from payment delinquency or default. For loans approved in 2002-03, school districts and libraries can choose a loan term of two to ten years and are charged a 5.0% interest rate and closing costs for their portion of the loan.

Loan proceeds are generated through state general obligation bonds and offered to schools and libraries either under a lease purchase or general obligation bonding agreement. Funding for the grant portion of the program also is derived from the issuance of general obligation bonding. The bonding is issued by the Building Commission, at the request of the TEACH Board and with the approval of the Governor. The term of the loans made under the program cannot exceed ten years.

Under current law, \$100 million of general obligation bonding is authorized for school districts. Act 16 lowered the bonding authorization from \$10 million to \$3 million for infrastructure loans for libraries.

The Board set up two application processes for these loans. School and libraries that began wiring projects, completed construction designs, accepted bids, and signed contracts for services could apply under the fast start process, which closed on August 14, 1998. The TEACH Board allocated \$25 million of the \$100 million available for school districts for these one-time fast start loans. Final payments for the 90 fast start loans for schools totaled \$19.9 million. For the four fast start loans made to public libraries, final payments totaled \$172,738.

Under the second process, school districts and libraries that just started wiring projects may apply for a loan under the standard start process. Applications under this process are accepted on a continuing basis and are reviewed each month. TEACH staff intends to fund all eligible expenses for applicants whose buildings are less than 70% wired, based on the following analysis: (a) the number of classrooms in the school district that have been previously wired, divided by the total number of buildings in the district; (b) the number of classrooms wired for data access in the school district, divided by the total number of classrooms in the school district; (c) the average number of data jacks per wired classroom, divided by the number of students per classroom; and (d) the number of buildings in the loan request for new wiring, divided by the number of buildings not wired. These factors are averaged for each applicant to produce a composite percentage of wiring need. Ninety-five school districts have applied for loans under the standard start process, for a total of approximately \$70.3 million. The Board approved \$70.3 million for these projects, and as of November, 2002, \$36.5 million had been expended. Several large projects are ongoing and account for the remaining bonding authorized by the Board.

Five public libraries have applied for wiring loans under the standard start program, for a total of approximately \$105,000. Approximately \$96,000 had been expended as of November, 2002.

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### **Other Educational Technology Related Activities**

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The TEACH Board is also working on a number of other educational technology activities in addition to administering access, loan, and grant programs. The Board, in cooperation with DEG, provides assistance to eligible educational institutions in procuring educational technology service and

equipment, if requested. Staff from both agencies have developed a clearinghouse of state and University bulletins and DEG procurement information which is available on the TEACH Board website [<http://www.teachwi.state.wi.us>]. The website also contains information and application materials for each of the TEACH programs, Board meeting agenda and minutes and links to educational technology related information.

Also under Act 16, TEACH was required to award grants to public libraries without high-speed data lines as of May 1, 2001, in consultation with DPI. Up to \$500,000 PR was provided for the program, known as REACH, funded with proceeds from a PSC settlement with telecommunications company SBC Ameritech. DPI provided an additional \$100,000 FED for the program. The remaining \$1.5 million in SBC Ameritech settlement monies were used to offset GPR funding for the educational technology block grant program.

Under Act 16, TEACH is required to pay \$175,000 SEG annually to the Racine Unified School District for training teachers and pupils in computers, use of the Internet, Web design, computer animation, graphic design, and video skills. Funding is provided through the USF and is intended to support a local partnership known as the Pegasus project.

TEACH staff also coordinate a statewide consortium of school districts, public libraries, and private schools to apply for E-rate discounts. The E-rate program was created by the federal Telecommunications Act of 1996, and it is administered by the Schools and Libraries Division of the Universal Service Administrative Company, which is connected to the Federal Communications

Commission (FCC). In 1998-99, the first year E-rate was available, schools and libraries applied for discounts individually, collecting \$51,000 statewide. In fiscal years 1999-00 through 2001-02, when TEACH filed consortium applications, over \$10.4 million has been collected in the form of cash reimbursements from statewide service providers. It is estimated that an additional \$3.2 million will be collected in 2002-03.

The TEACH Board has used federal E-rate monies to fund other activities. The Board committed \$400,000 for a literacy initiative to develop an interactive website to assist day care centers and preschools with reading instruction, literacy materials, and literacy lessons. This initiative also involved the creation of video-based resources to model effective reading techniques. The Board used \$300,000 for the IDEAS portal website that provides standards-based curricular materials to educators statewide. The Board also committed \$100,000 to provide additional funding for foreign language grants under the training and technical assistance grant program. The Board expended \$1.5 million to prepay master lease costs incurred for video links. In addition, \$1,215,100 was authorized by the Joint Finance Committee to pay for one-half the cost of three distance education network gateways, and an additional \$270,000 was used for a Milwaukee gateway. Approximately \$100,000 was used to support 1.0 position to coordinate the consortium application. Remaining funds were used to support other TEACH programs, such as prepayment of infrastructure wiring loan debt service. Under Act 16, 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.