

Higher Educational Aids Board

(LFB Summary of the Governor's Budget Reform Bill: Page 58)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	3.5% and 5.0% Budget Reductions (see Paper #1120)
2&3	Wisconsin Higher Education Grant (Paper #1180)

AGENCY: HEAB

LFB PAPER #: 1180

ISSUE: Wisconsin Higher Education Grant

ALTERNATIVE: A1 & B1

SUMMARY:

Alternative A1 increases funding for the WHEG program for UW students by \$1.2 million in '02-03.

Alternative B1 increases funding for the WHEG program for WTCS students by \$800,000 in '02-'03.

BY: Cindy

Historical Society

(LFB Summary of the Governor's Budget Reform Bill: Page 59)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	3.5% and 5.0% Budget Reductions (see Paper #1120)
2	Program Revenue Lapses (see Paper #1121)

LFB Summary Item for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
3	Fuel and Utilities Lapse Estimate

Marquette Dental School

There are no provisions in Special Session Assembly Bill 1 regarding this agency.

Medical College of Wisconsin

There are no provisions in Special Session Assembly Bill 1 regarding this agency.

Technology for Educational Achievement in Wisconsin Board

(LFB Summary of the Governor's Budget Reform Bill: Page 84)

LFB Summary Item for Which an Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
1	3.5% and 5.0% Budget Reduction (see Paper #1120)

University of Wisconsin System

(LFB Summary of the Governor's Budget Reform Bill: Page 102)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Base Budget Reduction (see Paper #1120)
2	UW System Administration Base Budget Reduction (see Paper #1120)
3	Resident Undergraduate Tuition 10% Increase Limit (Paper #1260)
4	Use of Energy Conservation Public Benefits Funds for State Agency Fuel Costs (see Paper #1100)
5	State Laboratory of Hygiene (Paper #1261)
-	Veterinary Diagnostic Laboratory (Paper #1262)



Legislative Fiscal Bureau

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March 4, 2002

Joint Committee on Finance

Paper #1180

Wisconsin Higher Education Grant (HEAB)

[LFB Summary of the Governor's Budget Reform Bill: Page 58, #2 and #3]

CURRENT LAW

The Wisconsin higher education grant (WHEG) program provides need-based grants to resident undergraduates enrolled at UW campuses, Wisconsin Technical College System (WTCS) institutions and tribal colleges. Students enrolled at least half-time are eligible for grants ranging from \$250 to \$1,800 per year for no more than 10 consecutive semesters. Funding for WHEG awards is provided in three separate appropriations within HEAB, one GPR appropriation each for UW Students, WTCS students and a PR appropriation for tribal college students.

GOVERNOR

Provide \$1,200,000 in 2002-03 to increase funding for the WHEG program for UW students, and provide \$800,000 in 2002-03 to increase funding for the WHEG program for technical college students. The WHEG program for UW students base funding would increase by 5.8% to \$21,839,600 from \$20,639,600 in 2002-03. The WHEG program for technical college students base funding would increase by 5.7% to \$14,874,000 from \$14,074,000 in 2002-03.

DISCUSSION POINTS

1. HEAB currently administers eight, need-based financial aid programs totaling \$60,298,300 GPR in 2001-02. The WHEG programs are the largest source of state-funded need-based grants to UW and WTCS students. WHEG awards were provided to 17,943 UW students (16.2% of resident undergraduates enrolled at least half-time) and 18,892 WTCS students (34.3% of

resident undergraduates enrolled at least half-time) in 2000-01. The average grant was \$1,151 for UW students and \$739 for WTCS students. The number of students who will receive awards and the average amount of each award are determined by formula using nationally approved needs methodology. Currently, WHEG grants are limited by statute to a minimum of \$250 and a maximum of \$1,800 per academic year.

2. WHEG funding was increased in 2001 Act 16 as shown in the following table.

Act 16 Funding			
	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
WHEG-UW	\$18,900,300	\$19,750,800	\$20,639,600
Change to Prior Year			
Amount		\$850,500	\$888,800
Percent		4.50%	4.50%
WHEG-WTCS	\$13,201,900	\$13,631,000	\$14,074,000
Change to Prior Year			
Amount		\$429,100	\$443,000
Percent		3.25%	3.25%

3. The Governor's proposal would provide \$1,200,000 in 2002-03 to increase funding for the WHEG program for UW students and \$800,000 in 2002-03 to increase WHEG funding for technical college students. For WHEG-UW, total funding would increase by 5.8% to \$21,839,600 from \$20,639,600 in 2002-03. The proposed level of funding for WHEG-UW in 2002-03 would represent a 10.6% increase over the \$19,750,800 provided in 2001-02 under Act 16. For WHEG-WTCS, total funding would increase by 5.7% to \$14,874,000 from \$14,074,000 in 2002-03. The proposed level of funding for WHEG-WTCS in 2002-03 would represent a 9.1% increase over the \$13,631,000 provided in 2001-02 under Act 16.

4. According to the administration, the Governor's proposal to increase funding for the WHEG programs in 2002-03 attempts to offset potential resident undergraduate tuition increases at UW System campuses and technical colleges. The WTCS Board recently approved tuition increase for 2002-03 of 4.7% for students enrolled in postsecondary/vocational adult programs and 4.44% for students enrolled in college parallel programs. These increases could be modified by the WTCS Board, depending on the final budget adjustment legislation. Increases in UW tuition are determined by the Board of Regents and depend, in part, on the level of funding provided in the University's budget and on salary increases provided in the state's compensation plan. Actual UW

tuition for 2002-03 will not be approved by the Regents until July; however, based on current enrollment and tuition revenue, the Board of Regents would need to increase undergraduate resident tuition by an estimated 7% to 9.1% in 2002-03 for UW-System initiatives in Act 16 funded in part with tuition and unclassified pay plan increases funded with tuition exclusive of any additional base budget reductions. The Governor's budget reform bill would reduce \$40 million GPR from the UW System in 2002-03 and \$6 million from WTCS and would cap undergraduate resident tuition increases at the UW System and tuition increases at WTCS at 10% in 2002-03, except for UW differential tuition. The UW System President has indicated that as a result of the budget reduction the Board may use its tuition authority to fund a larger share of UW System initiatives in 2002-03, which could result in higher tuition increases at most campuses.

5. Increasing WHEG funding by the same percentage as the estimated increase in tuition will not necessarily guarantee that the tuition increase for an individual student will be offset by the financial aid increase. The change in the amount of award due to an increase in program funding depends on a number of factors including the number of eligible students and adjustments made by HEAB to the formula factors. For example, additional funding provided for a program can be used to increase the number of students receiving awards rather than the average award amount. Further, costs other than tuition, such as room and board, books, transportation and miscellaneous expenses can account for over two-thirds of the cost of attending a UW campus or technical college. For resident undergraduate students enrolled at least half-time in degree or certificate programs that filed for financial aid in 2000-01, WHEG covered an average of approximately 4.9% of total costs for UW students and 5.7% for WTCS students.

6. Annually, by April 10, the UW Board of Regents and the WTCS Board are each required to submit a proposed formula for the distribution of WHEG grants to students attending their respective institutions for the following academic year. If additional funds were provided for 2002-03, the student aid formula would need to be changed. However, according to HEAB staff, most aid disbursements do not begin until August, so, it would be possible to make formula adjustments to accommodate any changes in funding that may occur through August.

7. In 2000-01, total state-funded financial aid accounted for 15% of all need-based financial aid received by Wisconsin undergraduates, while the federal government provided 71% of the funds, institutions provided another 12% and other sources provided the remaining 2%. However, the majority of the federal aid is in the form of loans to students. Over the past few years, federal funding for student assistance programs, including grants, work-study and loans has increase between 11% and 15% annually. The Bush administration has proposed increasing funding for student assistance programs by 2.8% in 2003. As a result of the federal governments role as the primary resource for student aid, changes in federal funding and formulas have a much greater impact on the financial aid received by a student than changes in state funding.

ALTERNATIVES TO BILL

A. WHEG Program for UW Students

1. Approve the Governor's recommendation to increase funding for the WHEG program for UW students by \$1,200,000 in 2002-03.
2. Maintain current law.

Alternative A2	GPR
2001-03 FUNDING	- \$1,200,000

B. WHEG Program for WTCS Students

1. Approve the Governor's recommendation to increase funding for the WHEG program for WTCS students by \$800,000 in 2002-03.
2. Maintain current law.

Alternative B2	GPR
2001-03 FUNDING	- \$800,000

Prepared by: John Stott

Approve gov

UNIVERSITY OF WISCONSIN SYSTEM

Resident Undergraduate Tuition Increase Limit

[LFB Paper #1260]

Motion:

Move to restrict the Board of Regents of the University of Wisconsin System from increasing the amount of tuition charged for resident undergraduate students in an academic year over the prior academic year at a rate not to exceed the rolling five year systemwide average annual increase for resident undergraduate tuition effective July 1, 2002. Provide that the Board of Regents could increase tuition beyond the five-year rolling average limit if it obtains approval of the Joint Committee on Finance under s.13.10 of the statutes.

MO#		A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
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		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
	265	BURKE	DECKER	MOORE	SHIBILSKI	PLACHE	WIRCH	DARLING	ROSENZWEIG	GARD	KAUFERT	ALBERS	DUFF	WARD	HUEBSCH	HUBER	COGGS			
		AYE	NO	8	8															

Note:

This motion would restrict the Board of Regents from increasing undergraduate tuition at a rate that exceeds the five-year rolling average increase for resident undergraduate tuition starting with the 2002-03 academic year. This restriction would be in addition to current law restrictions on increasing tuition for undergraduate residents.

Over the past five years, the systemwide resident undergraduate tuition has increased by an average of 5.84% annually, when the annualized five year increase for each type of institution is averaged. Under this motion, academic tuition for resident undergraduates at all campuses would be limited to increasing by 5.84% in 2002-03.

AGENCY: UW SYSTEM

LFB PAPER #: 1260

ISSUE: Tuition Increases

ALTERNATIVE: ?? - #4 maintains current law

SUMMARY:

The Governor is proposing an additional 10% hike over the 10% hike in 2001-2002. The original plan seems to have been a 10% increase over the course of the bi-ennium. Since there was already a 7% increase system wide and an 8.6% increase at Milwaukee and Madison, students (United Council) would like a 1.4% increase at Milwaukee and Madison and a 3% increase system wide. This brings the total tuition increase for the bi-ennium to 10% which is in line with the original plan that came out of the budget.

As a caveat, United Council would like to see financial aid increased proportionately with tuition increases.

Also, the UW System would like the full tuition hike proposed by the Governor. However, since there was already an increase in the budget, a smaller increase seems appropriate.

There is no option that reflects this in the fiscal paper; so I don't know if we maintain current law and change it in the caucus process or if we have to do a separate motion, etc.

Also, we don't want dictate tuition permanently, so we do not want to adopt alternative 3.

Position papers from United Council and UW System are attached.

BY : KATY



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March 4, 2002

Joint Committee on Finance

Paper #1260

Resident Undergraduate Tuition 10% Increase Limit (UW System)

[LFB Summary of the Governor's Budget Reform Bill: Page 102, #3]

CURRENT LAW

Under current law, the Board of Regents may set separate tuition rates for state residents and nonresidents and also for different classes of students, extension courses, summer sessions and special programs. A provision enacted in 1999 Act 9 changed the appropriation for tuition and fee revenues from an annual, sum certain to a continuing appropriation. This means that the University may expend all monies received under the appropriation without limit and without the prior approval of the Legislature or the Joint Committee on Finance.

The Board is restricted from increasing tuition, including differential tuition, for resident undergraduate students beyond an amount sufficient to fund the following: (a) the amount shown in the appropriation schedule for the tuition appropriation; (b) approved compensation and fringe benefits adjustments for faculty and staff; (c) revenue losses caused by unforeseen enrollment changes; (d) state imposed costs not covered by GPR as determined by the Board; (e) distance education, intersession and nontraditional courses; and (f) differential tuition that is approved by the Board but not included in the amount in the tuition appropriation schedule.

GOVERNOR

Restrict the UW System Board from increasing tuition for resident undergraduate students in 2002-03 by an amount that exceeds 10% of the tuition charged to resident undergraduate students in the 2001-02 academic year unless the Board obtains the approval of the Joint Committee on Finance under s.13.10 of the statutes and the approval of the DOA Secretary. Provide that the Board could increase tuition beyond the 10% limit for differential tuition initiatives in 2002-03 that are approved by the Board, and that are not already included in the tuition appropriation schedule. Specify that the Board could not increase differential tuition

for 2002-03 to offset proposed GPR funding reductions in the general program operations appropriations for university education, research and public service, and for the UW System administration appropriation.

DISCUSSION POINTS

1. The appropriation for tuition and fees includes revenue generated not only from the academic tuition schedule (90.0% of the appropriation), but also from summer school fees, off-campus degree programs, special fees for law students, master's level business students, nonresident undergraduates at UW Madison and other special fee programs, and the application fee. Under Act 16, the amount appropriated for academic student fees increases by 1.45% in 2002-03, from \$509,373,600 in 2001-02 to \$516,746,200 in 2002-03. However, the appropriation schedule for tuition does not reflect adjustments related to tuition revenue funding of approved pay plan increases or revenue changes caused by unanticipated changes in enrollment. In addition, the appropriation schedule reflects other revenue items in addition to revenues derived from undergraduate tuition; as a result, a 1.45% increase in the appropriation expenditure level would not necessarily translate into an average 1.45% academic year tuition increase.

2. In the past, the amount appropriated for tuition and fee revenues was determined by the Governor and the Legislature in the biennial budget process and was traditionally based on specific funding items in the University's budget and estimates of tuition and fees generated by the UW System due to changes in enrollments. As a result, the appropriation schedule was used as a systemwide tuition revenue target, which was then used to set tuition.

3. Prior to the 1997-99 biennial budget act, the Legislature's primary role in the tuition setting process was to establish the appropriation level for tuition, which was the upper limit on the amount of tuition revenues that could be expended. While more revenues could be generated, expenditure of these additional revenues required approval by the Secretary of the Department of Administration and the Joint Committee on Finance under a 14-day passive review process. A provision in the 1997-99 state budget expanded the Regents' authority to expend tuition and fee revenues beginning with the 1997-98 academic year. Under that provision, the Regents were permitted to expend up to 104% of the amount appropriated by the Legislature in the first year of a biennium and up to 107% of the amount appropriated in the second year of a biennium. The University was also allowed to expend tuition revenues that were budgeted, but not expended in the prior year.

4. The Legislature's role with regard to tuition levels was further modified by a provision in 1999 Act 9 which changed the appropriation for tuition and fee revenues from an annual, sum certain to a continuing appropriation. This means that the University may expend all monies received under the academic student fee appropriation without limit and without the prior approval of the Legislature or the Joint Committee on Finance as is required for a sum certain appropriation. Act 9 included the current statutory language aimed at limiting the purposes for which tuition can be raised for resident undergraduate students.

5. During the 1997-99 and 1999-01 biennia and in 2001-02, the UW used tuition appropriation flexibility primarily to fund a portion of pay increases for unclassified UW employees and to accommodate unplanned enrollment increases. Based on current enrollment, and tuition revenue, the Board of Regents would need to increase tuition by an estimated 7% at most campuses and 9.1% at UW Madison and UW Milwaukee in 2002-03 for UW-System initiatives approved in Act 16 funded with tuition and Joint Committee on Employment Relations approved unclassified pay plan increases funded with tuition. For 2002-03, the approved 4.2% unclassified pay plan increase would be funded with \$6.2 million GPR and \$20.4 million PR from tuition revenue. Traditionally, salaries of unclassified UW faculty and staff are funded through a combination of GPR (69%) and tuition revenues (31%). Funding for salaries is not split on a 65% GPR/35% PR basis because a portion of faculty and staff responsibilities, such as public service and research, are not considered to be instruction-related and therefore, have no tuition component. Since 1997-99, a portion of the noninstructional cost of the salary increases for these employees has been paid solely from tuition and fee revenues.

6. Based on historic tuition increases for undergraduate tuition, it is uncertain whether there is a connection between tuition authority and increases in undergraduate resident tuition. During the 1997-99 biennium, the Legislature allowed the Board 4% tuition expenditure flexibility in the first year of the biennium and 7% in the second year; during this period, tuition for resident undergraduates increased 7.9% in 1997-98 and 4.9% in 1998-99. In part, the Board used this flexibility to fund faculty pay plan increases. Under the current tuition flexibility, tuition increased between 6.9% and 9.6% in 1999-00 and 0% in 2000-01 because of the tuition buy-down of \$28 million GPR; however, tuition would have increased approximately 7% in 2000-01 in the absence of the tuition buy-down. In 2001-02, the Board increased tuition between 7% and 8.4%. For the past twenty years, the annualized rate of change for undergraduate tuition has been approximately 7%; between 1981 and 1991 it was approximately 8% and over the past five years it has been approximately 6%. Given the short period of time in which the University has used tuition flexibility in setting tuition, there is inconclusive evidence to determine whether tuition flexibility accelerated the rate of tuition increases.

7. The Governor's proposal to cap tuition increases for resident undergraduates at 10% seeks to prevent tuition increasing significantly beyond the planned tuition expenditures for 2002-03 to offset GPR budget reductions. The Governor's proposed tuition cap accommodates budgeted tuition funded initiatives and the pay plan, but limits the ability of the Board of Regents to offset GPR budget reductions with tuition increases. The Board of Regent tuition policy specifies that, "tuition increases should be moderate and predictable, subject to the need to maintain quality." However, the UW System has not faced large GPR budget reductions since it was given the tuition authority in 1999; as a result, it is uncertain what sort of action the UW System Board of Regents would take in the absence of a tuition increase restriction. The Committee could consider making the proposed tuition increase limit permanent in order to increase tuition oversight by the Governor and Legislature and ensure that tuition increases remain moderate and predictable.

8. The Governor's tuition cap proposal exempts Board of Regents and student approved differential tuition initiatives from the cap as long as such initiatives are not used to offset

the proposed GPR reductions. Under current law, the UW System Board of Regents has the authority to set differential tuition rates within various academic programs across campuses. Currently, five campuses and all of the colleges have differential tuition for specific undergraduate programs or campus-wide differential tuition rates. For 2002-03, the Board has approved undergraduate differential tuition at UW-Whitewater and UW-Stout. The proposed tuition cap exemption for campus differential tuition initiatives could result in tuition increases greater than 10% for freshman at UW-Stout and all students at UW-Whitewater. According to DOA staff, the Governor's exemption recognizes the student support for the two approved differential tuition initiatives and the level of planning for implementation that has already occurred.

9. In comments to the Board of Regents, the UW System President acknowledged the challenge to the UW System in maintaining educational quality in the face of the Governor's proposed budget cuts. The Governor's proposal would reduce total GPR funds over the biennia by \$51 million. However, the resident tuition cap of 10% would enable the System to generate tuition revenue to fund budgeted tuition expenditures, and in her remarks the President anticipates that the UW System would be able to fund about half of the original economic stimulus-related initiatives, primarily with tuition funding, in 2002-03. According to the President, if the System must absorb further reductions in instructional funding or more limited tuition caps, the UW System would need to reduce instructional staffing and enrollments in 2002-03 and postpone systemwide initiatives.

10. Despite the need to maintain educational quality and proceed with planned UW System initiatives, one could question whether a tuition increase of 10% could be considered moderate, given current low rates of inflation. Based on historic tuition increases, the Committee could choose a lower tuition increase cap for resident undergraduates of 7%, which would ensure that tuition increases do not exceed the historic average without the approval of the Joint Committee on Finance under s.13.10 of the statutes and the DOA Secretary. To accommodate UW-Milwaukee and UW-Madison campus initiatives and approved compensation plans, the proposal could include a non-statutory provision enabling the Board to exceed the 7% cap at UW-Madison and UW-Milwaukee for resident undergraduates in 2002-03 in order for those campuses to carry out their approved campus initiatives. It is estimated that an increase of 9.1% would be needed at those campuses.

11. The Legislature has delegated primary responsibility for the governance of the UW System to the Board of Regents, which has staff in the form of UW System administration. The Board is responsible for carrying out the purposes of the System, which includes enabling "students of all ages, backgrounds and levels of income to participate in the search for knowledge and individual development." One could argue that the Board should continue to be provided with the current flexibility to perform its duties as it sees fit as well as fund approved tuition expenditures. Ultimately, the Legislature retains some oversight, in that it could repeal the authority to freely expend tuition monies if it disagreed with the Board of Regents' use of it.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to prohibit the UW System Board of Regents from increasing average tuition charged a resident undergraduate in the 2002-03 academic year compared to the average tuition charged a resident undergraduate in the 2001-02 academic year by more than 10% without first obtaining the approval of the Joint Committee on Finance under s.13.10 of the statutes and approval of the Secretary of Administration. Permit the Board to increase tuition for differential tuition initiative approved by the Board beyond 10% as long as such differential tuition increases are not used to offset decreases in the GPR appropriations.

2. Modify the Governor's recommendation to limit the UW System Board of Regents from increasing average tuition charged a resident undergraduate in the 2002-03 academic year compared to the average tuition charged a resident undergraduate in 2001-02 academic year by more than 7%. Specify that the Board could increase resident undergraduate tuition at UW-Milwaukee and UW-Milwaukee and UW-Madison in excess of 7% in 2002-03 over tuition charged to a resident undergraduate at these campuses in 2001-02 in order to fund the tuition funded portion of the Milwaukee Idea and Madison Initiative approved in Act 16. Permit the Board to increase tuition for differential tuition initiatives approved by the Board beyond 7% as long as such differential tuition increases are not used to offset decreases in the GPR appropriations.

3. Modify either of the above alternatives to make the annual increase limit for academic fees charged to an undergraduate resident student permanent.

4. Maintain current law.

Prepared by: John Stott

AGENCY: UW SYSTEM

LFB PAPER #: 1261

ISSUE: State Laboratory of Hygiene

ALTERNATIVE: #4

SUMMARY:

The Governor proposes creation of a position for a micro-biologist and funding for additional laboratory expenses out of GPR.

However, the state of Wisconsin is eligible for Federal grant money from DHHS to cover bio-hazard and terrorism preparedness efforts. This grant is subject to approval of a plan submitted by the Governor and coordinated by DHFS. Any expenditures could be included in that plan and covered by federal grant money.

Any expenses should be included in the federal grant proposal and should not come from GPR.

Alternative #4 maintains current law.

BY: KATY



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March 4, 2002

Joint Committee on Finance

Paper #1261

State Laboratory of Hygiene (UW System)

[LFB Summary of the Governor's Budget Reform Bill: Page 103, #5]

CURRENT LAW

The Wisconsin State Laboratory of Hygiene (WSLH) is a member laboratory of the Laboratory Response Network (LRN), a multilevel network that was established by the national Centers for Disease Control and Prevention (CDC) to help public health laboratories prepare for and respond to acts of terrorism. As such, WSLH provided testing for environmental and clinical samples from around the state that were suspected to be *Bacillus Anthracis*, also known as anthrax, following detection of the pathogen in Florida in the fall of 2001. For 2001-03, WSLH is appropriated \$7,671,300 GPR annually for general program operations, and 134.7 GPR positions are authorized.

GOVERNOR

Provide \$310,000 GPR and 1.0 position in 2002-03, above the current general program operations funding level of \$7,671,300, for the WSLH under the UW System. This would provide an additional microbiologist position as well as funds for related laboratory expenses.

DISCUSSION POINTS

1. WSLH acts as a Level C lab in the Laboratory Response Network (LRN), which indicates that it has advanced capacity for rapid identification of biological agents through advanced and specialized testing. In addition, three other laboratories in Wisconsin (the Zablocki Veteran's Administration Hospital-Milwaukee, Milwaukee City Health Department and Marshfield Clinic) act as Level B laboratories within the LRN. Level B labs perform initial tests for specific agents, such as anthrax, botulism and bubonic plague, and forward specimens to higher level laboratories, in

order to minimize "false positive" test results and protect Level C labs of the LRN from overload. Wisconsin has a total of 125 Level A labs in the state as well, which are public health and hospital laboratories with low-level bio-safety facilities that, as part of the LRN, are responsible for the safe collection, packaging, labeling and shipping of samples that might contain dangerous pathogens. However, only 40 of these labs thus far have received relevant training to perform these tasks.

2. This year the State Lab received a total of \$243,900 FED as part of a bio-terrorism preparedness and response cooperative agreement with the CDC. The funding covered equipment, travel, salary and fringe costs for 1.0 epidemiologist position and 1.0 microbiologist position. This funding was provided for bio-terrorism preparedness, however, and was not related to the anthrax threat.

3. DOA budget staff indicate that the Governor's recommendation included \$48,300 for 1.0 microbiologist position for one full year to handle increased testing workload, \$162,000 for reimbursements to the three Level B labs for an estimated annual total of 360 testing samples each, and \$99,700 for annual travel, training and supplies costs for WSLH.

4. According to information supplied by WSLH, the lab incurred a variety of costs related to testing suspected anthrax samples last fall. Since early October, the lab has tested over 530 samples of materials suspected to be agents of bio-terrorism, all of which tested negative for dangerous pathogens. Around half of those samples were tested by WSLH in the first two to three weeks of the bio-terrorism threat, after which the demand for testing services decreased rapidly. However, the lab is still receiving samples and has staff on call around the clock, in order to minimize turn around time for businesses, government offices or other entities that may be closed pending test results for samples collected on their premises. Approximately 15 laboratory workers were diverted from their routine tasks and worked overtime to test suspicious samples during the height of the bio-terrorist threat.

5. Costs related to this testing incurred to date total \$109,400, less \$7,200 in unbudgeted revenues received for federal post office testing, for net unanticipated costs totaling \$102,200. Another \$130,100 in bio-terrorism related costs are pending, for a total of \$232,300 in unanticipated costs for 2001-02.

6. Based on information provided by staff from WSLH, of the total costs incurred to date, \$22,800 is attributable to supplies and materials costs, including testing kits and hazardous materials containers. An additional \$5,400 is attributable to courier service costs for shipping potentially dangerous samples to the State Lab. WSLH also made expenditures intended to increase building security at the lab at the direction of the Federal Bureau of Investigation, including new security badges, locks and security doors, which totaled \$29,600. Also, WSLH has reimbursed the Milwaukee City Health Department (\$8,200) and the Zablocki Veteran's Administration Hospital-Milwaukee (\$13,500) for the costs those labs incurred for testing in their capacities as Level B labs in the LRN. Another \$17,200 has been spent for extra staffing costs at WSLH, including overtime and on-call expenses for laboratory staff. Finally, WSLH expended \$12,700 for training materials, computer equipment, teleconferencing and travel to Level A and B labs around the state to provide

on-site training in the handling of potentially dangerous pathogen samples, as well as for WSLH staff to attend regional and national public health conferences.

7. In addition to those costs already incurred, WSLH anticipates making bio-terrorism related expenditures totaling \$130,100 throughout the remainder of the fiscal year, as samples continue to be submitted and more training is provided to Level A and B labs. For testing kits and hazardous materials containers for the remainder of 2001-02, WSLH anticipates spending another \$19,000, slightly less than the total amount expended from early October through early January. For courier service costs for shipping testing samples to the lab, WSLH expects to spend another \$5,400, an amount equal to the costs incurred for the period between October 14 and November 30, 2001, for this purpose. WSLH also expects to spend \$21,300 for additional travel and training for Level A and B labs, as well as WSLH staff. WSLH intends to install additional security doors at the lab, at a cost of \$18,900 for labor and materials.

8. Also, WSLH estimates that another \$17,200 will be necessary for overtime and on-call staffing through the end of the fiscal year as testing samples continue to arrive at the lab, an amount equal to these expenditures for the period between October 14 and December 15, 2001. In addition, WSLH would hire 1.0 FTE chemist and 2.0 FTE microbiologists in order to handle increased demand for laboratory testing, data management and coordination with other public health systems partners. While the lab would not necessarily require additional position authority for these positions since it is currently holding several positions vacant, WSLH indicates that additional funding for the positions would be needed. Estimating an annual salary level of \$35,000 each and annual fringe benefits totaling \$13,300 each, and assuming these positions would work only March through June of the current fiscal year, WSLH anticipates costs for these three positions would total \$48,300 during 2001-02.

9. Senate Bill 299 was introduced in October 2001 to provide \$250,000 GPR in 2001-02 for the WSLH general program operations appropriation to cover costs related to bio-terrorism in the current fiscal year. The bill was recommended for passage by the Senate Committee on Universities, Housing and Government Operations on a vote of 4 to 2 and subsequently referred to the Joint Committee on Finance at the end of January, 2002.

10. The Committee could consider reducing the Governor's recommendation of \$310,000 GPR to \$184,000 GPR and moving the funding into 2001-02, in order to cover the costs WSLH expects to incur this year, as well as provide \$48,300 in 2002-03 for 1.0 position. WSLH indicates that the unanticipated costs incurred for 2001-02 cannot be absorbed within its current budget, and therefore the lab will have a budgetary deficit for this fiscal year unless funding is identified. This funding would not cover any costs incurred in 2002-03, which could total as much as an additional \$710,000, according to WSLH estimates.

11. The U.S. Department of Health and Human Services (DHHS) has notified Wisconsin that the state will receive approximately \$19.3 million under the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002. The funding includes: (a) \$16,941,000 to defend against bio-

terrorism-related events and other public health outbreaks, threats and emergencies; and (b) \$2,327,900 for regional hospital planning and preparedness. DHHS has indicated that 20% of the federal funding will be made available to states immediately and the remainder will be released subject to federal approval of a plan submitted by the Governor, coordinated by the state Department of Health and Family Services (DHFS), no later than April 15, 2002. DHHS has indicated that it will review the plan within 30 days of receipt. The supplemental funding appears to be one-time funding, with the budget period for the funding ending August 30, 2003, so the funding will have to be spent or encumbered by that date.

12. DHHS has recently provided guidelines for the expenditure of the federal funds. The guidelines indicate that a portion of the initial funding allotted to the state, which is equal to 20% of the Wisconsin's total award, can be used to cover urgent costs associated with bio-terrorism response efforts that have been incurred as a result of the September 11, 2001, terrorist attacks and in response to the subsequent national anthrax events. The guidelines cite a number of examples, including laboratory capacities and security issues. Thus, it appears that these federal funds could be used to support the one-time testing and increased security costs already incurred by WSLH, totaling \$102,200.

13. The federal guidelines also indicate that one of the eligible uses of the remaining federal funds is to increase laboratory capacity for biological agents. States may use these funds to ensure that core diagnostic capabilities for bio-terrorist agents are available at all state and major city/county public health laboratories and to enable state and major city/county laboratories to develop the capacity to conduct rapid and accurate diagnostic and reference testing for select biologic agents likely to be used in a terrorist attack. Any activities performed by the WSLH that fall into this area, including supporting a microbiologist position to handle increased testing workload as well as other pending costs for 2001-02, totaling \$130,100, may be eligible for federal funding. In addition, it may be possible to secure federal funding for the estimated \$710,000 in costs anticipated by WSLH for 2002-03.

14. Funding for any of these purposes is subject to inclusion in the DHFS plan, approval by the Governor and, finally, approval by DHHS. In addition, it is not known whether these federal funds will be available after August 30, 2003, so any positions funded under this federal grant would be project positions ending on that date. Finally, these federal funds may not be used to replace or supplant current state or local expenditures, and must be used to augment or complement funds supported by other CDC programs.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$310,000 GPR in 2002-03 and 1.0 microbiologist position for the WSLH for unanticipated laboratory workload and costs related to the bio-terrorism threat.
2. Modify the Governor's recommendation to provide \$184,000 GPR in 2001-02 and

delete \$261,700 GPR in 2002-03 for the WSLH for unanticipated laboratory workload and costs related to the bio-terrorism threat. Net funding under this alternative would be \$184,000 in 2001-02 and \$48,300 in 2002-03 with 1.0 position in 2002-03.

<u>Alternative 2</u>	<u>GPR</u>
2001-03 FUNDING	- \$77,700

3. Modify the Governor's recommendation to delete \$310,000 GPR and 1.0 position from WSLH in 2002-03 and, instead, place \$232,300 GPR in reserve in the Committee's appropriation for 2001-02. Request DHFS to include all costs incurred and anticipated by WSLH related to bio-terrorism threats in the state plan for use of federal bio-terrorism funds, as applicable under the federal guidelines, pending DHHS approval. If full funding is not approved by DHHS, WSLH could request that the Committee release this GPR funding and create a position, if needed.

<u>Alternative 3</u>	<u>GPR</u>
2001-03 FUNDING	- \$77,700
2002-03 POSITIONS	-1.00

4. Maintain current law and request DHFS to put these spending purposes in their plan.

<u>Alternative 4</u>	<u>GPR</u>
2001-03 FUNDING	- \$310,000
2002-03 POSITIONS	-1.00

Prepared by: Layla Merrifield and Yvonne Arsenault

MO# 3

① BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
ROSENZWEIG	Y	N	A
② GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS _____

AGENCY: UW System

LFB PAPER #: 1262

ISSUE: Veterinary Diagnostic Lab

ALTERNATIVE: #2 – Take No Action

Summary:

These are not the Governor's proposed cuts. These came from LFB's review of the fiscal estimates prepared on the lab.

Under Act 107, the lab should have lapsed and additional \$667,500 into the general fund, they have not.

The vet lab has stated that if they lose any of their funding they will not be able to maintain the equipment necessary to maintain their accreditation. Their position on the issue is attached. We don't want to lapse any of these funds.

BY: KATY

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and Consumer Protection**
2811 Agriculture Dr.
P. O. Box 8911
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1 West Wilson St.
Madison, WI 53702

FOR MORE INFORMATION CONTACT:

Julia Langenberg, VMD, DNR Wildlife, DNR (608) 266-3143
James Kazmierczak, DVM, Epidemiologist, HFS, (608) 267-7321
Robert Ehlenfeldt, DVM, Animal Disease Control, DATCP, (608) 224-4880

FOR RELEASE: February 28, 2002

SUBJECT: Chronic Wasting Disease detected in three Wisconsin deer

MADISON, WI -- Chronic Wasting Disease (CWD) was detected in samples taken from three deer registered during Wisconsin's November 2001 Deer Gun Hunting season, state officials announced today. All three samples were taken from deer killed in Deer Management Unit 70A (Iowa and Dane counties) and registered in Mt. Horeb, Wisconsin. All three were bucks two and one-half to three years old. CWD is not known to be contagious to livestock or humans.

According to Wisconsin Department of Health and Family Services Epidemiologist James Kazmierczak, CWD is similar to a disease of humans called Creutzfeldt-Jacob disease (CJD), but the two diseases are caused by different agents, and should not be confused with each other.

Kazmierczak pointed out that the World Health Organization (WHO) has said there is no scientific evidence that CWD can infect humans. Over 16 years of monitoring in the CWD-infected area in Colorado has found no CWD in people or cattle living in that region. For safety's sake, however, experts suggest that hunters should avoid eating the brain, spinal cord, eyes, tonsils, spleen or lymph nodes of white-tailed deer and elk because the infectious agent tends to concentrate in those tissues. The World Health Organization has recommended no part of deer or elk that show evidence of CWD should be eaten by people.

"We are just at the front end of evaluating the scope of the problem. We need to interview the hunters who let us sample their deer, find out exactly where the deer were taken and whether these deer exhibited unusual behavior," said Julia Langenberg, DNR veterinarian and administrator of the deer testing program.

"Results from the other 400 deer tested in the state will be available soon and will be communicated to hunters -- especially those in the Mount Horeb area -- as soon as possible," Langenberg said.

State officials also noted there is no threat to cattle or sheep.

"We can assure the public that CWD is NOT the same disease as Scrapie in sheep or Bovine Spongiform Encephalopathy in cattle. Transmission of CWD from deer to cattle under free-roaming conditions is extremely unlikely," according to Department of Agriculture, Trade and Consumer Protection (DATCP) Assistant State Veterinarian Bob Ehlenfeldt. "Scientists at the National Animal Disease Center injected CWD infected disease materials directly into cow brains and cattle did not develop any signs of the disease."

The hunters who submitted the deer tissue samples are being notified by state conservation wardens today (February 28).

How the deer became infected is not known at this time, but a study will be conducted to try to determine a source.

DNR, DATCP and DHFS are working jointly to respond to this disease problem. Once the information from the hunters and other test results are known, the agencies will be taking additional surveillance and control steps.

The agencies are consulting with experienced CWD experts in Colorado and Wyoming where the disease is known to exist, and at USDA, to develop plans to control the disease in Wisconsin.

Informational material is being developed for hunters, deer and elk farmers and the public.

Scientists test for CWD by examining the brain tissue of animals. Since 1996 the Wisconsin Department of Natural Resources has conducted an aggressive deer herd health evaluation program by requesting tissue and blood samples from deer taken by hunters to test for bovine tuberculosis, Cranial Abscessation Syndrome and CWD. This is the first time CWD has appeared in samples. Sampling has never detected Bovine Tuberculosis in Wisconsin deer.

Currently 44 farm-raised elk herds are enrolled in a voluntary CWD surveillance program with DATCP. These herds have tested over 100 animals that have all been negative for CWD.

CWD has been diagnosed in wild, free-ranging deer and elk primarily in northeastern Colorado and southeastern Wyoming, and in adjacent Nebraska. There has been no general caution issued against eating deer or elk in the infected Western areas. CWD has also been found

in captive elk in Colorado, Montana, Nebraska, Oklahoma, Kansas, South Dakota and Saskatchewan.

Researchers are just beginning to understand CWD. It is likely caused by an abnormal protein called a prion. The mechanism of spread for CWD is unknown but could involve close contact between animals, or animals exposed to a CWD-infected environment. Usually months to years pass from the time an animal is infected to when it shows signs of the disease. Classic CWD signs in deer and elk 18 months or older include poor body condition, tremors, stumbling, increased salivation, difficulty swallowing, and excessive thirst or urination. There is no live animal test for CWD, but an experimental live-testing method looks promising.

"We are obviously very concerned, but are also encouraged that our state monitoring has revealed the problem so that we can take steps to deal with it," Langenberg said.

For more information the Animal Health Division of DATCP can be contacted at 608-224-4872. Also available is a "Keeping Deer Healthy" fact sheet on DNR's Web site at www.dnr.state.wi.us; look under "Natural Resources," then under "Wildlife" and select "Wildlife Health."

On the Web: <http://www.aphis.usda.gov/vs/cwd.htm>



Legislative Fiscal Bureau

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

March 4, 2002

Joint Committee on Finance

Paper #1262

Veterinary Diagnostic Laboratory (UW System)

CURRENT LAW

1999 Act 107 transferred the Wisconsin Animal Health Laboratory along with related funding, positions and the incumbents from the Department of Agriculture, Trade and Consumer Protection (DATCP) to a Veterinary Diagnostic Laboratory Board attached to the University of Wisconsin System (UW System) and increased funding and staffing for the lab. The Board operates a central animal health laboratory in Madison and a regional facility in the city of Barron. These laboratories provide animal health surveillance, diagnostic services and testing, including those tests required by federal and state laws for disease control and the interstate movement of animals.

GOVERNOR

No provision.

DISCUSSION POINTS

1. As shown in the following table, 1999 Act 107 increased overall funding of the veterinary diagnostic laboratories by over one-half and more than doubled GPR support for lab activities. In 2001-02, the veterinary diagnostic laboratories are provided a total of almost \$7.1 million (\$4,355,400 GPR, \$2,667,200 PR funded by lab user fees and \$37,100 PR funded by lab fees collected from other state agencies).

TABLE 1

Laboratory Funding

<u>Source</u>	<u>Pre-Act 107</u>		<u>Current Law</u>			
	<u>Funding</u>	<u>DATCP Staff</u>	<u>Funding</u>	<u>Change</u>	<u>UW Staff</u>	<u>Change</u>
GPR	\$1,733,800	25.5	\$4,355,400	151%	80.5	216%
PR	<u>2,903,700</u>	<u>37.0</u>	<u>2,704,300</u>	<u>-7%</u>	<u>0.0</u>	<u>-100%</u>
Total	\$4,637,500	62.5	\$7,059,700	52%	80.5	29%

2. 1999 Act 107 required that the UW System: (a) lapse \$1,519,400 PR to the general fund on June 30, 2001; (b) lapse \$813,900 GPR to the general fund on June 30, 2001; and (c) for 2000-01 only, use the GPR appropriation solely for the salary and fringe benefits of up to 65.5 laboratory employees (in order for excess funds to be lapsed as well). The 65.5 staff represented 62.5 existing positions and three new section chiefs at UW. Beginning in 2001-02, UW is authorized to hire an additional 15 new GPR staff at the labs (for a total of 80.5 positions).

3. Although 1999 Act 107 required that the UW System lapse \$1,519,400 PR to the general fund on June 30, 2001, the UW System instead lapsed only \$851,900 PR, or \$667,500 less than the required amount.

4. According to UW System and Department of Administration officials, the smaller PR lapse corresponded with a higher lapse from the lab's GPR appropriation, to reach a total lapse of \$2,333,300. However, since 1999 Act 107 restricted the GPR expenditures to salary and fringe in 2000-01, it was already anticipated that the GPR lapse would exceed the Act 107 required amount.

5. In preparing fiscal estimates for the bill, the UW System and DATCP projected that \$3,453,200 GPR (\$4,267,100 appropriated to create a higher base minus a required lapse of \$813,900) would be needed to fund the salary and fringe benefits costs of lab positions in 2000-01. The Legislative Fiscal Bureau prepared a March 2, 2000, analysis for the Joint Committee on Finance that anticipated that only \$2,895,600 GPR would be needed to fund the salary and fringe benefits costs of lab positions in 2000-01, for a reduction of \$557,600 GPR from the agencies' projections. However, due to concerns raised by the UW System and DATCP that \$2,895,600 GPR would be insufficient to cover staff salary costs, instead of reducing GPR expenditure authority or increasing the required GPR lapse amount, the Joint Committee on Finance passed a motion to limit GPR expenditures in the annual appropriation to salary and fringe only in 2000-01, in order that any excess GPR would be returned to the general fund. This provision was included in the bill as passed by the Legislature and signed by the Governor as Act 107. In 2000-01, the lab lapsed \$1,481,400 GPR to the general fund.

6. In order to fulfill the requirement of 1999 Act 107, the Committee could require the UW System to lapse \$667,500 (the difference between the required lapse of \$1,519,400 PR and the

actual lapse of \$851,900 PR) from veterinary diagnostic lab program revenues to the general fund on June 30, 2002. As shown in Table 2, the program revenue balance has grown to over \$1.2 million. A lapse of \$667,500 would leave a fund balance of over \$600,000.

7. Further, the Committee could choose to lapse a larger amount to the general fund without reducing lab expenditures from historical amounts, as the account has been structurally sound, and a sufficient balance exists. UW System officials argue that maintaining a significant fund balance facilitates the ability of the lab to make equipment purchases or to lower fees to laboratory users. However, requiring a lapse of \$933,900 would leave a fund balance of approximately \$350,000, or the amount the fund had on June 30, 1998. If the Committee chose to maintain a higher fund balance in the veterinary diagnostic lab appropriation, a lower lapse amount could be required.

TABLE 2

Program Revenue Fund Condition

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02*</u>
Opening Balance	\$123,200	\$349,100	\$792,200	\$998,100	\$1,168,300
Revenue	2,040,600	2,449,200	2,756,000	2,613,800	1,339,300
Expenditure	-1,814,700	-2,006,100	-2,550,100	-1,591,700	-1,223,700
Lapse to General Fund				<u>-851,900</u>	
Closing Balance	\$349,100	\$792,200	\$998,100	\$1,168,300	\$1,283,900

*Through January 31, 2002

ALTERNATIVES TO BILL

1. Require the UW System to lapse one of the following amounts from the veterinary diagnostic lab PR appropriation to the general fund on June 30, 2002:

- a. \$667,500 (the amount required by Act 107)
 - b. \$750,000
 - c. \$850,000
 - d. \$933,900 (a PR account balance of approximately \$350,000 would remain).
2. Take no action.

Prepared by: David Schug

MO# Id

②	BURKE	Y	N	A
①	DECKER	Y	N	A
②	MOORE	Y	N	A
	SHIBILSKI	Y	N	A
	PLACHE	Y	N	A
	WIRCH	Y	N	A
	DARLING	Y	N	A
	ROSENZWEIG	Y	N	A
	GARD	Y	N	A
	KAUFERT	Y	N	A
	ALBERS	Y	N	A
	DUFF	Y	N	A
	WARD	Y	N	A
	HUEBSCH	Y	N	A
	HUBER	Y	N	A
	COGGS	Y	N	A

AYE 13 NO 3 ABS _____

Senator Darling
Senator Rosenzweig
Representative Huebsch

UNIVERSITY OF WISCONSIN SYSTEM

Funding for the UW-Madison Waisman Center

Motion:

Move to provide one-time funding of \$300,000 GPR in 2002-03 to UW-Madison to allocate to the Waisman Center for the child parent center demonstration project.

Note:

This motion would provide one-time funding of \$300,000 in 2002-03 to UW-Madison to allocate to the Waisman Center for the child parent center demonstration project. The Waisman Center is a national research center for human development and developmental disabilities located at UW-Madison.

[Change to Bill: \$300,000 GPR]

MO# 337

BURKE	(Y)	N	A
DECKER	Y	(N)	A
MOORE	(Y)	N	A
SHIBILSKI	Y	(N)	A
PLACHE	(Y)	N	A
WIRCH	(Y)	N	A
(1) DARLING	(Y)	N	A
(2) ROSENZWEIG	(Y)	N	A
GARD	Y	(N)	A
KAUFERT	Y	(N)	A
ALBERS	Y	(N)	A
DUFF	Y	(N)	A
WARD	Y	(N)	A
HUEBSCH	(Y)	N	A
HUBER	(Y)	N	A
COGGS	(Y)	N	A

Motion #337

AYE 9 NO 7 ABS _____

Wisconsin Technical College System

(LFB Summary of the Governor's Budget Reform Bill: Page 105)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	1% and 4.5% Budget Reductions (see Paper #1120)
2&3	Eliminate the Technical and Occupational Program Grants for Students and Create an Educational Assistance Program for Dislocated Workers (Paper #1275)
4	Mill Rate and Levy Limit Changes and Limit on Increase in Fees (Paper #1276)

LFB Summary Items for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
5	Limitation on Increase in Fees
6	Terrorism Response Training Program

Wisconsin Must Protect - Not Wreck – Its Technical Colleges!

"Technical Colleges play a key role as the engine that drives economic development in the State of Wisconsin." – Governor Scott McCallum, *Milwaukee Journal-Sentinel*, 1/16/02

Technical College Budget Reform Priorities... to protect Wisconsin's economic development engine by preserving services for students and businesses:

- 1. No "freeze" or new controls on local levies.**
 - Freezing local levies will result in major program and course cuts statewide, but *will not reduce the state deficit by one dollar.*
 - Freezing levies will result in turning away thousands of additional students from high-skill, high-wage training just as an economic downturn results in increased waiting lists and increased enrollment pressure.
 - A freeze results in cutting current programs and enrollments because of commitments made for next year to accommodate new equipment, technology, and other unavoidable costs.
 - A freeze eliminates the ability to implement planned new capacity in nursing, public safety and other critical programs, despite growing enrollment and growing wait lists.
 - Colleges have already undertaken major efficiency efforts and cost reductions, and respond rapidly to changing local community needs (modifying/ending/creating hundreds of programs in recent years, and providing thousands of customized training programs to business and industry each year).

- 2. No additional cuts to already weakened state funding commitments.**
 - Unlike most agencies and governments, state funding for the WTCS was already cut in the 2001-03 state budget approximately \$5 million from base year 2001. (Funding for the UW System increased approximately \$40 million for the same period).
 - A proposed new 4.5% across-the-board cut (\$6.2 million per year beginning in 2002), further reduces programs/courses and increases already huge waiting lists.
 - Cuts to State support fall disproportionately on some of the state's poorest areas with the highest unemployment rates.
 - State support for technical colleges has eroded from 37% of costs in 1980 to less than 20% today, and still falling.
 - "Across the Board" cuts do not allow the WTCS (State) Board or WTCS Colleges to prioritize our response to the State's most critical workforce training needs.

- 3. Maintain remaining TOP Grant Program for current students (current law).**
 - TOP Grants for recent Wisconsin high school graduates to attend technical colleges fulltime were already cut (by over \$4 million) reducing grants from \$1,000 to \$500.
 - Ending all TOP funding for recent high school graduates abruptly in July, 2002, in order to fund dislocated worker grants, negatively affects thousands of students already counting on grant availability for programs beginning in a few short months.
 - Dislocated workers are already served through other grant funds and through employer contracts with the WTCS to train/retrain laid-off workers.

Wisconsin Technical Colleges -- The State's Key Economic Engine

- We train and retrain the State's most critically needed workers: **police officers, fire fighters, nurses, utility workers, computer technicians, plumbers, electricians,** and dozens of others -- the economic backbone of safe and healthy communities.
- **These WTCS-trained Wisconsinites create more than \$2 in new tax revenue for every \$1 dollar of total state and local funding invested in the WTCSI¹.**
- Our graduates overwhelmingly stay in state. Each one year of fulltime WTCS training creates an average \$3,940 more per year in Wisconsin earnings¹ - year after year - creating higher tax revenues and lower deficits.
- As of April, 2001, more than 7,000 Wisconsinites were on WTCS waiting lists *after* 2001-02 classes were admitted. This number would be much higher except that colleges cap lists when they reach 4-5 years long.
- Raising capacity to accommodate persons already on waiting lists would create tens of millions in new Wisconsin earnings and tax revenues.
- **Technical College enrollments go up when the economy goes down.** Enrollments were up by nearly 3% in 2000-01 and are projected to increase 3% again in 2001-02 (an increase of the equivalent of more than 3,000 fulltime students). Several districts report 6% or higher enrollment gains for 2001-02.

More Information:

Contact your local Technical College District President's office, or...

Paul Gabriel
Wisconsin Technical College District Boards Association
608 266-9430 pgabriel@districtboards.org

(January 29, 2002)

1. Figures are from/based on *The Socioeconomic Benefits Generated by the Wisconsin Technical College System* (Executive Summary), Dr. Kjell Christophersen and Dr. Henry Robison, CCBenefits, Inc., 12/20/01.