

Fiscal Estimate Narratives

WTCS 3/18/2008

LRB Number	07-3492/1	Introduction Number	AB-0947	Estimate Type	Original
Description grants to technical college districts to reduce unemployment, granting rule-making authority, and making an appropriation.					

Assumptions Used in Arriving at Fiscal Estimate

This bill would increase revenue to local WTCS Districts by creating a new \$10 million annual appropriation to provide incentive grants to the Districts to reduce unemployment.

The grants would target WTCS Districts in areas identified by the federal Department of Labor as areas of concentrated unemployment or underemployment or areas of labor surplus, typically those with an unemployment rate of 125% or greater than the national average. At this time, 15 Wisconsin counties and 6 cities meet the standard, including areas served by Nicolet Area, Milwaukee Area, Gateway, and Northcentral Technical Colleges, among others.

The incentive grants under this bill could be used by WTCS Districts to cover tuition, recruitment, instructional costs, and support services for individuals from the target areas who are unemployed or who are adults without a high school diploma. Currently, there are more than 295,000 Wisconsin adults without a high school credential and not in school, for whom unemployment and underemployment rates far exceed the rate for the overall population. These individuals could attend the technical college without cost.

Grants could also fund Districts' education and training costs not covered by tuition, which would minimize or eliminate any effect on property tax levies. In addition, funds could be used by districts to expand capacity and reduce waiting lists for high-demand programs. College-level programming offered under the bill could range from short-term training to diplomas or degrees.

Long-Range Fiscal Implications

The new grant program created under the bill would increase administrative costs for the WTC System Office, which would be required to administer a new grant process and prepare annual reports for the Governor and the Legislature that include detailed grant activity and outcomes data. The extent of the costs would be dependent on the complexity of the funding distribution process.