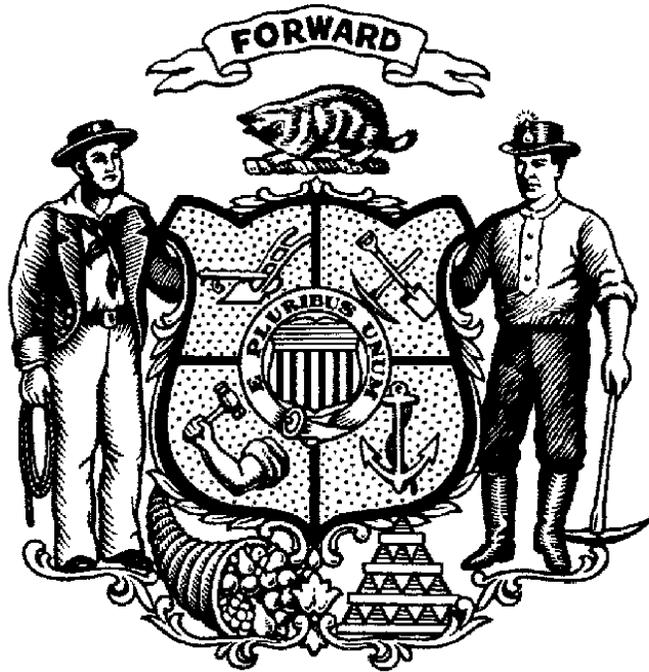


State of Wisconsin

Wisconsin Technical College System



Agency Budget Request
2013 – 2015 Biennium
September 17, 2012

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September 17, 2012

Mike Huebsch, Secretary
Department of Administration
101 E. Wilson St., 10th Floor
Madison, WI 53702

Dear Secretary Huebsch:

Enclosed is the Wisconsin Technical College System (WTCS) 2013-15 biennial budget request. The request includes the System's major budget initiatives, cost-to-continue and program revenue items.

During its deliberations on the budget request, the WTCS Board was very cognizant of the zero percent increase guidelines established by the Department of Administration. At the same time, the Governor identified education and economic competitiveness as key state priorities. Wisconsin's technical colleges continue to be at the forefront of the state's ongoing efforts to close the existing workforce skills gap, putting more people back to work and providing Wisconsin employers the workers they need. By reliably providing high-skilled workers in key sectors, the technical colleges directly support businesses that create or retain jobs in Wisconsin and keep communities strong. Targeted investments in Wisconsin's technical colleges in 2013-15 will produce immediate results and shape Wisconsin's economic development in the next decade and beyond by ensuring the availability of the high-skilled workers employers need to thrive and expand.

Wisconsin is experiencing a workforce paradox: Wisconsin employers cannot find skilled workers at the same time that thousands of Wisconsinites are un- or under-employed, without the skills that employers need. Recent DWD estimates of the number of job openings range from 32,000 to as many as 45,000, with the majority requiring skills or credentials acquired through technical college programs. Although technical college-trained workers will fill many of these jobs, capacity and pipeline challenges inhibit the WTCS from fully meeting employer demand. In June 2012, based on the best information readily available from the employers with whom they regularly collaborate, the colleges estimated a need for at least 39,000 skilled workers over the next two years beyond what they have the capacity to produce. At the same time, nearly 12,000 individuals were on colleges' program wait lists. Of those, more than 4,200 students were on wait lists that existed primarily because of inadequate instructional or physical capacity, not including programs for which the college reported that a significant building project was necessary to address needs. In addition, too few recent high school graduates entering technical college programs and too many adults without the preparation necessary to succeed in rigorous technical programs are squeezing the pipeline of available skilled workers.



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The WTCS Board's 2013-15 biennial budget request is designed to close the state's skills gap by addressing these capacity and pipeline barriers. Specifically:

- **Wisconsin Skills Link** (\$20,000,000 GPR in 2013-14 and \$40,000,000 GPR in 2014-15) builds on the most promising structural elements of the Workforce Advancement Training grant program, the new Workforce Partnership Grants, and Georgia's *Quick Start* Program. It would provide grants on a flexible, continuous basis and bring to bear the necessary resources to implement well-defined solutions beyond short-term incumbent worker training. In addition, *Wisconsin Skills Link* grants would leverage grant funds to secure employer commitments to promising program elements such as paid internships, assistance with student recruitment, donation of needed equipment and supplies, and a commitment to hire participants. Grant funds would be awarded on a competitive basis. In addition, the **Wisconsin Skills Link** initiative would increase the capital expenditure limit in *s. 38.15(1), Wis. Stats.*, from \$1.5 million to \$3 million and exempt expenditures of real property sales and student activity fees from this limit. These changes would afford the colleges additional flexibility to address physical capacity constraints that result in, or contribute to, skills gaps.
- **Adult Career Pathways** (\$10,000,000 GPR annually) expands and maintains adult career pathways more broadly across WTCS programs and institutions. Adult career pathways create specific, achievable options (or "stackable credentials") that clearly and automatically build toward longer-term credentials such as associate and bachelor degrees. Students can step onto the pathway at whatever point is most appropriate for their current academic readiness knowing the types of likely employment for which they will qualify as they earn credentials and move along the pathway. WTCS adult career pathways also commonly include "bridge" courses that allow students who need basic instruction to address those needs without postponing entry into rigorous occupational programs. Grant funds would be divided among all 16 WTCS colleges by formula.
- **Kick Start – Youth Career Pathways** (\$4,000,000 GPR annually) expands youth career pathways for high school students. Youth career pathways allow high school students to take advantage of WTCS dual enrollment options and build upon K12 standards that require local districts to offer Education for Employment programs. While 21,000 students earned dual high school and technical college credits last year, they are a fraction of the potential population that could be earning a college credential faster and entering the workforce with the skills needed by business and industry. Grant funds would be divided among all 16 WTCS colleges by formula.

The WTCS Board is taking steps to increase public access to information on technical college careers and college performance and to provide greater accountability for the public investment in technical and career education. As part of its four-year Strategic Directions, the WTCS Board has established specific performance metrics on which the public and policy makers can chart college progress and outcomes. In addition to considering possible solutions to Wisconsin's skills gap in the 2013-15 biennial budget, the WTCS Board is proposing to tie these and other performance expectations to a proportion of colleges' general aid (\$2,000,000 GPR in 2014-15) and to create a direct link between technical college economic and workforce development outcomes and state resource allocation. This **Performance-based General Aid** initiative includes staff resources for System Board operations to build and implement the new performance based funding system.

The request for an additional \$90.3 million GPR over the biennium is a sizable request when compared to the WTCS 2012-13 base funding level for these activities (\$108.5 million). However, when measured in the context of the state's general fund budget, the recommended proposals are realistic investments that reflect the contribution of the WTCS in growing and strengthening the state economy and improving the quality of life for Wisconsinites. Total state GPR funding for the WTCS (~\$108.5 million) in FY 2012-13 represents about 0.7%

of the state's GPR budget (~\$14.8 billion). Assuming no change in the state's overall GPR budget in the next two years, the recommended 2013-15 request would raise the WTCS share of state GPR by approximately 0.4 percentage points to 1.1% by the second year of the biennium.

I also ask you to consider three budget items that pertain to programs administered by the Higher Educational Aids Board (HEAB). State funding for WTCS student financial aid programs has not met the demand for aid in several years. To reduce students' financial burden and maximize access to career and technical education programs, the WTCS Board supports the following changes to HEAB-administered student aid programs and asks that DOA and the Governor advance them as part of the 2013-15 biennial budget:

- An additional \$34.1 million GPR for WTCS Wisconsin Higher Education Grants, including an additional \$13.4 million in FY 2013-14 and an additional \$20.7 million in FY 2014-15. This increase would help ensure continued access for the growing number of WTCS students needing financial assistance to attend college and reduce the unmet financial need of WTCS students.
- An additional \$253,900 GPR for Minority Undergraduate Retention grants, including an additional \$81,900 in FY 2013-14 and \$172,000 in FY 2014-15. This increase would help reduce the financial barriers of Wisconsin students of color in accessing education and training that lead to high-skill, high-wage careers.
- A statutory change that links WTCS WHEG increases to tuition (program fee) increases. The WTCS Board believes this change is important to ensure that the gap does not continue to increase between the WHEG available for WTCS students and the demand for these grants.

SUMMARY TABLE
Proposed WTCS 2013-15 Budget Request

	2012-13 Base Year <u>Funding</u>	2013-14 <u>Request</u>	2014-15 <u>Request</u>	Biennial Increase <u>over Base</u>
Closing the Skills Gap				
Performance-based General Aid	\$83,500,000	\$ 83,500,000	\$ 85,500,000	\$ 2,000,000
System Operations	2,824,500	2,980,900	3,016,400	348,300
Categorical Aids	22,200,000	56,200,000	76,200,000	88,000,000
<i>Skills Link Categorical Aid</i>	0	20,000,000	40,000,000	60,000,000
<i>Adult Career Pathways Categorical Aid</i>	0	10,000,000	10,000,000	20,000,000
<i>Kick Start (Youth Career Pathways) Categorical Aid</i>	0	4,000,000	4,000,000	8,000,000
GPR Total	\$108,524,500	\$142,680,900	\$164,716,400	\$90,348,300
Requests to Higher Educational Aids Board (HEAB)				
Wisconsin Higher Education Grants (WHEG)	\$18,797,900	\$32,197,900	\$39,497,900	\$34,100,000
<i>Statutory Link between Tuition and WHEG Appropriation</i>				
Minority Undergraduate Retention Grants	\$819,000	\$900,900	\$991,000	\$253,900

DOA Secretary Huebsch
September 17, 2012
Page 5 of 5

On behalf of the Wisconsin Technical College System Board, our students and employer partners, I ask you to consider this request in the context of the state's overall economic condition and the important contributions that technical education and training can make to closing the skills gap, growing our economy and ensuring that all Wisconsinites have access to the education and training needed for family-sustaining employment.

I appreciate your consideration of the WTCS biennial budget request. I look forward to meeting with you and your staff at your convenience. If you need any additional information, please feel free to contact me.

Sincerely,



Morna K. Foy
Vice-President/Executive Assistant
Wisconsin Technical College System

Enclosure

AGENCY DESCRIPTION

The system board is the coordinating agency for the state technical college system. The Governor appoints 10 members of the 13-member board, with the advice and consent of the Senate. Three additional members, the State Superintendent of Public Instruction, a member of the Board of Regents and the secretary of the Department of Workforce Development, serve in an ex officio capacity. The board appoints a system president to administer the agency. Two divisions administer the agency's programs. The board establishes statewide policies and standards for the educational programs and services provided by the 16 technical college districts that cover the entire state. Each nine-member, locally-appointed district board is responsible for the direct operation of its respective school and programs and for hiring a district president. In addition, the Educational Approval Board, which regulates the operation of for-profit postsecondary schools in Wisconsin, is attached to the agency for administrative purposes.

MISSION

The mission of the system is to enable eligible people to acquire the occupational skills training necessary for full participation in the work force stressing job training and retraining, and recognizing the rapidly changing educational needs of the citizens of the state to keep current with the demands of the workplace.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Technical College System

Goal: Expand the pool of skilled workers in the state's labor force.

Objective/Activity: Increase employment by graduates within six months of technical college graduation through targeted outreach efforts to employers.

Objective/Activity: Increase the number of minority students who graduate.

Goal: Increase access to technical and career education through the use of leading-edge instructional technology and techniques.

Objective/Activity: Increase the number of opportunities for technical college students to enroll in distance education offerings.

Goal: Increase postsecondary educational opportunities for young adults and working adults in Wisconsin.

Objective/Activity: Increase the number of technical college students successfully transferring to University of Wisconsin System institutions.

Objective/Activity: Increase the number of credits earned by nontraditional college-age technical college students enrolled in associate degree programs.

PERFORMANCE MEASURES

2011 AND 2012 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2011	Actual 2011	Goal 2012	Actual 2012
1.	Percentage of prior-year graduates employed within six months of graduation.	90%	88%	90%	N/A (survey data received Jan. 2013)
1.	Number of minority students who graduate.	3,000	3,465	3,050	3,759 ¹
1.	Number of credits earned by students enrolled in distance education offerings.	440,000	437,814	450,000	448,087 ¹
1.	Number of students successfully transferring to University of Wisconsin System institutions.	3,100	3,816	3,150	3,724 ¹
1.	Number of associate degree credits earned by students age 24 and older.	600,000	750,759	600,000	716,722 ¹

Note: Based on fiscal year.

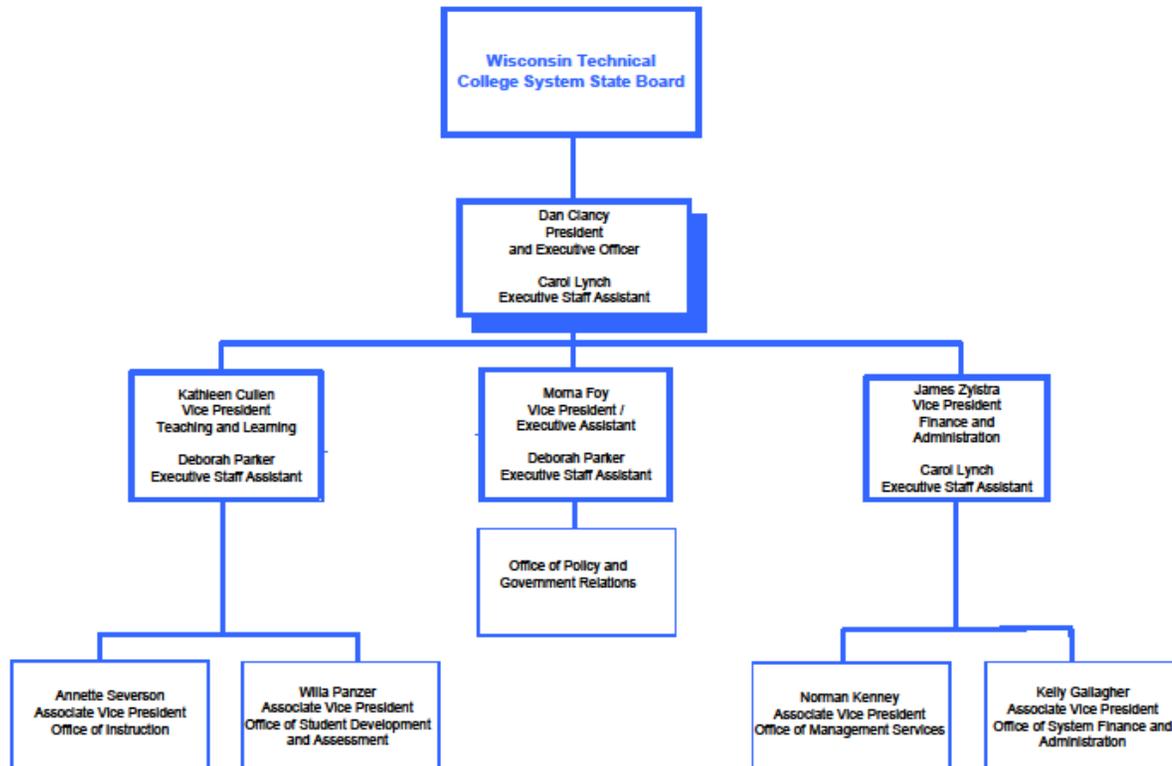
¹ Estimated as of September 14, 2012.

2013, 2014 AND 2015 GOALS

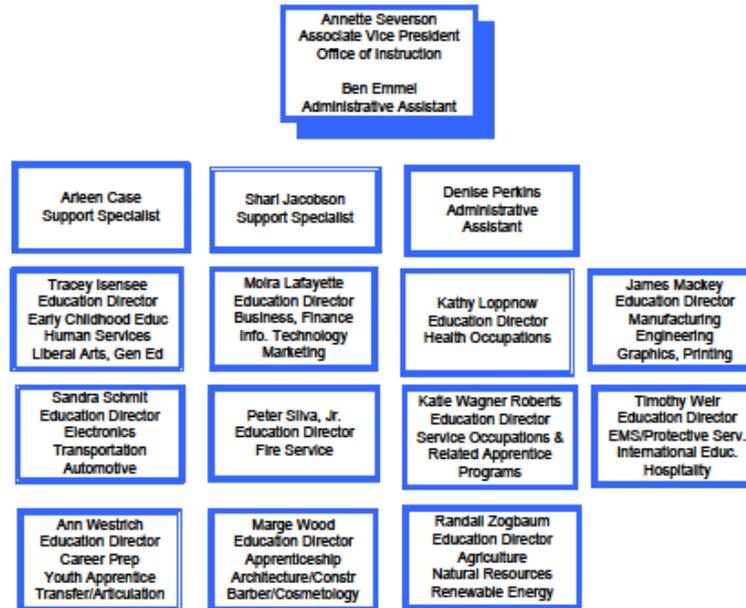
Prog. No.	Performance Measure	Goal 2013	Goal 2014	Goal 2015
1.	Percentage of prior-year graduates employed within six months of graduation.	90%	90%	90%
1.	Number of minority students who graduate.	3,700	3,700	3,700
1.	Number of credits earned by students enrolled in distance education offerings.	450,000	450,000	450,000
1.	Number of students successfully transferring to University of Wisconsin System institutions.	3,700	3,700	3,700
1.	Number of associate degree credits earned by students age 24 and older.	700,000	700,000	700,000

Note: Based on fiscal year.

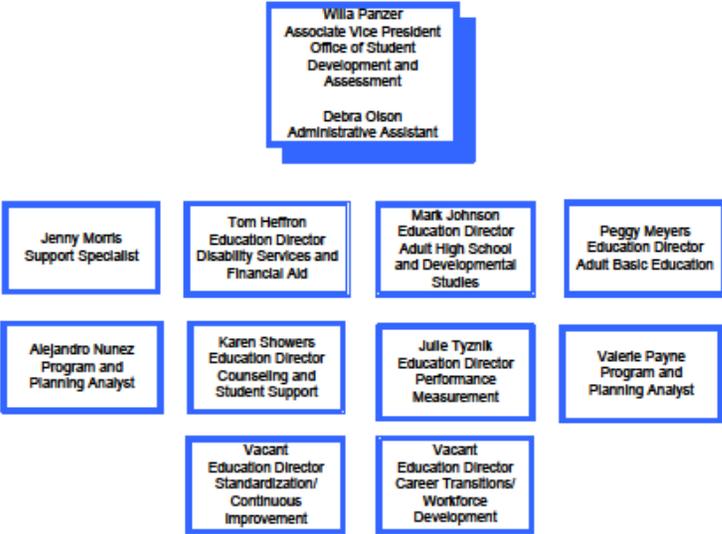
Executive Team



Office of Instruction



Office of Student Development and Assessment



Office of Management Services



Norman Kenney
Associate Vice President
Office of Management Services

Tami Rogers
Office Associate (Receptionist)

Rich Opsahl
Finance Director

Troy Brown
Accountant

Judy Marti
Human Resources/
Payroll Specialist

Dan Scanlon
Director
Facilities Development

Office of Policy and Government Relations



Moma Foy
Executive Assistant
Office of Policy and Government Relations

Deborah Parker
Executive Staff Assistant

Conor Smyth
Policy Advisor

Nancy Merrill
Policy Advisor

Office of System Finance and Administration



Kelly Gallagher
Associate Vice President
Office of System Finance
and Administration

Debra Vincent
Administrative Assistant

John Hurd, Project Mgr
- Sreevall Daruri
- Vijay Kumar
- Tony Stroessennuether
- Cody Williamson

SLDS Project Team

Mike Carney
Administrative
Services Coordinator

Jannice Flanagan
Web Site
Administrator

Sarah Kavanaugh
Certification Specialist

KC Lin
Programmer/Analyst

Vacant
IS Data Services
Professional

Barbara Miller
Education Director
Certification

Pete Petersen
Administrative
Services Coordinator

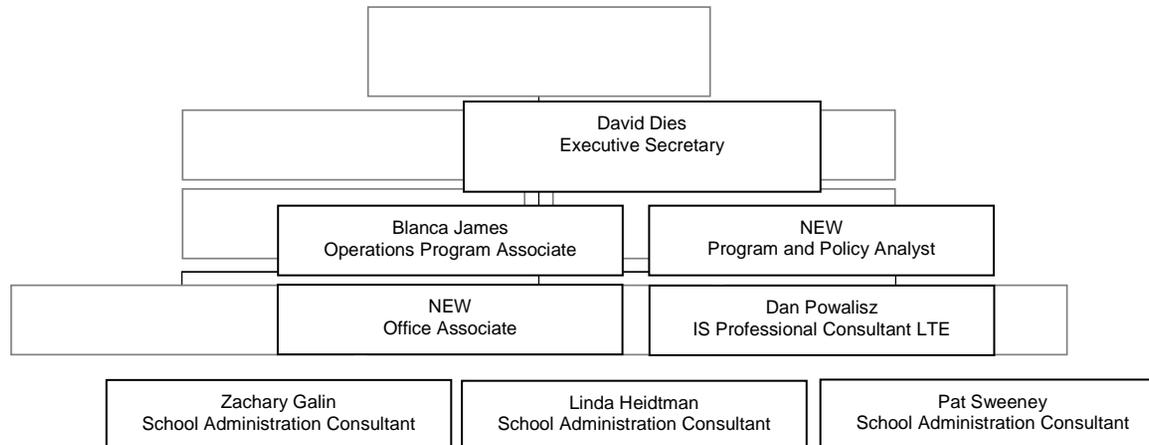
Jason Ring
Director
IS Network

James Wichem
Programmer /
Analyst / Operations

Tim Wetter
Programmer /
Database
Administrator

Educational Approval Board

Organizational Structure



Agency Total by Fund Source

Wisconsin Technical College System

1315 Biennial Budget

		ANNUAL SUMMARY						BIENNIAL SUMMARY			
Source of Funds		Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
GPR	A	\$3,308,599	\$4,252,100	\$4,252,100	\$4,252,100	0.00	0.00	\$8,504,200	\$8,504,200	\$0	0.0%
GPR	L	\$100,368,526	\$101,171,200	\$137,171,200	\$157,171,200	0.00	0.00	\$202,342,400	\$294,342,400	\$92,000,000	45.5%
GPR	S	\$2,750,638	\$2,824,000	\$3,019,300	\$3,061,300	25.25	25.25	\$5,648,000	\$6,080,600	\$432,600	7.7%
Total		\$106,427,763	\$108,247,300	\$144,442,600	\$164,484,600	25.25	25.25	\$216,494,600	\$308,927,200	\$92,432,600	42.7%
PR	A	\$691,037	\$692,900	\$692,900	\$692,900	0.00	0.00	\$1,385,800	\$1,385,800	\$0	0.0%
PR	L	\$1,233,683	\$2,750,000	\$2,750,000	\$2,750,000	0.00	0.00	\$5,500,000	\$5,500,000	\$0	0.0%
PR	S	\$2,290,692	\$1,763,700	\$1,903,800	\$1,905,600	12.50	12.50	\$3,527,400	\$3,809,400	\$282,000	8.0%
Total		\$4,215,412	\$5,206,600	\$5,346,700	\$5,348,500	12.50	12.50	\$10,413,200	\$10,695,200	\$282,000	2.7%
PR Federal	A	\$1,163,064	\$800,000	\$800,000	\$800,000	0.00	0.00	\$1,600,000	\$1,600,000	\$0	0.0%
PR Federal	L	\$23,940,780	\$28,424,300	\$28,424,300	\$28,424,300	0.00	0.00	\$56,848,600	\$56,848,600	\$0	0.0%
PR Federal	S	\$2,811,537	\$3,617,100	\$3,435,300	\$3,436,900	28.75	28.75	\$7,234,200	\$6,872,200	(\$362,000)	-5.0%
Total		\$27,915,381	\$32,841,400	\$32,659,600	\$32,661,200	28.75	28.75	\$65,682,800	\$65,320,800	(\$362,000)	-0.6%
Grand Total		\$138,558,556	\$146,295,300	\$182,448,900	\$202,494,300	66.50	66.50	\$292,590,600	\$384,943,200	\$92,352,600	31.6%

Agency Total by Program

292 Wisconsin Technical College System, Board of

1315 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
01 TECHNICAL COLLEGE SYSTEM										
Non Federal										
GPR	\$106,427,763	\$108,247,300	\$144,442,600	\$164,484,600	25.25	25.25	\$216,494,600	\$308,927,200	\$92,432,600	42.70%
A	\$3,308,599	\$4,252,100	\$4,252,100	\$4,252,100	0.00	0.00	\$8,504,200	\$8,504,200	\$0	0.00%
L	\$100,368,526	\$101,171,200	\$137,171,200	\$157,171,200	0.00	0.00	\$202,342,400	\$294,342,400	\$92,000,000	45.47%
S	\$2,750,638	\$2,824,000	\$3,019,300	\$3,061,300	25.25	25.25	\$5,648,000	\$6,080,600	\$432,600	7.66%
PR	\$3,652,867	\$4,626,200	\$4,629,600	\$4,631,400	6.00	6.00	\$9,252,400	\$9,261,000	\$8,600	0.09%
A	\$668,083	\$624,200	\$624,200	\$624,200	0.00	0.00	\$1,248,400	\$1,248,400	\$0	0.00%
L	\$1,233,683	\$2,750,000	\$2,750,000	\$2,750,000	0.00	0.00	\$5,500,000	\$5,500,000	\$0	0.00%
S	\$1,751,101	\$1,252,000	\$1,255,400	\$1,257,200	6.00	6.00	\$2,504,000	\$2,512,600	\$8,600	0.34%
Total - Non Federal	\$110,080,630	\$112,873,500	\$149,072,200	\$169,116,000	31.25	31.25	\$225,747,000	\$318,188,200	\$92,441,200	40.95%
A	\$3,976,682	\$4,876,300	\$4,876,300	\$4,876,300	0.00	0.00	\$9,752,600	\$9,752,600	\$0	0.00%
L	\$101,602,209	\$103,921,200	\$139,921,200	\$159,921,200	0.00	0.00	\$207,842,400	\$299,842,400	\$92,000,000	44.26%
S	\$4,501,739	\$4,076,000	\$4,274,700	\$4,318,500	31.25	31.25	\$8,152,000	\$8,593,200	\$441,200	5.41%
Federal										
PR	\$27,915,381	\$32,841,400	\$32,659,600	\$32,661,200	28.75	28.75	\$65,682,800	\$65,320,800	(\$362,000)	-0.55%
A	\$1,163,064	\$800,000	\$800,000	\$800,000	0.00	0.00	\$1,600,000	\$1,600,000	\$0	0.00%
L	\$23,940,780	\$28,424,300	\$28,424,300	\$28,424,300	0.00	0.00	\$56,848,600	\$56,848,600	\$0	0.00%
S	\$2,811,537	\$3,617,100	\$3,435,300	\$3,436,900	28.75	28.75	\$7,234,200	\$6,872,200	(\$362,000)	-5.00%
Total - Federal	\$27,915,381	\$32,841,400	\$32,659,600	\$32,661,200	28.75	28.75	\$65,682,800	\$65,320,800	(\$362,000)	-0.55%
A	\$1,163,064	\$800,000	\$800,000	\$800,000	0.00	0.00	\$1,600,000	\$1,600,000	\$0	0.00%

Agency Total by Program

292 Wisconsin Technical College System, Board of

1315 Biennial Budget

L	\$23,940,780	\$28,424,300	\$28,424,300	\$28,424,300	0.00	0.00	\$56,848,600	\$56,848,600	\$0	0.00%
S	\$2,811,537	\$3,617,100	\$3,435,300	\$3,436,900	28.75	28.75	\$7,234,200	\$6,872,200	(\$362,000)	-5.00%
PGM 01 Total	\$137,996,011	\$145,714,900	\$181,731,800	\$201,777,200	60.00	60.00	\$291,429,800	\$383,509,000	\$92,079,200	31.60%
GPR	\$106,427,763	\$108,247,300	\$144,442,600	\$164,484,600	25.25	25.25	\$216,494,600	\$308,927,200	\$92,432,600	42.70%
A	\$3,308,599	\$4,252,100	\$4,252,100	\$4,252,100	0.00	0.00	\$8,504,200	\$8,504,200	\$0	0.00%
L	\$100,368,526	\$101,171,200	\$137,171,200	\$157,171,200	0.00	0.00	\$202,342,400	\$294,342,400	\$92,000,000	45.47%
S	\$2,750,638	\$2,824,000	\$3,019,300	\$3,061,300	25.25	25.25	\$5,648,000	\$6,080,600	\$432,600	7.66%
PR	\$31,568,248	\$37,467,600	\$37,289,200	\$37,292,600	34.75	34.75	\$74,935,200	\$74,581,800	(\$353,400)	-0.47%
A	\$1,831,147	\$1,424,200	\$1,424,200	\$1,424,200	0.00	0.00	\$2,848,400	\$2,848,400	\$0	0.00%
L	\$25,174,463	\$31,174,300	\$31,174,300	\$31,174,300	0.00	0.00	\$62,348,600	\$62,348,600	\$0	0.00%
S	\$4,562,638	\$4,869,100	\$4,690,700	\$4,694,100	34.75	34.75	\$9,738,200	\$9,384,800	(\$353,400)	-3.63%
TOTAL 01	\$137,996,011	\$145,714,900	\$181,731,800	\$201,777,200	60.00	60.00	\$291,429,800	\$383,509,000	\$92,079,200	31.60%
A	\$5,139,746	\$5,676,300	\$5,676,300	\$5,676,300	0.00	0.00	\$11,352,600	\$11,352,600	\$0	0.00%
L	\$125,542,989	\$132,345,500	\$168,345,500	\$188,345,500	0.00	0.00	\$264,691,000	\$356,691,000	\$92,000,000	34.76%
S	\$7,313,276	\$7,693,100	\$7,710,000	\$7,755,400	60.00	60.00	\$15,386,200	\$15,465,400	\$79,200	0.51%

Agency Total by Program

292 Wisconsin Technical College System, Board of

1315 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
02 EDUCATIONAL APPROVAL BOARD										
Non Federal										
PR	\$562,545	\$580,400	\$717,100	\$717,100	6.50	6.50	\$1,160,800	\$1,434,200	\$273,400	23.55%
A	\$22,954	\$68,700	\$68,700	\$68,700	0.00	0.00	\$137,400	\$137,400	\$0	0.00%
S	\$539,591	\$511,700	\$648,400	\$648,400	6.50	6.50	\$1,023,400	\$1,296,800	\$273,400	26.71%
Total - Non Federal	\$562,545	\$580,400	\$717,100	\$717,100	6.50	6.50	\$1,160,800	\$1,434,200	\$273,400	23.55%
A	\$22,954	\$68,700	\$68,700	\$68,700	0.00	0.00	\$137,400	\$137,400	\$0	0.00%
S	\$539,591	\$511,700	\$648,400	\$648,400	6.50	6.50	\$1,023,400	\$1,296,800	\$273,400	26.71%
PGM 02 Total	\$562,545	\$580,400	\$717,100	\$717,100	6.50	6.50	\$1,160,800	\$1,434,200	\$273,400	23.55%
PR	\$562,545	\$580,400	\$717,100	\$717,100	6.50	6.50	\$1,160,800	\$1,434,200	\$273,400	23.55%
A	\$22,954	\$68,700	\$68,700	\$68,700	0.00	0.00	\$137,400	\$137,400	\$0	0.00%
S	\$539,591	\$511,700	\$648,400	\$648,400	6.50	6.50	\$1,023,400	\$1,296,800	\$273,400	26.71%
TOTAL 02	\$562,545	\$580,400	\$717,100	\$717,100	6.50	6.50	\$1,160,800	\$1,434,200	\$273,400	23.55%
A	\$22,954	\$68,700	\$68,700	\$68,700	0.00	0.00	\$137,400	\$137,400	\$0	0.00%
S	\$539,591	\$511,700	\$648,400	\$648,400	6.50	6.50	\$1,023,400	\$1,296,800	\$273,400	26.71%
Agency	\$138,558,556	\$146,295,300	\$182,448,900	\$202,494,300	66.50	66.50	\$292,590,600	\$384,943,200	\$92,352,600	31.56%

Agency Total by Program

292 Wisconsin Technical College System, Board of

Total

1315 Biennial Budget

Agency Total by Decision Item

Wisconsin Technical College System

1315 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	\$146,295,300	\$146,295,300	63.00	63.00
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	(\$131,100)	(\$131,100)	0.00	0.00
3010 Full Funding of Lease and Directed Moves Costs	\$11,800	\$21,700	0.00	0.00
3500 Permanent GPR Reductions	(\$15,200)	(\$15,200)	0.00	0.00
4000 Wisconsin Skills Link	\$20,000,000	\$40,000,000	0.00	0.00
4001 Adult Pathways	\$10,000,000	\$10,000,000	0.00	0.00
4002 Youth Pathways	\$4,000,000	\$4,000,000	0.00	0.00
4003 State Aid- Performance	\$2,000,000	\$2,000,000	0.00	0.00
4006 State Aid- Performance Positions GPR	\$156,400	\$191,900	2.00	2.00
4008 EAB Position and Expenditure Authority	\$73,800	\$73,800	1.50	1.50
4009 Legal Services	\$57,900	\$57,900	0.00	0.00
TOTAL	\$182,448,900	\$202,494,300	66.50	66.50

GPR Earned

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
DATE	September 10, 2012	

Revenue	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$30,000	\$30,000	\$30,000
	\$30,000	\$0	\$0	\$0
Total	\$30,000	\$30,000	\$30,000	\$30,000

GPR Earned

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	02	Educational approval board
DATE	September 11, 2012	

Revenue	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$100,200	\$100,200	\$100,200
	\$99,000	\$0	\$0	\$0
Total	\$99,000	\$100,200	\$100,200	\$100,200

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	01	Local assistance and aids to individuals and organizations
NUMERIC APPROPRIATION	28	Truck driver training

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$62,200	\$62,200	\$62,200	\$0
	\$0	\$0	\$185,000	\$185,000
Total Revenue	\$62,200	\$62,200	\$247,200	\$185,000
Expenditures	\$0	\$0	\$0	\$0
	\$0	\$0	\$97,200	\$35,000
2000 Adjusted Base Funding Level	\$0	\$0	\$150,000	\$150,000
Total Expenditures	\$0	\$0	\$247,200	\$185,000
<u>Closing Balance</u>	\$62,200	\$62,200	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	01	Local assistance and aids to individuals and organizations
NUMERIC APPROPRIATION	37	Fire schools; local assistance

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
	\$600,000	\$600,000	\$600,000	\$600,000
Total Revenue	\$600,000	\$600,000	\$600,000	\$600,000
Expenditures	\$600,000	\$600,000	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$600,000	\$600,000
Total Expenditures	\$600,000	\$600,000	\$600,000	\$600,000
Closing Balance	\$0	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	01	Local assistance and aids to individuals and organizations
NUMERIC APPROPRIATION	38	Interagency projects; local assistance

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	(\$457,900)	(\$348,200)	\$0	\$0
	\$743,400	\$998,200	\$2,000,000	\$2,000,000
Total Revenue	\$285,500	\$650,000	\$2,000,000	\$2,000,000
Expenditures	\$633,700	\$650,000	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$2,000,000	\$2,000,000
Total Expenditures	\$633,700	\$650,000	\$2,000,000	\$2,000,000
Closing Balance	(\$348,200)	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	30	Services for district boards

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	(\$3,700)	\$0	\$0	\$0
	\$4,700	\$4,700	\$50,200	\$50,200
Total Revenue	\$1,000	\$4,700	\$50,200	\$50,200
Expenditures	\$3,000	\$4,700	\$0	\$0
	\$0	\$0	\$4,700	\$4,700
2000 Adjusted Base Funding Level	\$0	\$0	\$45,500	\$45,500
Total Expenditures	\$3,000	\$4,700	\$50,200	\$50,200
Closing Balance	(\$2,000)	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	31	Text materials

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$14,000	\$14,000	\$14,000	\$0
	\$0	\$0	\$101,500	\$115,500
Total Revenue	\$14,000	\$14,000	\$115,500	\$115,500
Expenditures	\$0	\$14,000	\$0	\$0
	\$0	\$0	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$115,500	\$115,500
Total Expenditures	\$0	\$14,000	\$115,500	\$115,500
Closing Balance	\$14,000	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	32	Gifts and grants

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$171,100	\$170,100	\$170,100	\$0
	\$0	\$0	\$0	\$20,600
Total Revenue	\$171,100	\$170,100	\$170,100	\$20,600
Expenditures	\$0	\$0	\$0	\$0
	\$0	\$0	\$149,500	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$20,600	\$20,600
Total Expenditures	\$0	\$0	\$170,100	\$20,600
<u>Closing Balance</u>	\$171,100	\$170,100	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	33	Conferences

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$124,500	\$124,500	\$0	\$0
	\$0	\$0	\$83,300	\$83,300
Total Revenue	\$124,500	\$124,500	\$83,300	\$83,300
Expenditures	\$0	\$124,500	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$72,600	\$72,600
PR Cash Lapse	\$0	\$0	\$10,700	\$10,700
Total Expenditures	\$0	\$124,500	\$83,300	\$83,300
Closing Balance	\$124,500	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	34	Personnel certification

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$27,300	\$56,400	\$18,200	\$0
	\$264,900	\$259,200	\$265,000	\$289,900
Total Revenue	\$292,200	\$315,600	\$283,200	\$289,900
Expenditures	\$235,800	\$297,400	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$259,200	\$259,200
Health Insurance Reserves	\$0	\$0	\$2,400	\$5,700
Compensation Reserve	\$0	\$0	\$3,400	\$6,800
PR Cash Lapse	\$0	\$0	\$18,200	\$18,200
Total Expenditures	\$235,800	\$297,400	\$283,200	\$289,900
Closing Balance	\$56,400	\$18,200	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	35	Gifts and grants

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$1,500	\$1,500	\$0	\$0
	\$0	\$18,500	\$20,000	\$20,000
Total Revenue	\$1,500	\$20,000	\$20,000	\$20,000
Expenditures	\$0	\$20,000	\$0	\$0
	\$0	\$0	\$20,000	\$20,000
Total Expenditures	\$0	\$20,000	\$20,000	\$20,000
<u>Closing Balance</u>	\$1,500	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	36	Fire schools; state operations

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
	\$406,200	\$406,200	\$413,000	\$419,800
Total Revenue	\$406,200	\$406,200	\$413,000	\$419,800
Expenditures	\$406,200	\$406,200	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$406,200	\$406,200
Health Insurance Reserves	\$0	\$0	\$2,800	\$5,500
Compensation Reserve	\$0	\$0	\$4,000	\$8,100
Total Expenditures	\$406,200	\$406,200	\$413,000	\$419,800
Closing Balance	\$0	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	01	Technical college system
SUBPROGRAM	02	Staff services and administration support
NUMERIC APPROPRIATION	39	Interagency projects; state operations

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	(\$154,700)	(\$3,000)	\$0	\$0
	\$390,000	\$390,000	\$238,000	\$238,000
Total Revenue	\$235,300	\$387,000	\$238,000	\$238,000
Expenditures	\$238,300	\$387,000	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$238,000	\$238,000
Total Expenditures	\$238,300	\$387,000	\$238,000	\$238,000
<u>Closing Balance</u>	(\$3,000)	\$0	\$0	\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	02	Educational approval board
SUBPROGRAM	03	Educational approval board
NUMERIC APPROPRIATION	20	Proprietary school programs

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
	\$639,800	\$639,800	\$768,400	\$781,900
Total Revenue	\$639,800	\$639,800	\$768,400	\$781,900
Expenditures	\$539,600	\$539,600	\$0	\$0
Compensation Reserve	\$0	\$0	\$8,500	\$17,200
Wisconsin Retirement System	\$0	\$0	\$100	\$100
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	\$5,000	\$5,000
4008 EAB Position and Expenditure Authority	\$0	\$0	\$73,800	\$73,800
4009 Legal Services	\$0	\$0	\$57,900	\$57,900
2000 Adjusted Base Funding Level	\$0	\$0	\$511,700	\$511,700
Health Insurance Reserves	\$0	\$0	\$5,200	\$10,000
PR Cash Lapse	\$0	\$0	\$36,200	\$36,200
10% lapse	\$0	\$0	\$70,000	\$70,000
Total Expenditures	\$539,600	\$539,600	\$768,400	\$781,900

Closing Balance

\$100,200

\$100,200

\$0

\$0

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	02	Educational approval board
SUBPROGRAM	03	Educational approval board
NUMERIC APPROPRIATION	25	Student protection

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$1,314,700	\$1,584,000	\$1,584,000	\$1,527,400
	\$291,200	\$0	\$0	\$0
Total Revenue	\$1,605,900	\$1,584,000	\$1,584,000	\$1,527,400
Expenditures	\$21,900	\$0	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$56,600	\$56,600
Total Expenditures	\$21,900	\$0	\$56,600	\$56,600
Closing Balance	\$1,584,000	\$1,584,000	\$1,527,400	\$1,470,800

Program Revenue

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
PROGRAM	02	Educational approval board
SUBPROGRAM	03	Educational approval board
NUMERIC APPROPRIATION	35	Closed schools; preservaton of student records

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
	\$1,100	\$1,100	\$12,100	\$12,100
Total Revenue	\$1,100	\$1,100	\$12,100	\$12,100
Expenditures	\$1,100	\$1,100	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$12,100	\$12,100
Total Expenditures	\$1,100	\$1,100	\$12,100	\$12,100
Closing Balance	\$0	\$0	\$0	\$0

Decision Item (DIN) - 2000

Decision Item (DIN) Title - Adjusted Base Funding Level

NARRATIVE

Adjusted Base Funding Level

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	2000	Adjusted Base Funding Level

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$4,455,600	\$4,455,600
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$81,300	\$81,300
05	Fringe Benefits	\$1,498,900	\$1,498,900
06	Supplies and Services	\$1,404,600	\$1,404,600
07	Permanent Property	\$37,800	\$37,800
08	Unalloted Reserve	\$738,700	\$738,700
09	Aids to Individuals Organizations	\$3,080,800	\$3,080,800
10	Local Assistance	\$134,997,600	\$134,997,600
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$146,295,300	\$146,295,300
18	Project Positions Authorized	1.00	1.00
19	Classified Positions Authorized	58.00	58.00
20	Unclassified Positions Authorized	4.00	4.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	2000	Adjusted Base Funding Level			
01	Technical college system				
	01 General program operations	\$2,753,500	\$2,753,500	22.50	22.50
	04 Vocational education instructor occupational competency program	\$67,400	\$67,400	0.00	0.00
	05 State aid for vocational, technical and adult education	\$83,534,900	\$83,534,900	0.00	0.00
	06 Displaced homemakers' program	\$805,300	\$805,300	0.00	0.00
	07 Supplemental aid	\$1,418,200	\$1,418,200	0.00	0.00
	09 Minority student participation and retention grants	\$583,300	\$583,300	0.00	0.00
	11 Farm training program tuition grants	\$141,800	\$141,800	0.00	0.00
	12 Incentive grants	\$6,418,300	\$6,418,300	0.00	0.00
	13 Aid for special collegiate transfer programs	\$1,063,000	\$1,063,000	0.00	0.00
	14 Fee remissions	\$14,200	\$14,200	0.00	0.00
	15 Services for handicapped students; local assistance	\$378,200	\$378,200	0.00	0.00
	16 Training program grants	\$3,970,000	\$3,970,000	0.00	0.00
	19 Apprenticeship curriculum development	\$70,900	\$70,900	0.00	0.00
	22 School-to-work programs for children at risk	\$282,100	\$282,100	0.00	0.00
	23 Faculty development grants	\$786,700	\$786,700	0.00	0.00
	28 Truck driver training	\$150,000	\$150,000	0.00	0.00
	30 Services for district boards	\$45,500	\$45,500	0.00	0.00
	31 Text materials	\$115,500	\$115,500	0.00	0.00
	32 Gifts and grants	\$20,600	\$20,600	0.00	0.00
	33 Conferences	\$72,600	\$72,600	0.00	0.00
	34 Personnel certification	\$259,200	\$259,200	2.00	2.00
	35 Gifts and grants	\$30,200	\$30,200	0.00	0.00
	36 Fire schools; state operations	\$406,200	\$406,200	4.00	4.00
	37 Fire schools; local assistance	\$600,000	\$600,000	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

	38 Interagency projects; local assistance	\$2,000,000	\$2,000,000	0.00	0.00
	39 Interagency projects; state operations	\$238,000	\$238,000	0.00	0.00
	46 Federal aid, local assistance - adult basic education	\$5,350,000	\$5,350,000	0.00	0.00
	47 Federal aid, state operations	\$431,400	\$431,400	4.00	4.00
	49 Federal aid, aids to individuals and organizations, workstudy aids to dist.	\$800,000	\$800,000	0.00	0.00
	50 Federal aid, local assistance - vocational education act	\$22,019,300	\$22,019,300	0.00	0.00
	51 Federal aid, state operations-vocational education act	\$2,731,700	\$2,731,700	24.75	24.75
	53 Federal aid, local assistance - special federal projects	\$1,055,000	\$1,055,000	0.00	0.00
	55 Federal aid, state operations-federal projects	\$258,000	\$258,000	0.00	0.00
	56 Indirect cost reimbursements	\$196,000	\$196,000	0.00	0.00
	60 Agricultural education consultant	\$70,500	\$70,500	0.75	0.75
	61 Health care education programs	\$5,395,500	\$5,395,500	0.00	0.00
	72 Driver education, local assistance	\$304,400	\$304,400	0.00	0.00
	73 Chauffeur training grants	\$189,100	\$189,100	0.00	0.00
	79 Auxiliary services	\$15,200	\$15,200	0.00	0.00
	80 Transfer of Indian gaming receipts; work-based learning programs	\$594,000	\$594,000	0.00	0.00
	81 Interagency and intra-agency programs	\$79,200	\$79,200	0.00	0.00
	Technical college system SubTotal	\$145,714,900	\$145,714,900	58.00	58.00
02	Educational approval board				
	20 Proprietary school programs	\$511,700	\$511,700	5.00	5.00
	25 Student protection	\$56,600	\$56,600	0.00	0.00
	35 Closed schools; preservaton of student records	\$12,100	\$12,100	0.00	0.00
	Educational approval board SubTotal	\$580,400	\$580,400	5.00	5.00
	Adjusted Base Funding Level SubTotal	\$146,295,300	\$146,295,300	63.00	63.00

Decision Item by Numeric

Wisconsin Technical College System

	Agency Total	\$146,295,300	\$146,295,300	63.00	63.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	2000	Adjusted Base Funding Level				
	GPR	A	\$4,252,100	\$4,252,100	0.00	0.00
	GPR	L	\$101,171,200	\$101,171,200	0.00	0.00
	GPR	S	\$2,824,000	\$2,824,000	23.25	23.25
	PR	A	\$692,900	\$692,900	0.00	0.00
	PR	L	\$2,750,000	\$2,750,000	0.00	0.00
	PR	S	\$1,763,700	\$1,763,700	11.00	11.00
	PR Federal	A	\$800,000	\$800,000	0.00	0.00
	PR Federal	L	\$28,424,300	\$28,424,300	0.00	0.00
	PR Federal	S	\$3,617,100	\$3,617,100	28.75	28.75
	Total		\$146,295,300	\$146,295,300	63.00	63.00
Agency Total			\$146,295,300	\$146,295,300	63.00	63.00

Decision Item (DIN) - 3003

Decision Item (DIN) Title - Full Funding of Continuing Position Salaries and Fringe Benefits

NARRATIVE

Standard Budget Adjustment - Full Funding of Continuing Position Salaries and Fringe Benefits

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	3003	Full Funding of Continuing Position Salaries and Fringe Benefits

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	(\$96,100)	(\$96,100)
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	(\$35,000)	(\$35,000)
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	(\$131,100)	(\$131,100)
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3003	Full Funding of Continuing Position Salaries and Fringe Benefits			
01	Technical college system				
	01 General program operations	(\$136,100)	(\$136,100)	0.00	0.00
	Technical college system SubTotal	(\$136,100)	(\$136,100)	0.00	0.00
02	Educational approval board				
	20 Proprietary school programs	\$5,000	\$5,000	0.00	0.00
	Educational approval board SubTotal	\$5,000	\$5,000	0.00	0.00
	Full Funding of Continuing Position Salaries and Fringe Benefits SubTotal	(\$131,100)	(\$131,100)	0.00	0.00
	Agency Total	(\$131,100)	(\$131,100)	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	3003	Full Funding of Continuing Position Salaries and Fringe Benefits				
	GPR	S	(\$136,100)	(\$136,100)	0.00	0.00
	PR	S	\$5,000	\$5,000	0.00	0.00
	Total		(\$131,100)	(\$131,100)	0.00	0.00
Agency Total			(\$131,100)	(\$131,100)	0.00	0.00

Decision Item (DIN) - 3010

Decision Item (DIN) Title - Full Funding of Lease and Directed Moves Costs

NARRATIVE

Standard Budget Adjustment - Full Funding of Lease and Directed Moves Costs

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	3010	Full Funding of Lease and Directed Moves Costs

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$215,000	\$223,300
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	(\$203,200)	(\$201,600)
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$11,800	\$21,700
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3010	Full Funding of Lease and Directed Moves Costs			
01	Technical college system				
	01 General program operations	\$190,200	\$196,700	0.00	0.00
	34 Personnel certification	\$12,400	\$13,300	0.00	0.00
	36 Fire schools; state operations	\$12,400	\$13,300	0.00	0.00
	51 Federal aid, state operations-vocational education act	(\$90,900)	(\$90,200)	0.00	0.00
	55 Federal aid, state operations-federal projects	(\$90,900)	(\$90,000)	0.00	0.00
	81 Interagency and intra-agency programs	(\$21,400)	(\$21,400)	0.00	0.00
	Technical college system SubTotal	\$11,800	\$21,700	0.00	0.00
	Full Funding of Lease and Directed Moves Costs SubTotal	\$11,800	\$21,700	0.00	0.00
	Agency Total	\$11,800	\$21,700	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	3010	Full Funding of Lease and Directed Moves Costs				
	GPR	S	\$190,200	\$196,700	0.00	0.00
	PR	S	\$3,400	\$5,200	0.00	0.00
	PR Federal	S	(\$181,800)	(\$180,200)	0.00	0.00
	Total		\$11,800	\$21,700	0.00	0.00
Agency Total			\$11,800	\$21,700	0.00	0.00

Decision Item (DIN) - 3500

Decision Item (DIN) Title - Permanent GPR Reductions

NARRATIVE

Reduce Appropriation 101

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	3500	Permanent GPR Reductions

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	(\$1,200)	(\$1,200)
06	Supplies and Services	(\$14,000)	(\$14,000)
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	(\$15,200)	(\$15,200)
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3500	Permanent GPR Reductions			
01	Technical college system				
	01 General program operations	(\$14,000)	(\$14,000)	0.00	0.00
	60 Agricultural education consultant	(\$1,200)	(\$1,200)	0.00	0.00
	Technical college system SubTotal	(\$15,200)	(\$15,200)	0.00	0.00
	Permanent GPR Reductions SubTotal	(\$15,200)	(\$15,200)	0.00	0.00
	Agency Total	(\$15,200)	(\$15,200)	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	3500	Permanent GPR Reductions				
	GPR	S	(\$15,200)	(\$15,200)	0.00	0.00
	Total		(\$15,200)	(\$15,200)	0.00	0.00
Agency Total			(\$15,200)	(\$15,200)	0.00	0.00

Decision Item (DIN) - 4000

Decision Item (DIN) Title - Wisconsin Skills Link

NARRATIVE

Din 4000 Narrarive Numeric Appropriation Alpha Appropriation: 20.292(1)(bd) See Issue Paper



Din 4000 Narrative

Numeric Appropriation

Alpha Appropriation: 20.292(1)(bd)

Wisconsin Skills Link

2013-15 Biennial Budget Initiative

Issue

Wisconsin employers cannot find skilled workers at the same time that thousands of Wisconsinites are un- or under-employed, without the skills that employers need. Recent DWD estimates of the number of job openings range from 32,000 to as many as 45,000, with the majority requiring skills or credentials acquired through technical college programs. Although technical college-trained workers will fill many of these jobs, capacity and pipeline challenges inhibit the WTCS from fully meeting employer demand. The pipeline of new, younger skilled workers is constrained by a lack of interest in manufacturing and other technical careers and too few recent high school graduates entering technical college programs.

Despite the recent development of relatively small-scale programs – such as the WTCS Workforce Advancement Training (WAT) grant program and the privately-funded Wisconsin Partnership Grants – the need for skilled workers continues to exceed the capacity of Wisconsin's technical colleges. The skills gap is particularly acute for employers seeking to expand or establish business operations in Wisconsin. *Wisconsin Skills Link* would combine elements of successful programs here – such as WAT and Partnership Grants – and elsewhere, such as the state of Georgia's *Quick Start* program. By addressing the skills gap on a much larger scale, and by supporting training for *new* workers, rather than focusing solely on incumbent workers or students without a connection to a particular employer, this initiative will allow the technical colleges to better meet the needs of employers and individuals seeking training. By addressing both pipeline and capacity issues, *Wisconsin Skills Link* supports the WTCS Board's strategic goals of designing industry-driven, flexible academic programs and services, and expanding Wisconsin's skilled workforce.

Background

The skills gap challenges Wisconsin's technical colleges with both pipeline and capacity issues. The pipeline is constrained because students who could otherwise meet employers' skill demands are often

ATTACHMENT C

placed on wait lists in the very same technical college programs that produce graduates in high-demand sectors like manufacturing, construction, and health care.

As of June 2012, nearly 12,000 prospective program students were on wait lists for programs like Welding, CNC Machining, and Electromechanical Technology, among many others. Technical college leaders reported that two of the primary reasons for the wait lists were related to capacity constraints, either instructional or physical.

At the same time, employers across the state were identifying skill needs in these same sectors, only on an even larger scale. As of June 2012, technical college leaders estimated that area employers would need at least an additional 39,000 skilled workers over the next two years, beyond what the colleges currently have the capacity to produce. The colleges estimated the cost to produce these additional workers at about \$163.5 million, including \$96.5 million in operations and equipment and \$67.0 million in capital building projects.

To cite a specific example, Northeast Wisconsin Technical College, using Department of Workforce Development and *Wisconsin TechConnect* data, estimated that in its local manufacturing sector alone, employers needed 470 more workers in 2011 than the college could deliver given its existing instructional and physical capacity. As a result, employers looking for welders, industrial mechanics, applied engineering techs, CNC machinists, and mechanical design techs could not fully meet their workforce needs. The college estimated it would have needed an additional \$8.5 million to cover the operating and capital costs necessary to close the skills gap in its local manufacturing sector alone.

Two well-received grant programs have helped WTCS collaborate with Wisconsin employers to address existing skills gaps, but on a relatively small scale. WAT grants fund incumbent worker skills training provided by a technical college in partnership with a single employer or small consortium of employers. Since 2006, the grants have enhanced employer productivity and efficiency, but they typically average only about \$25,000, and the short-term training results in relatively modest overall skills gains.

Wisconsin Workforce Partnership Grants – announced in July 2012 by the Wisconsin Covenant Foundation – delivered more funds for relatively greater skills gains, and are designed to produce skilled workers with credentials up to a two-year associate degree. These new grants of up to \$750,000 were awarded to four technical colleges working with a small group of employers and about 400 students. However, demand for the grants far exceeded availability and the grants are part of a three-year pilot program, leaving the program's future uncertain.

A successful program in another state has recently drawn increasing bipartisan interest in Wisconsin. *Quick Start* is operated by Georgia's technical college system and is credited with the successful creation and retention of jobs. It is designed to rapidly respond to employer announcements of increased investment with a detailed plan for customized skills training for workers. In exchange, existing and new businesses in targeted sectors agree to remain in Georgia for an agreed-upon period of time after the assistance is provided.

To address the scale of need identified by Wisconsin employers, a significant investment is needed. *Wisconsin Skills Link* provides that investment by building on the most promising structural elements of the WAT grant program, the Workforce Partnership Grants, and Georgia's *Quick Start*. While it does not provide capital funding, it does allow a modest increase in flexibility to address capital building needs. Like WAT, *Wisconsin Skills Link* would provide grants on a flexible, continuous basis. Like Workforce Partnership grants, it would bring to bear more significant resources for a well-defined need that goes beyond the short-term incumbent worker training provided under WAT grants. Finally, like *Quick Start*, *Wisconsin Skills Link* grants would leverage grant funds to secure employer commitments to promising program elements such as paid internships, assistance with student recruitment, donation of needed equipment and supplies, and a commitment to hire participants.

Wisconsin Skills Link also addresses short-term capacity barriers by increasing technical college capital project flexibility. Considering only the space expansion required to address existing skills gaps, five colleges reported immediate capital expenditure needs for 10 projects that would exceed the current statutory limit of \$1.5 million. For example, Waukesha County Technical College needs to add space at an estimated cost of \$1.9 million to address demand in its Commercial Truck Driving program.

At the same time, the colleges must continue to make significant capital expenditures – beyond simply addressing wait lists – to respond to the rapidly changing facility requirements of programs based on advanced technology, and to update or replace the ever-increasing portion of existing technical college facilities that are more than 30 years old.

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Recent statutory changes included an increase in the colleges' capital expenditure limit from \$1.0 million to \$1.5 million under 2009 Wisconsin Act 28, and the exclusion of student lease or rental revenues from the limit under 2011 Wisconsin Act 32, as a means of financing student residence halls.

Request

Create a new Categorical Aid appropriation of \$20,000,000 GPR in 2013-14 and \$40,000,000 GPR in 2014-15 for grants to address employer-identified skills gaps. The WTCS Board would award these on a competitive and continuous basis, allowing colleges to apply for funds on a flexible schedule. Increase the capital expenditure limit in s. 38.15(1), *Wis. Stats.*, from \$1.5 million to \$3 million and exempt expenditures of real property sales proceeds and certain student activity fees from this limit. These changes would afford the colleges additional flexibility to address physical capacity constraints that result in, or contribute to, skills gaps.

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4000	Wisconsin Skills Link

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$20,000,000	\$40,000,000
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$20,000,000	\$40,000,000
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4000	Wisconsin Skills Link			
01	Technical college system				
	03 Wisconsin Skills Link	\$20,000,000	\$40,000,000	0.00	0.00
	Technical college system SubTotal	\$20,000,000	\$40,000,000	0.00	0.00
	Wisconsin Skills Link SubTotal	\$20,000,000	\$40,000,000	0.00	0.00
	Agency Total	\$20,000,000	\$40,000,000	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4000	Wisconsin Skills Link				
	GPR	L	\$20,000,000	\$40,000,000	0.00	0.00
	Total		\$20,000,000	\$40,000,000	0.00	0.00
Agency Total			\$20,000,000	\$40,000,000	0.00	0.00

Decision Item (DIN) - 4001

Decision Item (DIN) Title - Adult Pathways

NARRATIVE

Din 4001 Narrarive Numeric Appropriation Alpha Appropriation: 20.292(1)(bh) See Issue Paper



Din 4001 Narrative

Numeric Appropriation

Alpha Appropriation: 20.292(1)(bh)

The Pathway to Success: Adult Career Pathways

2013-15 Biennial Budget Initiative

Issue

Wisconsin employers cannot find skilled workers at the same time that thousands of Wisconsinites are un- or under-employed, without the skills that employers need. Recent DWD estimates of the number of job openings range from 32,000 to as many as 45,000, with the majority requiring skills or credentials acquired through technical college programs. Although technical college-trained workers will fill many of these jobs, capacity and pipeline challenges inhibit the WTCS from fully meeting employer demand. The pipeline of potential skilled workers is constrained by rapid changes in workplace processes and technology and an aging workforce leaving too many adults without the preparation necessary to succeed in today's rigorous technical college programs or to redirect their career when job openings occur. The WTCS has used private grant funds and focused existing available System grants to support the development of adult career pathways. Adult career pathways help working and unemployed adults improve their skills and earn credentials needed to succeed in the workplace but expanding and sustaining innovative pathways requires more significant and stable funding than is currently available. Targeted state financial investment would ensure that the WTCS continue its efforts to expand and sustain adult career pathways, which benefits business and industry by providing skilled workers and helps students succeed in the workplace.

Background

Wisconsin has quickly emerged as a national leader in the development of adult career pathways. Between 2009 and 2011, the WTCS promoted pathways that provide working or unemployed adults with clear, achievable options that lead to good jobs and improve the supply of skilled workers needed by Wisconsin's employers.

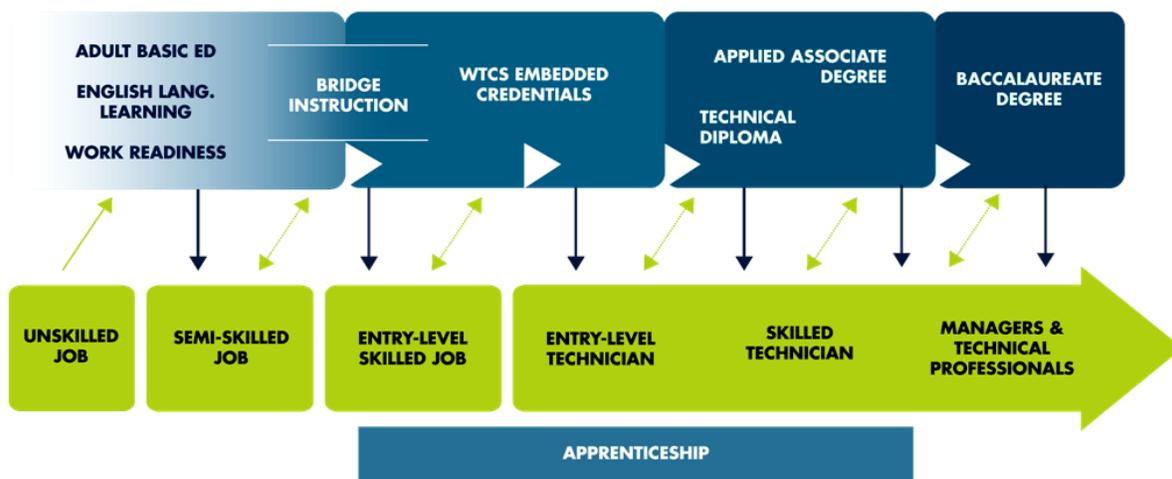
The success of adult career pathways comes from their ability to create specific, achievable options that clearly and automatically build toward longer-term credentials such as associate and bachelor's degrees. Students can step onto the pathway at whatever point is most appropriate for their current academic readiness knowing the types of likely employment for which they will qualify as they earn credentials and move along the pathway, as shown in Figure 1. As students earn these "embedded credentials," their

employment outcomes improve because the embedded credentials represent a specific set of necessary skills identified by business and industries partners who are integral to the development and success of WTCS career pathways.

Adult career pathways created in the WTCS also commonly include remedial education “bridges” that allow students who need basic instruction to address those needs without postponing their entry into postsecondary occupational programs. One strategy for bridge programs pairs basic education and occupational instructors in the same classroom so that students can improve their basic academic abilities and at the same time earn a certificate-level credential that will improve their likely employment outcomes. Early outcome assessments of WTCS bridge programs are encouraging. For example, Moraine Park Technical College reported a 91% completion rate for one of its bridge certificates, with an 89% employment rate. This rate is notable because it is comparable to WTCS completion and employment outcomes for students who do not need remedial education and the need for remedial education often greatly reduces the likelihood that a student will earn a postsecondary credential. In fact, national statistics published by Complete College America indicate that “fewer than 25% of community college students who are placed in remedial education ever receive a degree or certificate.”

Figure 1

WISCONSIN CAREER PATHWAYS



There is growing recognition that adult career pathways represent an important innovation in improving the supply of skilled workers needed in Wisconsin and nationally. For example, the new Workforce Investment Act (WIA) State Plan for Wisconsin developed in 2012 by the Wisconsin Department of Workforce Development emphasizes career pathways. The WIA plan is developed as part of compliance with federal funding Wisconsin receives under the WIA.

At the recommendation of the Governor’s College and Workforce Readiness Council, of which the System President is a member, Governor Walker recently joined Wisconsin in the Complete College America (CCA) Alliance of States. The CCA Alliance of States is committed to increasing the number of students who successfully complete college and achieve degrees and credentials with value in the labor market and to closing attainment gaps for traditionally underrepresented populations. CCA identifies what the WTCS refers to as a bridge model as one of the key steps in successful efforts to transform remediation, which CCA identifies as one of the essential steps for states to achieve the CCA goal of “by 2020, 6 out of 10 young adults in our country will have a college degree or credential of value.” The WTCS commitment to adult career pathways also is an integral part of the WTCS Board’s 2012-2015 strategic directions. Direction 3 is “ensure student success.” Expanding adult career pathway opportunities is the first goal adopted by the Board to ensure student success.

Creating successful adult career pathways, however, requires extensive work and financial commitment by WTCS colleges in close partnership with business and industry to identify the skill sets that form the foundation of the embedded credentials. These embedded credentials distinguish adult career pathways from more traditional class- and place-bound instructional models. Implementing pathways usually

ATTACHMENT D

requires developing new curricula and modifying existing curricula, based on detailed analysis of specific industry training needs done in concert with business and industry experts. Teachers benefit from training on how to appropriately embed remedial bridge instruction into postsecondary coursework when needed and share teaching responsibilities between remedial and occupational instructors in the same classroom. The staffing and staff development activities needed to create and maintain adult career pathways can increase the costs of these pathways when compared to more traditional instructional models.

Once pathway programs are in place, WTCS colleges need additional support for the ongoing costs of two instructors in one classroom as well as support to offer career counseling that is an important tool for recruiting students into adult career pathways programs. For example, career counseling helps students participating in remedial education but who are not in a pathway program understand the options that exist for them to earn postsecondary credentials that are recognized and valued by employers.

The WTCS has worked hard to find financial support for adult career pathway development from private foundations, from reallocation of existing federal grant funds and by partnering with other state agencies such as the DWD to maximize the use of federal funds. These efforts represent a commitment of about \$2 million over the last five years to support local adult career pathway development with an estimated \$500,000 in additional WTCS state grant funds realigned to focus on adult career pathway development.

These resources, however, are inadequate to support the long-term costs of maintaining and expanding adult career pathways more broadly across WTCS programs and institutions. In addition, because grant funding may not be available consistently across multiple years, colleges may find financial support to help them develop an adult career pathway but then not have funds needed to sustain it in later years.

Therefore, because of the WTCS success in moving toward adult career pathways and the broad state and national recognition of the pathways model as an important innovation in providing a skilled workforce, the WTCS needs a state-level financial commitment to keep Wisconsin on the path to success represented by adult career pathways.

Request

To support additional expansion of adult career pathways and the ongoing success of existing pathways, the WTCS requests \$10 million annually in new GPR funding. Funds will be divided among all 16 WTCS colleges using a formula based on the percentage of students at each college age 21 and over enrolled in remedial education. Based on 2010-11 enrollments, adult career pathways awards would range from approximately \$2.4 million for Milwaukee Area Technical College to approximately \$150,000 for Nicolet Area Technical College. In this scenario, remedial education enrollment age 21 and over serves as a proxy for the number of students who could benefit from participating in an adult career pathway program.

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4001	Adult Pathways

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$10,000,000	\$10,000,000
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$10,000,000	\$10,000,000
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4001	Adult Pathways			
01	Technical college system				
	08 Adult Pathways	\$10,000,000	\$10,000,000	0.00	0.00
	Technical college system SubTotal	\$10,000,000	\$10,000,000	0.00	0.00
	Adult Pathways SubTotal	\$10,000,000	\$10,000,000	0.00	0.00
	Agency Total	\$10,000,000	\$10,000,000	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4001	Adult Pathways				
	GPR	L	\$10,000,000	\$10,000,000	0.00	0.00
	Total		\$10,000,000	\$10,000,000	0.00	0.00
Agency Total			\$10,000,000	\$10,000,000	0.00	0.00

Decision Item (DIN) - 4002

Decision Item (DIN) Title - Youth Pathways

NARRATIVE

Din 4002 Narrarive Numeric Appropriation Alpha Appropriation: 20.292(1)(bp) See Issue Paper



Din 4002 Narrative

Numeric Appropriation

Alpha Appropriation: 20.292(1)(bp)

Kick Start: Expand Youth Career Pathways

2013-15 Biennial Budget Initiative

Issue

Wisconsin employers cannot find skilled workers at the same time that thousands of Wisconsinites are un- or under-employed, without the skills that employers need. Recent DWD estimates of the number of job openings range from 32,000 to as many as 45,000, with the majority requiring skills or credentials acquired through technical college programs. Although technical college-trained workers will fill many of these jobs, capacity and pipeline challenges inhibit the WTCS from fully meeting employer demand. The pipeline of new, younger skilled workers is constrained by the time required to gain the complex technical skills employers demand and too few recent high school graduates entering technical college programs. As part of its stated goal to ensure that “by 2020, 6 out of 10 young adults in our country will have a college degree or credential of value,” Complete College America identifies as an essential step that states expand options that reduce time to degree and accelerate success. In Wisconsin, 21,000 high school students enrolled in the WTCS in 2010-11 but currently there are over 65,000 Wisconsin 10th grade students alone who might benefit from a state financial commitment that would kick-start expanded career pathways for high school students.

Encouraging high school students to prepare themselves for postsecondary education and training through dual enrollment in the WTCS along with planning for career success will improve the readiness of these students, thus allowing them to more quickly earn a postsecondary credential and enter the workforce with the skills needed by business and industry. Additional state support will help expand the availability of youth career pathways through which high school students earn WCTS credit while still in high school and smooth their transition into the WTCS when they complete high school.

Background

The WTCS has a long history of helping K12 students prepare for college, based on programs included in state statute and other emerging initiatives that are demonstrating their effectiveness. The WTCS also works closely with K12 partners in their efforts to engage middle school students in career exploration and planning. School district standards included in state statute since the 1990s require K12 districts to offer “Education for Employment” programs to help middle and high school students prepare for future employment, to ensure technological literacy, and to promote lifelong learning, good citizenship, and cooperation among business, industry, labor, postsecondary schools and public schools.

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Helping middle school students understand their education and career options is important for them to recognize the benefits of participating in youth career pathways in high school. This is one way the WTCS collaborates with K12 districts and the Wisconsin Department of Public Instruction as they work to implement their Education for Employment programs.

Active support for helping high school students succeed in the WTCS supports the WTCS Board's strategic direction to deliver high-quality, affordable postsecondary opportunities, which includes goals of limiting the effect of tuition costs on WTCS students and expanding Wisconsin's skilled workforce.

Supporting efforts to help high school students earn dual credit means these students will incur less tuition cost to complete college after they graduate from high school. For example, as shown in Table 1, under various provisions of the compulsory school attendance law created in s. 118.15, *Wis. Stats.*, (which governs K12 districts), students who may attend technical colleges include those:

- age 16 and up who meet definition of children at risk of failing in or dropping out of school;
- age 17 and up who started an HSED at the juvenile correctional facility;
- whose parents request curriculum modifications for their child;
- participating in Tech Prep programs; and
- participating in Youth Options programs.

Prior to 2011, federal Carl D. Perkins Career and Technical Education funding supported Tech Prep programs. These federal funds helped Wisconsin's technical colleges work with local K12 districts to ensure that high school students had access to career and technical education (CTE) courses offered at the high school or technical college and that both middle and high school students benefit from career exploration and planning activities. Through Tech Prep support, high school students earn college credits by either taking advanced standing courses offered at their high school or by actually enrolling in WTCS courses while still in high school. Students who take advanced standing courses in high school receive technical college credit for these courses when they enroll at a WTCS college based on articulation agreements between K12 districts and individual WTCS colleges that define eligible courses. The 2011 reauthorization of the Perkins Act discontinued designated funding for Tech Prep activities. Since 2011, the WTCS has opted to reallocate other federal funds to help maintain these activities.

The Youth Options program allows public high school juniors and seniors who meet certain requirements to take WTCS courses where the approved courses count toward both high school graduation and earn college credit. Students participating in Youth Options courses do not pay for courses. Instead, K12 School Boards approve and must pay the cost for students who take WTCS courses under the Youth Options program when the school district does not offer a comparable course. Some have suggested that, because local K12 districts must pay the costs of WTCS courses offered through the Youth Options program, these costs create a disincentive that limits this program.

Table 1
High School Students in the WTCS
2002-03 through 2010-11

Fiscal Year	118.15, Wis Stats Compulsory Attendance	Youth Options	Other Technical College Credit	Unduplicated Total*
2002-03	3,227	3,315	7,890	13,931
2003-04	2,632	3,157	8,154	13,511
2004-05	2,468	3,025	8,629	13,783
2005-06	2,276	2,896	8,663	13,507
2006-07	1,996	3,019	11,196	15,857
2007-08	2,223	2,563	12,324	16,726
2008-09	2,067	2,863	13,922	18,407
2009-10	1,891	2,912	16,853	21,139
2010-11	1,669	2,392	18,252	21,841

* Students are only counted once in the unduplicated total even if they took credit in multiple categories.

The sharp increase (131.3%) in the high school students earning “other technical college credit” represents the system-wide commitment to providing new avenues to skilled jobs for high school students through youth career pathways, which are also sometimes referred to as “rigorous programs of study.” These youth career pathways, organized within the *National Career Cluster Framework*,™ allow high school students to earn postsecondary credits through dual enrollment thus accelerating their attainment of industry-recognized postsecondary credentials for jobs ranging from Accounting to Automotive Tech and Engineering to Health Sciences.

Youth career pathways did not exist prior to 2007 but almost 2,700 were available by Fall 2011. The increase is a result of collaboration between the WTCS and the Department of Public Instruction that focuses on assisting K12 districts develop a full range of postsecondary options. These efforts allow high school students to take advantage of WTCS dual enrollment options and build upon K12 standards that require local districts to offer Education for Employment programs.

The creation and success of youth career pathways requires curriculum modifications and the development of articulation agreements between K12 districts and technical colleges to ensure credit portability; implementation of accountability and evaluation systems, and access to career planning and academic advising. While dual credit primarily emphasizes high school students, both high school and middle school students benefit from career planning and academic advising included as integral parts of youth career pathways.

For the last two years, the WTCS committed approximately \$687,000 in federal reserve funds available for statewide use under the Perkins Act to help colleges expand the development of youth career pathways that allow for dual enrollment of high school students. The available funding is distributed to all 16 technical colleges using a formula that establishes a base amount of \$25,000 per college plus an additional amount calculated based on the number of K12 districts and 10th grade students included within the geographic boundaries of each technical college district. The total allocation for all 16 colleges in the upcoming year ranges from \$31,000 available to Nicolet Area Technical College to \$59,000 available to Madison Area Technical College. Colleges can use these funds, for example, to:

- develop and implement youth career pathways and articulation agreements needed to offer these programs and ensure that participating students qualify to move high school credits with them when they enroll in the WTCS;
- offer career development opportunities in technical fields such as career fairs, tech camps and tours of technical colleges that increase student interest in CTE fields;

ATTACHMENT E

- assist in curriculum development and revisions that ensure alignment of secondary and postsecondary education so that high school students are adequately prepared to succeed in postsecondary programs;
- support staff development activities that relate to improving youth career pathways outcomes; and
- develop work-based learning opportunities for students.

While WTCS colleges are working hard to expand the dual enrollment options available to K12 students, additional state investment would focus these efforts and allow for even greater expansion of youth career pathways. Because youth career pathways focus on dual enrollment, increasing student participation will speed their time to earning a WTCS postsecondary credential.

Request

Create a new categorical appropriation of \$4,000,000 GPR annually to support additional expansion of youth career pathways for high school students in grades 9 through 12 based on emerging and forecasted labor market needs.

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4002	Youth Pathways

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$4,000,000	\$4,000,000
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$4,000,000	\$4,000,000
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4002	Youth Pathways			
01	Technical college system				
	10 Youth Pathways	\$4,000,000	\$4,000,000	0.00	0.00
	Technical college system SubTotal	\$4,000,000	\$4,000,000	0.00	0.00
	Youth Pathways SubTotal	\$4,000,000	\$4,000,000	0.00	0.00
	Agency Total	\$4,000,000	\$4,000,000	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4002	Youth Pathways				
	GPR	L	\$4,000,000	\$4,000,000	0.00	0.00
	Total		\$4,000,000	\$4,000,000	0.00	0.00
Agency Total			\$4,000,000	\$4,000,000	0.00	0.00

Decision Item (DIN) - 4003

Decision Item (DIN) Title - State Aid- Performance

NARRATIVE

Din 4003 Narrarive Numeric Appropriation Alpha Appropriation: 20.292(1)(da) See Issue Paper



Din 4003 Narrative

Numeric Appropriation

Alpha Appropriation: 20.292(1)(da)

Performance Accountability

2013-15 Biennial Budget Initiative

Issue

The 2011-13 biennial budget included a historical reduction in WTCS general aid in the amount of \$35.8 million annually. Unlike other state appropriation cuts in the 2011-13 budget, the WTCS general aid reduction was not offset by healthcare and pension cost savings generated by the budget repair legislation (2011 Act 10). As a result, the WTCS has fewer resources to respond to rising demand for technical college-trained workers. To expand capacity, increase the pipeline of skilled workers and address the state's immediate skill mismatch, the WTCS requires additional targeted resources. At the same time, the WTCS requires additional general aid to maintain access to technical education programs throughout the state and to reinforce Wisconsin's commitment to developing the nation's highest skilled workforce.

Constraints on public resources and increased expectations for transparency and accountability in public expenditures are driving renewed interest in the establishment of performance-based funding mechanisms. The WTCS Board is taking steps to increase public access to information on technical college careers and college performance and to provide greater accountability for the public investment in technical and career education. One of the WTCS Board's 2012-15 Strategic Direction goals is to establish the WTCS as a priority for resource allocations based on its vital role in workforce and economic development and within the Strategic Directions the WTCS Board has established specific performance metrics on which the public and policymakers can chart college progress and outcomes. Nationally, private education and policy organizations and the federal government are encouraging the establishment of performance-based funding mechanisms for public education. The recently released "Sullivan Report" on Wisconsin's workforce development efforts recommends performance based budgeting for K-16 education. It is expected that the soon-to-be released "Be Bold II Report" will contain similar recommendations.

Tying the WTCS Board's existing performance metrics and measurable expectations of WTCS stakeholders to a percentage of colleges' general aid would create a direct link between technical college economic and workforce development outcomes and state resource allocation.

Background

General aid is the primary source of WTCS state revenues. The purpose of general aid is to ensure access to high quality technical education programs throughout the state. It represents Wisconsin's investment in maintaining a highly-skilled, technically-proficient workforce. Between FYs 1996-97 and 2000-01, the general aid appropriation increased 7.4%. The appropriation remained constant at \$118.4 million for the next decade (FY 2009-10). In the 2009-11 biennial budget the general aid appropriation increased just under 1% to a total of \$119.3 million. In the 2011-13 biennial budget the general aid appropriation decreased \$35.8 million annually to a total of \$83.5 million, a 30% reduction.

Because the 2011-13 budget also froze technical college levies, this reduction could not be offset by increased property tax revenues, even in districts experiencing property value growth. Moreover, the WTCS general aid reduction was not offset fully by Act 10 cost savings. According to the Legislative Fiscal Bureau, estimated savings from pension and health premium contributions under Act 10 could equal up to \$21.8 million in 2011-12 and \$29.3 million in 2012-13. Assuming these maximum cost savings are realized, the WTCS will experience a net loss of approximately \$20.4 million over the biennium.

In the last seven years, the WTCS Board has lost nearly a quarter of its position authority and funding. The WTCS Board currently has 54 FTE positions, or 17 FTE positions fewer than the 71 FTE positions in 2006. Over this period, the WTCS Board staff have expanded services to the districts, provided increased public accountability functions and actively participated in new collaborative projects with UWS, WAICU, DPI, DWD, and private philanthropic organizations to improve educational opportunities and success for students. The System President has managed this increased workload at a time of declining staff resources through greater use of technology, process improvements, flexible staffing assignments and the pursuit of private and federal grant funds. However, current staffing levels are insufficient to expand on evaluation and accountability efforts, creating a disconnect between the data we collect, the performance outcomes we achieve, and our ability to report and use this information to its full potential.

With support from the Lumina Foundation and other private funders, the Community College Research Center has done some extensive analysis of state efforts to establish performance funding for education. Only half of all states have ever created performance funding for higher education, and nearly half of those states have eventually discontinued the practice. The experiences of states that have tried or considered performance funding and those whose performance funding systems eventually failed provide best practices for success and identify potential pitfalls to avoid. Broadly, the experiences of other states emphasizes the importance of support from the higher education community, business and industry, and other education stakeholder groups to the successful establishment and sustainability of any performance-based funding model. Other specific attributes of successful education performance-based funding systems include:

Recognition of different institutional missions. Variations in institutional missions are recognized by using multiple and varied measures that reward different missions and dis-incentivize negative behavior. For example, if colleges are measured solely on outcomes such as course completion or credit accrual, the system could end up incentivizing negative behavior such as relaxing grading standards or becoming more selective in admissions. Examples of performance measures used in other states include:

- Remedial and Developmental Success;
- Dual enrollments;
- GEDs, high school diplomas awarded by community colleges;
- Transfers;
- Certificates;
- Persistence;
- Job placement;

- Wages;
- Completion of critical occupations programs;
- Alignment with institution and state goals;
- Minority student graduation;
- Time to degree;
- Credit accumulation;
- Degrees awarded;
- Degrees per FTE student;
- Three and six-year graduation rates; and
- Research and service expenditures.

New money. Allocating existing funds creates funding uncertainty, does not reward exceptional performance and may penalize institutions with good performance outcomes but little relative change in those outcomes from year to year.

Stakeholders included in system design and implementation. In particular, college leadership, faculty and staff should lead the design process. In addition, business and higher education leaders must come together in the design process to minimize distrust and ensure support from both groups. Finally, other education stakeholder groups such as student advocates and policymakers should be involved. Failure to involve key stakeholders in the design and implementation process is a primary cause of the demise of performance funding systems in other states. The WTCS Board's 2012-15 Strategic Directions contain specific performance measures that could be the basis for a broader, stakeholder-developed performance funding system. These measures include:

- The number of degrees and certificates awarded;
- The percentage of High School students enrolled within three years of graduation;
- The number of programs with industry-validated "Technical Skill Attainment" curriculum;
- The average unmet need of students completing the FAFSA;
- The number of Adult Career Pathway Bridges and embedded credentials;
- The percentage of ABE/ELL students completing postsecondary courses;
- The percentage of program students retained from Fall to Spring semester;
- The number of program students graduating in 3 and 5 years; and
- Job placement rates for WTCS graduates.

Insulation from funding variations. Imbedding performance funds within a larger appropriation may protect them from standing out as an easy budget reduction target. For the WTCS, this option is complicated by the WTCS statutory general aid formula. Alternatively, the impact of funding variations could be reduced by limiting the size of the performance-based "fund" or by starting small and making incremental increases. From 1996 to 2008, Florida's performance based funding ranged from 9% to 2.0% of the state community college operations appropriation. Tennessee's performance fund allocation started at 0.68% of public higher education operating expenses in 1978 (about \$2.1 million) and grew to 4.13% over the next 30 years (to \$56.3 million in 2007-08). After three decades of using and refining its performance funding system, in 2010 Tennessee created a second performance funding system that includes virtually all public higher education funding. The original performance fund still exists.

Minimized implementation costs. These costs can be reduced dramatically by relying on data the WTCS already collects to demonstrate performance outcomes.

ATTACHMENT F

Regular Reassessment. To maintain interest, support, and relevancy, performance measures should be regularly assessed by stakeholders. Moreover, institutional and administrative leaders must remain open to changes and be provided the authority to adjust the measures used over time.

Continuous Communication. Communication among education stakeholders and between colleges and out-side policymakers is a key to ensuring performance measures reflect broader college and state goals and that policymakers use performance data in resource decisions.

Request

Create a new \$2,000,000 GPR general aid annual appropriation for technical college operations allocated based on performance measures established by the WTCS Board. Provide funding in the second year of the biennium to allow time for broad stakeholder involvement in the design and implementation of the performance-based funding system.

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4003	State Aid- Performance

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$2,000,000	\$2,000,000
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$2,000,000	\$2,000,000
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4003	State Aid- Performance			
01	Technical college system				
	18 State Aid- Performance	\$2,000,000	\$2,000,000	0.00	0.00
	Technical college system SubTotal	\$2,000,000	\$2,000,000	0.00	0.00
	State Aid- Performance SubTotal	\$2,000,000	\$2,000,000	0.00	0.00
	Agency Total	\$2,000,000	\$2,000,000	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4003	State Aid- Performance				
	GPR	L	\$2,000,000	\$2,000,000	0.00	0.00
	Total		\$2,000,000	\$2,000,000	0.00	0.00
Agency Total			\$2,000,000	\$2,000,000	0.00	0.00

Decision Item (DIN) - 4006

Decision Item (DIN) Title - State Aid- Performance Positions GPR

NARRATIVE

Din 4003 Narrarive Numeric Appropriation Alpha Appropriation: 20.292(1)(da) See Issue Paper



Din 4003 Narrative

Numeric Appropriation

Alpha Appropriation: 20.292(1)(da)

Performance Accountability

2013-15 Biennial Budget Initiative

Issue

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- Certificates;
- Persistence;
- Job placement;

- Wages;
- Completion of critical occupations programs;
- Alignment with institution and state goals;
- Minority student graduation;
- Time to degree;
- Credit accumulation;
- Degrees awarded;
- Degrees per FTE student;
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- The number of Adult Career Pathway Bridges and embedded credentials;
- The percentage of ABE/ELL students completing postsecondary courses;
- The percentage of program students retained from Fall to Spring semester;
- The number of program students graduating in 3 and 5 years; and
- Job placement rates for WTCS graduates.

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ATTACHMENT F

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Continuous Communication. Communication among education stakeholders and between colleges and out-side policymakers is a key to ensuring performance measures reflect broader college and state goals and that policymakers use performance data in resource decisions.

Request

Create a new \$2,000,000 GPR general aid annual appropriation for technical college operations allocated based on performance measures established by the WTCS Board. Provide funding in the second year of the biennium to allow time for broad stakeholder involvement in the design and implementation of the performance-based funding system. Provide an additional \$197,500 GPR and 2.0 FTE positions in System operations in each year of the biennium to build and implement the new performance based funding system.

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4006	State Aid- Performance Positions GPR

	Expenditure items	1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$79,000	\$105,300
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$27,400	\$36,600
06	Supplies and Services	\$50,000	\$50,000
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$156,400	\$191,900
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	2.00	2.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4006	State Aid- Performance Positions GPR			
01	Technical college system				
	01 General program operations	\$156,400	\$191,900	2.00	2.00
	Technical college system SubTotal	\$156,400	\$191,900	2.00	2.00
	State Aid- Performance Positions GPR SubTotal	\$156,400	\$191,900	2.00	2.00
	Agency Total	\$156,400	\$191,900	2.00	2.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4006	State Aid- Performance Positions GPR				
	GPR	S	\$156,400	\$191,900	2.00	2.00
	Total		\$156,400	\$191,900	2.00	2.00
Agency Total			\$156,400	\$191,900	2.00	2.00

Decision Item (DIN) - 4007

Decision Item (DIN) Title - Statutory Language-Capitol Projects

NARRATIVE

See Statutory Language change paper

Capital Projects

STATUTORY CHANGE

The WTCS Board proposes a change to the statutory language governing capital projects that would allow technical college district boards to carry out capital building and remodeling projects of up to \$3,000,000 without requiring a public referendum. The current limit for such projects of \$1,500,000 was last increased in 2009.

Section _____. 38.15(1) of the statutes is amended to read:

Financing of capital expenditures. Financing of capital expenditures. (1) Subject to sub. (3), if the district board intends to make a capital expenditure in excess of ~~\$1,500,000~~ \$3,000,000, excluding moneys received from gifts, grants, ~~or federal funds, student activity fees collected under s. 38.14(9) or the sale of real property,~~ for the acquisition of sites, purchase or construction of buildings, the lease/purchase of buildings if costs exceed ~~\$1,500,000~~ \$3,000,000 for the lifetime of the lease, building additions or enlargements or the purchase of fixed equipment relating to any such activity, it shall adopt a resolution stating its intention to do so and identifying the anticipated source of revenue for each project and shall submit the resolution to the electors of the district for approval.

Section _____. 67.05(6m)(a) of the statutes is amended to read:

Hearing and referendum in technical college districts. (a) An initial resolution adopted by a technical college district board for an issue of bonds in an amount of money not exceeding ~~\$1,500,000~~ \$3,000,000 for building remodeling or improvement need not be submitted to the electors of the district for approval unless within 30 days after the initial resolution is adopted there is filed with the technical college district secretary a petition conforming to the requirements of s. 8.40 requesting a referendum thereon. Such a petition shall be signed by electors from each county lying wholly or partially within the district. The number of electors from each county shall equal at least 1.5% of the population of the county as determined under s. 16.96(2)(c). If a county lies in more than one district, the technical college system board shall apportion the county's population as determined under s. 16.96(2) (c) to the districts involved and the petition shall be signed by electors equal to the appropriate percentage of the apportioned population. Any initial resolution adopted under sub. (1) in an amount of money not exceeding ~~\$1,500,000~~ \$3,000,000 at the discretion of the district board, may be submitted to the electors without waiting for the filing of a petition. All initial resolutions adopted under sub. (1) in an amount of money in excess of ~~\$1,500,000~~ \$3,000,000 or more for building remodeling or improvement shall be submitted to the electors of the district for approval. If a referendum is duly petitioned or required under this subsection, bonds may not be issued until the electors of the district have approved the issue.

Section _____. 67.12(12)(e)5 of the statutes is amended to read:

Borrowing on promissory notes. 5. Within 10 days of the adoption by a technical college district board of a resolution under subd. 1 to issue a promissory note for a purpose under s.38.16(2), the secretary of the district board shall publish a notice of such adoption as a class 1 notice, under ch. 985. The notice need not set forth the full contents of the resolution, but shall state the amount proposed to be borrowed, the method of borrowing, the purpose thereof, that the resolution was adopted under this subsection and the place where and the hours during which the resolution is available for public inspection. If the amount proposed to be borrowed is for building remodeling or improvement and does not exceed ~~\$1,500,000~~ \$3,000,000 or is for movable equipment, the district board need not submit the resolution to the electors for approval unless, within 30 days after the publication or posting, a petition conforming to the requirements of s. 8.40 is filed with the secretary of the district board requesting a referendum at a special

election to be called for that purpose. Such petition shall be signed by electors from each county lying wholly or partially within the district. The number of electors from each county shall equal at least 1.5% of the population of the county as determined under s. 16.96(2)(c). If a county lies in more than one district, the technical college system board shall apportion the county's population as determined under 16.96(2)(c) to the districts involved and the petition shall be signed by electors equal to the appropriate percentage of the apportioned population. In lieu of a special election, the district board may specify that the referendum shall be held at the next succeeding spring primary or election or September primary or general election. Any resolution to borrow amounts of money in excess of ~~\$1,500,000~~ \$3,000,000 for building remodeling or improvement shall be submitted to the electors of the district for approval. If a referendum is held or required under this subdivision, no promissory note may be issued until the issuance is approved by a majority of the district electors voting at such referendum. The referendum shall be noticed, called and conducted under s.67.05(6a) insofar as applicable, except that the notice of special election and ballot need not embody a copy of the resolution and the question which shall appear on the ballot shall be "Shall (name of district) be authorized to borrow the sum of \$... for (state purpose) by issuing its general obligation promissory note (or notes) under section 67.12 (12) of the Wisconsin Statutes."

RATIONALE

Wisconsin Skills Link addresses colleges' short-term physical capacity constraints, thereby increasing their ability to deliver skilled workers, by increasing capital project flexibility.

The colleges must also continue to make significant capital expenditures – beyond simply addressing wait lists – to respond to the rapidly changing facility requirements of programs based on advanced technology, and to update or replace the ever-increasing portion of existing technical college facilities that are more than 30 years old.

Recent statutory changes included an increase in the colleges' capital expenditure limit from \$1.0 million to \$1.5 million under 2009 Wisconsin Act 28, and the exclusion of student lease or rental revenues from the limit under 2011 Wisconsin Act 32, as a means of financing student residence halls.

Decision Item (DIN) - 4008

Decision Item (DIN) Title - EAB Position and Expenditure Authority

NARRATIVE

See Issue paper

**DECISION ITEM REQUEST
EDUCATIONAL APPROVAL BOARD
2013-15 BIENNIAL BUDGET REQUEST**

Title of Request: Position & Expenditure Authority Adjustment **DIN:** 40XX
Appropriation: Alpha – s.20.292(2)(g) Numeric – 220 **Funding Amount:** \$73,800

NARRATIVE JUSTIFICATION

I. Request/Objective

The Educational Approval Board (EAB) is requesting a technical adjustment to its position and expenditure authority for the 2013-15 biennium to reflect changes authorized by the Department of Administration (DOA) and the Joint Committee on Finance (JCF) pursuant to s.16.515/16.505(2), *Wis. Stats.*, during FY 13.

II. Benefit

This technical adjustment is necessary to continue the increased position and expenditure authority that was authorized for the EAB during FY 13.

III. Background

The EAB is an independent unit of state government responsible for regulating private postsecondary education in Wisconsin; including more than 200 for-profit and non-profit schools, colleges, and universities. These institutions serve approximately 60,000 adults annually in more than 800 different types of degree and non-degree programs.

IV. Analysis of Need

On August 27, 2012 the EAB received approval to increase its permanent position and expenditure authority pursuant to s.16.515/16.505(2), *Wis. Stats.* Because approval was granted subsequent to the establishment of base position and funding levels for the 2013-15 biennium, a request to adjust the EAB's position and expenditure authority for FY 14 and FY 15 is needed. A copy of the approved Chapter 16 request is attached.

V. Alternatives

Not Applicable

VI. Statutory Language

Not Applicable Page 2 of 2

VII. Internal / External Impact

Not Applicable

VIII. Fiscal Impact

The increased position and expenditure authority associated with this request in each year of the biennium is detailed below.

Salary Fringe¹ S&S FTE

Program & Policy Analyst 35,200 12,200 1,200 1.0

Office Associate 13,400 4,700 1,200 0.5

Move Related Rent -- -- 6,100 na

Total 48,600 16,700 8,500 1.5

STATE OF WISCONSIN

SENATE CHAIR
Lena C. Taylor

316 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5810



ASSEMBLY CHAIR
Robin Vos

309 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-9171

Joint Committee on Finance

August 27, 2012

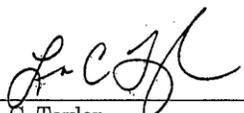
Secretary Michael Huebsch
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53703

Dear Secretary Huebsch:

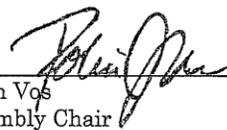
We are writing to inform you that the Joint Committee on Finance has reviewed the Department of Administration's request on behalf of the Educational Approval Board, received on August 7, 2012, pursuant to s. 16.515/16.505(2), Stats. The Educational Approval Board requests an increase of 1.5 FTE PR positions in fiscal year 2012-13 with increased expenditure authority of \$53,700 PR in fiscal year 2012-13. The Board also requests increased expenditure authority of \$26,100 PR in fiscal year 2011-12 and \$6,100 in fiscal year 2012-13 under proprietary school programs appropriation s. 20.292(2)(g), Stats.

No objections have been raised to this request. Therefore, the request is approved at this time.

Sincerely,



Lena C. Taylor
Senate Chair



Robin Vos
Assembly Chair

LT:RV:jm

cc: Members, Joint Committee on Finance
Robert Lang, Director, Legislative Fiscal Bureau
✓ David C. Dies, Executive Director, Educational Approval Board
Scott Thornton, Department of Administration

State of Wisconsin / Educational Approval Board

30 West Mifflin Street
P.O. Box 8696
Madison, Wisconsin 53708-8696
Phone: (608) 266-1996

Scott Walker

Governor

Fax: (608) 264-8477

EABmail@eab.state.wi.us

David C. Dies

Executive Secretary Mike Huebsch June 14, 2012 Page 2

- Facilitate the agency's ability to change its regulatory model from one that is based solely on compliance to one that is based also on institutional effectiveness.
- Enable the EAB to review and update its administrative rules, policies and procedures in a purposeful and timely manner.
- Revise the existing statutes to create a regulatory statutory framework that reflects today's higher education environment.

Agency Overview

The EAB is an independent agency that exists to protect Wisconsin's consumers and support quality educational options by regulating for-profit and non-profit postsecondary schools, colleges and universities. Its responsibilities include: 1] evaluating and approving private trade, technical, career, distance learning, and degree-granting schools; 2] collecting and disseminating student outcome and satisfaction information from schools; 3] performing annual reviews of schools; 4] conducting regular on-site evaluations of schools; 5] holding schools accountable for improving their performance and effectiveness; and, 6] supporting options for innovative and quality programs offered by schools.

The EAB currently oversees 207 schools serving approximately 60,000 adults in more than 800 different types of degree and non-degree programs. These programs – delivered on-ground and on-line – include such study as pet grooming, bartending, auto technician, computer information, massage therapy, truck driving, as well as traditional bachelor's and master's degrees, MBAs and PhDs.

Current law specifically exempts certain schools from EAB oversight, including public institutions, such as the UW and technical college system schools, and private non-profit institutions that were incorporated prior to January 1, 1992. The authority governing the EAB is found under s.38.50, *Wis. Stats.*

The EAB's enabling provisions are found under s.15.945, *Wis. Stats.* Due to its size, the EAB is administratively attached to the Wisconsin Technical College System Board (WTCSB) under s.15.03, *Wis. Stats.* Under this administrative attachment, the EAB is treated as a distinct unit of state government that exercises its powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning independently of the WTCSB. However, budgeting, program coordination, and related management functions are carried out under the WTCSB's direction.

Relocation

The EAB is created under s.15.945, *Wis. Stats.*, and is attached to the Wisconsin Technical College System Board (WTCSB) for administrative purposes under s.15.03, *Wis. Stats.* Despite its attachment to the WTCSB, the EAB's offices had been located in a state-leased building that until recently housed the Department of Veterans Affairs (DVA), among a number of other tenants.

Prior to moving in February 2012, the DVA occupied all but two floors of a 10-story building that was located at 30 W. Mifflin Street, including the 9th floor where the EAB was located along with DVA budget and legal staff. Under an agreement renewed at the start of each fiscal year, the EAB has been billed based on the amount of square footage it occupies. The total amount of rent associated with this space for FY 12 would have been \$22,051. Mike Huebsch June 14, 2012 Page 3

In the spring of 2011, DVA officials informed the EAB that it planned to vacate the 9th floor of its existing space when the lease expired in July. This would require the EAB to find a different location for its offices and the EAB began working with Department of Administration (DOA) state facilities staff to identify suitable alternatives. A copy of the EAB's approved space request was attached to the original request.

With the assistance of DOA, the DVA and EAB vacated the building at 30 W. Mifflin Street earlier this year and relocated their offices to a state-leased building owned by the Wisconsin Housing and Economic Development Authority (WHEDA) located at 201 W. Washington Avenue. This request includes \$7,100 for moving costs, \$16,800 for building modifications and \$2,200 for a rent increase based on the new rate in effect as of March 1, 2012 in FY 12; and a rent increase of \$6,100 in FY13.

Regulatory Oversight

Despite the unprecedented increase in the number of EAB-approved institutions, each of the EAB's last four biennial budget requests for additional resources has been denied. As a result, the agency finds itself in a position where the current appropriation level is insufficient to carry out its statutory purpose and perform the responsibilities it is assigned. For examples, the EAB has either suspended or curtailed critical functions, such as performing regular schools visits, validating student outcomes data and disseminating important information about EAB-approved schools to consumer. In addition, there are delays in processing school approval applications and student complaints cannot always be processed in a timely manner.

During the last 20 years, the schools and programs regulated by the EAB have undergone dramatic changes. In the 1970s, most institutions offered programs with a vocational or technical objective, like basic business training, truck driving, electronics, and travel agent training. Although the EAB still approves many institutions with a specific vocational or technical objective, today it approves colleges and universities offering every type of degree and certificate program imaginable, including online programs, and new licensure programs for massage therapists and K-12 teachers. Mike Huebsch June 14, 2012 Page 4

The market place, the rapidly changing needs of both employers and employees and technology are dramatically transforming postsecondary education and training. Because the for-profit sector is highly responsive to the demands of its customers – working adults and their employers – this sector is driving the evolution of postsecondary education. This market-driven reality means the EAB is faced with regulating a growing number of new and constantly changing types of schools and programs. At the same time, the content, structure and delivery of programs offered by these institutions has been changing at an accelerating rate. Unfortunately, the EAB is unable to keep pace with this growth and change.

Although for-profit institutions range in size from small vocational/technical schools that offer hands-on career training to large fully-accredited colleges and universities, it is the growth of the latter that has been the focus of late. During the past 10 years, the number of EAB-approved institutions has nearly doubled. Whereas there were 112 approved institutions in FY 01, there are 207 today. This year alone the EAB has approved nearly 30 new institutions due to new federal program integrity rules that clarify what it means for an institution to be legally authorized by respective states in which they operate.

In Wisconsin, institutions like Strayer University, Everest College, the Art Institute of Wisconsin, Globe University, Rasmussen College, ITT Technical Institute and others have been approved during the past few years by the EAB to operate and serve residents of the state. These larger “corporate” institutions offer degree programs (associate, bachelor, master and doctorate) that were at one time limited to traditional public and private non-profit colleges and universities.

Despite calls for additional resources and a better regulatory framework, the EAB’s administrative capacity is the same as it was 20 years ago, while the sector it regulates has undergone tremendous change. As a result, the state lacks the ability to adequately oversee the expansion of large multi-state corporate institutions that has been occurring during the last decade.

In addition to the concerns discussed above, the operating practices of for-profit postsecondary institutions have been come under increased scrutiny during the past few years. This heightened scrutiny is coming from a variety of sources, including: federal and state agencies; Congress; accrediting agencies; researchers; higher education organizations; and media sources. At the same time, there have been calls for increased state oversight of postsecondary institutions.

Two reports released this year by the U.S. Government Accountability Office highlighted the need for states to beef up their efforts to address deceptive student recruiting practices, online course grading and academic dishonesty. Meanwhile, the National Consumer Law Center (NCLC) conducted an extensive analysis of state consumer protection practices. Its findings are summarized in a report *State Inaction: Gaps in State Oversight of For-Profit Higher Education*. While the report identifies Wisconsin as having one of the better consumer protection models in the country, it is clear from the report that the EAB lacks sufficient resources to perform its consumer protection role adequately.

Position Details

Because the EAB-approved institutions are a dynamic, growth-oriented set of institutions that take advantage of changing marketplace trends, they are expected to grow and serve greater numbers of students in the coming decades. This growth jeopardizes the EAB’s ability to adequately perform its responsibilities. Mike Huebsch June 14, 2012 Page 5

To address this growing need, the EAB is seeking an additional 1.5 FTE positions. This request provides funding in FY 13 for a 1.0 FTE program and policy analyst position and a 0.5 FTE office associate position. Because of the increased number of approved institutions, on average these additional positions will not result in fee increase for individual institutions.

- Program and Policy Analyst (1.0 FTE)

Daily oversight of the private postsecondary schools, colleges and universities approved by the EAB is the responsibility of its 3.0 FTE school administration consultants (SAC). The SACs provide professional consultation to these institutions by regulating, maintaining, and evaluating them, including setting standards for school administrative capacity, protecting consumers' rights, and ensuring program quality and operational integrity.

As the number of approved schools and programs has increased, so has the amount of work performed by EAB staff. For example, the number of approved programs has increased from just 254 in 1999 to 859 today. In the last year alone there were more than 100 program approvals.

At the same time, the EAB is attempting to modernize its regulatory framework from one that is based solely on compliance to one that is based also on institutional effectiveness, which has placed added burdens on EAB staff. While some of these modernization efforts involve using technology to produce administrative efficiencies, they do not off-set the demands of a growing number of schools and programs.

By working collaboratively with the SACs, the program and planning analyst would have expertise in analyzing student outcomes performance data and help in promoting a regulatory system based on institutional effectiveness principles, as well as enable the EAB to more rapidly address needed programmatic and administrative changes. They would also play an instrumental role in conducting school visits that will only increase as more schools and programs are approved.

Salary -- $\$16.902/\text{hr} \times 2080 \text{ hours} = \$35,200$

Fringe -- $\$35,200 \times 42.34\% = \$14,900$

Supplies & Services -- \$1,200

Total Annualized Cost = \$51, 300

- Office Associate (0.5 FTE)

The EAB currently employs a 1.0 FTE Operations Program Associate to manage all of its administrative support needs. The demands placed on this administrative support position have reached a point where they cannot be met by one person alone. As a result, it has not been possible to address certain issues, such as updating required records disposition authorization forms on file with the Public Records Board.

At the same time, there has been a significant increase in the administrative work associated with more schools, an increased complexity and reliance on the EAB's database, and increased utilization of the EAB's website as a primary communication tool and source of information. In the past these increased demands had been met by through the use of LTE support. However, funding for such support has been eliminated.

demands had been met by through the use of LTE support. However, funding for such support has been eliminated.

In addition, the current administrative support position has been directly affected by the EAB's strategic efforts to be actively involved in the state's postsecondary education policy decisions; create and develop positive working relationships and alliances with key constituencies; strengthen consumer protection for students; enhance postsecondary educational choices for students, as well as the public's awareness and understanding of these choices; enhance the role board members play in executing the EAB's statutory obligations; and create, maintain, and articulate operational and administrative procedures and policies that reflect changes in the career education sector.

Salary -- $\$12.924/\text{hr} \times 1040 \text{ hours} = \$13,400$

Fringe -- $\$13,400 \times 42.34\% = \$5,700$

Supplies & Services -- \$1,200

Total Annualized Cost = \$20,300

Should you have questions regarding this request or need further information, please do not hesitate to contact me.

Sincerely,

David C. Dies Michael J. Cooney

Executive Secretary Board Chair

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4008	EAB Position and Expenditure Authority

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$48,600	\$48,600
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$16,700	\$16,700
06	Supplies and Services	\$8,500	\$8,500
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$73,800	\$73,800
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	1.50	1.50
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4008	EAB Position and Expenditure Authority			
02	Educational approval board				
	20 Proprietary school programs	\$73,800	\$73,800	1.50	1.50
	Educational approval board SubTotal	\$73,800	\$73,800	1.50	1.50
	EAB Position and Expenditure Authority SubTotal	\$73,800	\$73,800	1.50	1.50
	Agency Total	\$73,800	\$73,800	1.50	1.50

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4008	EAB Position and Expenditure Authority				
	PR	S	\$73,800	\$73,800	1.50	1.50
	Total		\$73,800	\$73,800	1.50	1.50
Agency Total			\$73,800	\$73,800	1.50	1.50

Decision Item (DIN) - 4009

Decision Item (DIN) Title - Legal Services

NARRATIVE

See Issue paper

**DECISION ITEM REQUEST
EDUCATIONAL APPROVAL BOARD
2013-15 BIENNIAL BUDGET REQUEST**

Title of Request: Legal Services **DIN:** 4005
Appropriation: Alpha – s.20.292(2)(g) Numeric – 220 **Funding Amount:** \$57,900

NARRATIVE JUSTIFICATION

I. Request/Objective

The Educational Approval Board (EAB) is requesting legal counsel so it can better protect consumers who choose to attend postsecondary education institutions regulated by the EAB. During the past decade, there has been unprecedented growth in both the number and legal complexity of institutions subject to EAB oversight

Specifically, the EAB is seeking additional program revenue (PR) expenditure authority necessary to cover the costs associated with a half-time attorney position, beginning in the first year of the biennium. While the EAB will provide funding for the position, it would be a Department of Administration (DOA) employee.

This request is consistent with stated budget policies that require “[f]unding requests for [non-GPR] appropriations...be limited to revenue availability and only the highest priority programmatic needs.”

II. Benefit

This request will enable the EAB to:

- Ensure access to legal counsel regarding regulatory issues that arise daily and provide representation during board meetings and administrative hearings.

- Improve the timeliness of addressing legal issues that arise due to the regulatory environment in which the agency operates.

- Adequately, comprehensively, efficiently and firmly address matters involving school compliance and the enforcement of applicable state law and administrative rule to better protect consumers.

- Enable the EAB to review and update its administrative rules, policies and procedures in a purposeful and timely manner.

- Revise the existing statutes to create a regulatory statutory framework that reflects today’s higher education environment.

- Respond to the growing number of degree-granting and on-line for-profit postsecondary institutions that serve Wisconsin residents.
- Strategically work with schools to increase their capacity to produce skilled workers while holding them accountable for employment outcomes.
- Perform its statutory responsibilities and achieve its stated strategic goals quickly, efficiently and effectively.
- Enhance the ability to respond quickly and appropriately to complaints filed by students.
- Facilitate the agency's ability to change its regulatory model from one that is based solely on compliance to one that is based also on institutional effectiveness.

III. Background

The EAB is an independent education agency that exists to protect Wisconsin's consumers by regulating for-profit and non-profit postsecondary schools, colleges and universities. Its responsibilities include: 1] evaluating and approving private trade, technical, career, distance learning, and degree-granting schools; 2] collecting and disseminating student outcome and satisfaction information from schools; 3] performing annual reviews of schools; 4] conducting regular on-site evaluations of schools; 5] holding schools accountable for improving their performance and effectiveness; and, 6] supporting options for innovative and quality programs offered by schools.

The EAB currently oversees 214 schools serving approximately 60,000 adults in more than 800 different types of degree and non-degree programs. These programs – delivered on-ground and on-line – include pet grooming, bartending, auto technician, computer information, massage therapy, truck driving, bachelor's degree completion, master's degree in education, MBAs and PhDs.

Current law specifically exempts certain schools from EAB oversight, including public institutions (i.e., UW and Technical College System schools) and private non-profit institutions that were incorporated prior to January 1, 1992. The authority governing the EAB is found under s.38.50, *Wis. Stats.*

The EAB's enabling provisions are found under s.15.292, *Wis. Stats.* Due to its limited size, the EAB is administratively attached to the Wisconsin Technical College System Board (WTCSB) under s.15.03, *Wis. Stats.* Under this administrative attachment, the EAB is treated as a distinct unit of state government that exercises its powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning independently of the WTCSB. However, budgeting, program coordination, and related management functions are carried out under the WTCSB's direction. Page 3 of 11

IV. Analysis of Need

Regulatory Responsibility

The fundamental responsibility for the oversight of postsecondary institutions belongs to states. While most other countries have a ministry of education, the federal government's role in the United States is limited to its interests associated with the large amount of financial aid it provides. In fact, the U.S. Department of Education requires institutions participating in the federal Title IV financial aid program be "legally authorized" by the respective state(s).

For the past three biennia, the EAB has expressed concern about its ability to adequately regulate institutions subject to its oversight, particularly the large for-profit and highly complex corporate institutions. These concerns are evident in the findings of a recent Government Accountability Office (GAO) report that uncovered inappropriate and, in some cases, fraudulent activities by for-profit sector institutions. Earlier this summer, Senator Tom Harkin (D-IA), chairman of the Health, Education, Labor and Pensions Committee, released a highly critical report summarizing the results of his two-year long investigation of the sector.

Postsecondary Education Overview

Postsecondary education is characterized by diversity both in the types of institutions and in the characteristics of students. The institutions vary by the types of degrees awarded, control (public or private), and whether they are operated on a non-profit or for-profit basis. Beyond these basic differences, the three sectors of postsecondary institutions – public, private non-profit and private for-profit – have distinctly different missions and provide students with a wide range of learning environments. To help frame these differences, the following chart compares the median tuition and fees, the percentage increase of tuition and fees during the past decade, and the percentage of minority students enrolled in each sector¹.

¹ U.S. Department of Education / National Center for Education Statistics / July 2012 / <http://nces.ed.gov/pubs2012/2012289.pdf>

Sector Comparison

	Public	Private Non-Profit	Private For-Profit	Tuition and Fees Increase (FY 02-11)	% Tuition
Median Tuition and Fees	\$7,234	\$23,343	\$15,234	47%	31%
% Tuition Increase (FY 02-11)	18%	36%	38%	53%	0%
% Minority Enrolled	25%	50%	75%	100%	0%

Many experts believe America is at a crossroads concerning the future of higher education. Policymakers and higher education leaders must determine how our nation will ensure it has a broadly educated, productive and globally competitive workforce.

It is imperative to recognize that the world and the labor force of today is much different than the one of a century ago when much of the traditional higher education system was established and when the United States was still a largely agrarian economy, or even several decades ago when it was the world's manufacturing powerhouse.

In 1950, when the U.S. economy was largely driven by manufacturing and assembly line workers, only about 20% of jobs required a skilled or educated worker. Today, with knowledge as the backbone of our information-based economy, more than 60% of jobs require advanced skills training or education beyond high school.

It is expected that the fastest growing jobs in the coming decade will require a college level degree or higher. As a result, more Americans than ever need a postsecondary degree and are seeking access to higher education in order to remain competitive and advance in their careers.

Despite the shift in educational requirements for jobs over the years, currently only 29.5% of the nation's workers over the age of 25 have achieved a four-year degree². In Wisconsin the figure is only about 25.8%. While the traditional public and private non-profit institutions are the backbone of the U.S. higher education system, they alone are unable to meet the demand. Given the flexibility and market responsiveness that for-profit institutions offer, the growth of the sector is likely to continue as the demand for education rises.

² U.S. Census Bureau / Current Population Survey 2009 / <http://www.census.gov/population/www/socdemo/education/cps2009.html>

Sector Growth

During the last 20 years, the schools and programs regulated by the EAB have undergone dramatic changes. In the 1970s, most institutions offered programs with a vocational or technical objective, like basic business training, truck driving, electronics, and travel agent training. Although the EAB still approves many private institutions that have a vocational or technical objective, the scope of its regulation has expanded greatly to include degree-granting colleges and universities, certificate programs, distance-learning programs and degrees, and new licensure programs for home inspectors, massage therapists, and K-12 teachers.

The market place, the rapidly changing needs of both employers and employees and technology are dramatically transforming postsecondary education and training. Because the for-profit sector is highly responsive to the demands of its customers – working adults and their employers – this sector is driving the

evolution of postsecondary education. This market-driven reality means the EAB is faced with regulating a growing number of new and constantly changing types of schools and programs. At the same time, the content, structure and delivery of programs offered by these institutions has been changing at an accelerating rate. Unfortunately, the EAB is struggling to keep pace with this growth and change.

Over the last two decades, the number of schools approved by the EAB has more than doubled. The following chart depicts this rapid increase in the number of schools the EAB oversees.

Number of EAB-Approved Schools

This growth in Wisconsin mirrors national trends where for-profit institutions now constitute 50 percent of all postsecondary institutions and almost 43 percent of all institutions at which students are eligible to receive federal (Title IV) financial aid. Roughly half of the private for-profit institutions eligible under the Title IV financial aid program grant degrees. As depicted in the chart below, the number of for-profit institutions has actually grown in number during the past decade, while the number of public and private non-profit institutions has declined³.

³ U.S. Department of Education / National Center for Education Statistics / August 2010 / <http://nces.ed.gov/pubs2010/2010161.pdf>

Year	Private For-Profit	Public	Private Non-Profit
2000-01	1,700	2,084	1,950
2009-10	2,455	1,989	1,809

Number of Federal Title IV Institutions by Control

As the number of for-profit institutions has grown, so too has the number of students enrollments. In 2000, enrollment in the nation's for-profit institutions was approximately 800,000. Today, estimates indicate that over 2.0 million

students are attending for-profit institutions – roughly 10% of total postsecondary student enrollments⁴.

4 In 2011-12, there were 7,233 institutions that awarded federal Title IV financial aid in the US; 2,983 were classified as 4-year institutions, 2,304 were 2-year institutions, and the remaining 1,946 were less-than-2-year institutions.

The numbers are even more revealing when the *adult undergraduate* population is examined. In 2009, roughly one-quarter of non-traditional students were enrolled at for-profit universities. According to a study by *Eduventures*, a highly respected educational consulting company, it is estimated that for-profit institutions will have 42 percent of the adult-undergraduate market by 2019, nearly doubling their current share.

The study projects that, in the next 10 years, for-profit institutions will increase their share of the adult market by 14 percentage points. By that time, for-profits will lead both public and private universities in the number of adults enrolled. They will have approximately 60,000 more adult students than will publics, and 800,000 more than private non-profits.

According to the 2012 Condition of Education report published by the National Center for Education Statistics (NCES), for-profit colleges are serving a bigger share of a market that includes an increasing number of women and minority students. As of the 2009-10 academic year, for-profit colleges were awarding more than twice as many associate degrees than they had a decade earlier, having increased their share of all such degrees awarded to 15 percent from nine percent. In addition, they were awarding six times as many bachelor's degrees and nearly 12 times as many master's degrees. The latest data for schools approved by the EAB is shown in the chart below.

Credential Earned 02,5005,0007,50010,000Doctorate Degree - 34Master's Degree - 1,213Bachelor's Degree - 1,627Associate's Degree - 2,653Certificate or Diploma - 7,565
Credential Earned

For-profit institutions are frequently credited with uncovering new markets for adult education, including the offering of on-line courses. It is predicted that on-line education, in which for-profit universities remain overrepresented, will become the norm for adults seeking bachelor's degrees. Page 7 of 11

This tremendous growth is reflected in the amount of revenue generated by these schools. Based on data collected annually by the EAB, revenues reported by schools who serve Wisconsin students have increased from \$54.6 million to \$405.5 million during the last decade – a staggering 643 percent.

School Reported Revenues	405.5	349.2	220.8	203.4	185.6	152.0	131.6	108.4	92.8	73.5	
	54.6	0	50	100	150	200	250	300	350	400	
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012

(in millions)

Regulatory Concerns

Although for-profit institutions range in size from small vocational/technical schools that offer hands-on career training to large fully-accredited colleges and universities, it is the growth of the latter that has been the focus of late.

In Wisconsin, institutions like Strayer University, Everest College, the Art Institute of Wisconsin, Globe University, Rasmussen College, ITT Technical Institute and others have been approved during the past few years by the EAB to operate and serve residents of the state. These larger “corporate” institutions offer degree programs (associate, bachelor, master and doctorate) that were at one time limited to traditional public and private non-profit colleges and universities.

While the growth and success of for-profits at a time when many traditional institutions are struggling financially and is evidence of the viability of the sector, that growth and success also has been at the root of growing criticism and concerns about the role of profit in postsecondary education.

□ The U.S. Government Accountability Office (GAO) has examined the industry’s practices and in August 2010 released a report citing troubling instances of fraud and abuse at a sample of 15 for-profit colleges. According to the report, four of the 15 colleges encouraged undercover applicants to falsify financial aid forms, including urging applicants to not report assets and instructing them to falsify the number of dependents.

The GAO also reported 13 of the 15 colleges investigated supplied undercover applicants with deceptive or otherwise questionable information pertaining to graduation rates, employment prospects upon graduation or projected earnings. Page 8 of 11

□ Over the past two years, Congress has held a series of hearings because of concerns about the rapid growth of the sector, the quality of their educational programs and the amount of federal Title IV financial aid that is going to students attending for-profit institutions. Senator Tom Harkin, Chairman of the Health, Education, Labor and Pensions Committee, released a report this past June summarizing the results of a two-year investigation of the for-profit college sector. Among the report's recommendations is enhanced transparency through the collection of relevant and accurate information about student outcomes and meaningful protections for students.

The report states that the federal taxpayers invest billions of dollars a year in for-profit colleges, yet more than half of the students who leave without earning a degree or diploma. The report notes that for-profit institutions “devote tremendous amounts of resources to non-education related spending,” such as “marketing, advertising, recruiting and admissions staffing.”

Despite the concerns raised in the report, it acknowledges for-profit colleges have an important role to play in higher education and, in theory, are better equipped to meet the needs of the “new American majority” of nontraditional students. Moreover, the ability of for-profit institutions to accommodate to the nontraditional students coupled with insufficient capacity at nonprofit and public institutions gives the for-profit sector “an important role to play in higher education.”

□ The new federal Consumer Financial Protection Bureau (CFPB) has expressed concern over the for-profit college market, including a lack of information about college choices and some students' ability to repay their loans. The new federal agency has jurisdiction over financial matters and is currently taking complaints pertaining to private student loans.

□ A multi-state bipartisan investigation into the practices of for-profit colleges being conducted by 22 state attorneys general is ongoing. The investigation is specifically examining deceptive marketing and other consumer-fraud concerns at for-profit colleges. Kentucky's attorney general Jack Conway and the leader of the multi-state investigation recently announced a \$2.5 million settlement between a lead generation company and 20 states over GIBill.com, a website set up to direct veterans to for-profit colleges.

Legal Counsel Justification

Because these institutions are a dynamic, growth-oriented set of institutions that take advantage of changing marketplace trends, they are expected to grow and thrive in the coming decades. This growth jeopardizes the EAB's ability to adequately perform its responsibilities. To address this growing need, the EAB is requesting funding to support the following position. Page 9 of 11

- Attorney

Between 1979 and 1996, the EAB had an attorney position on staff. The position was eliminated in the 1995-97 biennial budget that would have created state Department of Education, except that the state Supreme Court subsequently ruled it unconstitutional. In the wake of that decision, the position was never restored due to a false assumption that the legal services could be provided by the Department of Justice.

The EAB has requested an attorney position during each of its past several biennial budget submissions. Unfortunately, these requests have been denied. Meanwhile, the legal demands on the EAB have continued to escalate.

As a regulatory agency with broad enforcement responsibilities that has the statutory authority to protect consumers, the EAB should have access to regular legal counsel. A survey of other states with similar powers and responsibilities indicates that nearly all have an attorney on staff, or are housed in a postsecondary education agency with access to legal counsel.

The type of legal activity in which EAB finds itself regularly in need of legal services includes the following:

- ✓ providing statutory and administrative rule interpretations
- ✓ providing advice regarding noncompliant schools
- ✓ issuing and enforcing cease and desist orders
- ✓ assisting with the enforcement of school compliance issues
- ✓ acting as a liaison with DOJ and other state agency attorneys
- ✓ providing counsel on legal matters involving the federal government, including Federal Educational Rights and Privacy Act issues and criminal prosecutions
- ✓ assisting in school surety bond claims and disputes
- ✓ providing counsel regarding the corporate structure of schools
- ✓ reviewing and/or preparing correspondence
- ✓ reviewing legal documents received by the EAB
- ✓ assisting with open records requests
- ✓ providing legal advice regarding proposed bills and administrative rules
- ✓ serving as legal counsel during meetings of the board
- ✓ ensuring compliance with the state's open meetings law
- ✓ negotiating and mediating student complaints

- ✓ advising EAB staff when subpoenaed to appear in court

At the present time, the EAB has no access to regular legal counsel. While the EAB is attached for administrative purposes to the WTCSB, it has no in-house counsel. As a result, the executive secretary ends up acting in this capacity for the agency. It is estimated that roughly one-half of the executive secretary's time

is spent on legal matters, which detracts from the amount of time that would otherwise be spent on agency management and leadership.

Accompanying the rapid growth of EAB-approved schools has been an increased number of compliance and enforcement matters. It is impractical to request DOJ's assistance with the types of legal matters that face the EAB on a daily basis. Moreover, given competing demands on the DOJ attorneys' time, the EAB is not a top priority.

V. Alternatives

Without proper legal counsel, the EAB cannot adequately perform its responsibilities. Even with prioritized responsibilities, the EAB staff is at a point where certain services to students and schools are being sacrificed.

VI. Statutory Language

The statutes are amended as follows:

16.004 Secretary, powers and duties. (15) Legal services.

(a) In this subsection, "state agency" means a department in the executive branch of state government that has a secretary who serves at the pleasure of the governor.

(am) In this subsection, "boards" means the educational approval board.

(b) The department may provide legal services to state agencies or boards and shall assess state agencies or boards for legal services provided by the division of legal services. The department shall credit all moneys received from state agencies or boards under this paragraph to the appropriation account under s. 20.505 (1) (kr).

VII. Internal / External Impact

The EAB is an agency entirely funded by program revenue (PR). Revenues that support its operations are generated by charging schools subject to EAB oversight various fees. These fees are governed by EAB 4.10 and fall into one of two categories – one-time/fixed fees and renewal fees.

- **One-Time/Fixed Fees:** These fees reflect initial school approvals, new or revised programs, adding or changing a teaching location of a program, and changes in ownership or control.

- **Renewal Fees:** These fees reflect payments that must be made annually. The fee consists of two payments. The first payment is a flat amount of \$500 that is due September 1 for the upcoming renewal year (\$100 if the school is classified as inactive). The second payment is due March 1 of the renewal year and is based on a multiplier established by the EAB board that is applied to the Adjusted Gross Annual School Revenue (AGASR) reported by a school.

By rule, the EAB is required to establish the fee multiplier equal to the percentage of all schools' total AGASR needed to equal the cost of EAB's regulatory functions, less revenue from all other fees. The multiplier is required to be calculated (in odd calendar years) for two-year periods.

The projected amount schools would pay to support the positions requested under this proposal would increase by \$0.078 per thousand dollars of school revenue. This increase is based on an annualized cost of \$33,100 needed to fund one-half of a position (see fiscal impact section) using estimated total school revenue of \$425 million, which is projected for the 2013 renewal years. The average fee increase for an individual school would be approximately \$160 annually (based on fee calculations used for the 2012 renewal year).

⁵ \$425 million of school revenue / \$1,000 x \$0.078 = \$33,100

VIII. Fiscal Impact

The EAB is seeking increased expenditure authority to support a 0.5 FTE attorney position located in DOA. Based on minimum salary figures obtained from the Office of State Employment Relations (OSER), the entry-level pay rates have been used in the calculations below.

Salary -- \$23.673/hr x 1040 hours = \$24,600

Fringe -- \$49,200 x 34.73% = \$8,500

2013-14 2014-15

Total Expenditures \$24,800 \$33,100

Total Revenues \$24,800 \$33,100

Net Budget Impact \$0 \$0

Positions [Increase / (Decrease)] na na

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	292	Wisconsin Technical College System
	CODES	TITLES
DECISION ITEM	4009	Legal Services

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$57,900	\$57,900
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$57,900	\$57,900
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Technical College System

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4009	Legal Services			
02	Educational approval board				
	20 Proprietary school programs	\$57,900	\$57,900	0.00	0.00
	Educational approval board SubTotal	\$57,900	\$57,900	0.00	0.00
	Legal Services SubTotal	\$57,900	\$57,900	0.00	0.00
	Agency Total	\$57,900	\$57,900	0.00	0.00

Decision Item by Fund Source

Wisconsin Technical College System

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4009	Legal Services				
	PR	S	\$57,900	\$57,900	0.00	0.00
	Total		\$57,900	\$57,900	0.00	0.00
Agency Total			\$57,900	\$57,900	0.00	0.00