



Technical College Priorities

2015 -2017 State Budget Bill (AB 21 and SB 21)

1. Oppose eliminating WTCS budget/financial, IT and HR staff and functions because doing so will increase costs and reduce accountability.

Background: The bill proposes eliminating WTCS administrative functions and staff positions and moves those functions to the Department of Administration. The WTCS would terminate 9 FTE, and would instead purchase services from DOA. Among many impacts, the WTCS would no longer manage or control its own data projects needed for district, state, and federal reporting. It would lose the ability to calculate college outcomes and aid distributions. It would lose staff providing accountability and consulting services daily with hundreds of college-based users, community organizations, the Legislature, and state and federal entities.

Rationale:

- This proposal will increase direct costs. Purchasing services through DOA will increase costs by an estimated \$835,000 minimum annually.
- These are not “back office” functions. IT systems alone have more than 750 authorized users at the colleges and other organizations.
- These WTCS staff members ensure colleges comply with a wide range of state and federal laws and regulations, for example, conducting federally-mandated compliance reviews, and reviewing audits and hundreds of grant applications. The DOA has no expertise in these areas and the WTCS will have no staff remaining to accomplish these and many other functions.
- It defies all logic that the same budget bill proposing new flexibility for the UW System would erode WTCS flexibility, efficiency and responsiveness. The WTCS has a well-earned reputation for responsiveness and providing accurate data. The need for both is increasing in an era of accountability.

2. Limit outcomes-based (performance) funding to 30% of technical college state aid, not 100% as proposed.

Background: In 2013, technical colleges supported shifting a portion of state aid to an outcome-based funding model. General aid (\$88.5 million annually) has always been formula-driven based on factors such as enrollment and property values. Instead of a partial shift, the 2013 budget bill proposed a 100% shift by 2020 (10% annually to 50% in 2019, then 100% in 2020 and beyond). The Legislature capped the shift at 30% but the Governor vetoed that cap. The new bill restates the 100% shift by 2020.

Rationale:

- A 30% cap incentivizes excellence without creating significant funding losers and winners unrelated to performance.
- Because new state funding investment is unlikely to keep pace with the amount shifted, each increase in percentage places more at stake for districts. Inevitably, districts will act defensively to protect base funding.
- Colleges do many important things within their mission that are not accounted for by the 9 outcomes-based criteria. These activities will be the first at risk as the percentage and funding stakes increase.
- There is no national research data suggesting that a higher percentage is more effective. At high percentage levels, districts will lose or gain significant aid without significant changes in performance.

3. Eliminate the proposed tuition freeze on high demand programs as determined by DWD. Maintain current law providing the WTCS Board sets uniform tuition and fees annually.

Background: The bill proposes permanently freezing WTCS tuition for “high demand” programs as determined by the Department of Workforce Development (DWD) based on its new “Labor Market Information System” (LMIS). The LMIS is not yet operational.

Rationale:

- A freeze erodes WTCS authority to adjust resources to best meet student and employer needs.
- Wisconsin Student Government (WSG), representing more than 300,000 students, opposes the freeze because it will erode college responsiveness to students.
- A freeze requires districts to make expensive IT and policy changes to keep track of multiple tuition rates.
- High demand programs identified by DWD will not necessarily match with programs in which more applicants are needed. A high demand program may already have a waiting list while a low demand program may be critically important but not have sufficient qualified applicants.
- The freeze does not match to students for whom tuition is a barrier to attend.
- The future DWD LMIS tool takes an annual “snapshot” to show where jobs were in demand, not where they will be in demand. The freeze will interfere with, not support, college efforts to match graduates with jobs.
- It is not clear how such a freeze meets any public policy objective. If the objective is college affordability, need-based financial aid better helps students who are marginally unable to enroll, or who are at risk of leaving school for financial reasons.