



**Fiscal Estimate Narratives**  
**WTCS 11/2/2009**

LRB Number	<b>09-3391/1</b>	Introduction Number	<b>AB-0513</b>	Estimate Type	<b>Original</b>
<b>Description</b> The amounts appropriated for tuition grants and for Wisconsin higher education grants for University of Wisconsin system students, technical college students, and tribal college students; grants to technical college districts to reduce unemployment; grants to businesses to make capital expenditures; increasing the total amount of angel investment credits; creating a new individual income tax upper bracket; providing an exemption from emergency rule procedures; granting rule-making authority; and making appropriations					

**Assumptions Used in Arriving at Fiscal Estimate**

If enacted, AB-513 would create a new categorical grant program within the Wisconsin Technical College System (WTCS) to meet the needs of dislocated workers and individuals pursuing high school equivalency credentials, and to expand districts' capacity in programs that are currently beyond capacity. The WTCS Board would be responsible for systemwide grant program administration and reporting.

Under the grant program, the Legislature would create a new annual GPR appropriation to provide \$52 million in fiscal year (FY) 2009-10 and \$30 million in FY 2010-11 for local grants to WTCS districts. WTCS districts would be required to meet certain eligibility criteria to receive grant funds, and preference would be given based on local unemployment rates.

Between 1998-99 and 2008-09, WTCS districts' full-time equivalent (FTE) enrollments increased more than 25 percent. They are projected to increase by as much as an additional 16 percent in 2009-10 alone. Despite this, districts' have controlled costs, with inflation-adjusted costs-per-FTE remaining relatively constant since 2000-01. In addition, for the past 11 years more than 90 percent of WTCS graduates have been employed within six months of graduation, and between 2003 and 2008, the growth in WTCS graduates' earnings averaged 8.2 percent annually, nearly twice the rate of inflation.

**Long-Range Fiscal Implications**

AB-513 would allow the WTCS Board to provide grant funds to districts to leverage additional federal resources. As a result, grants provided to WTCS districts under AB-513 could be used to satisfy match requirements for new federal grant programs currently being deliberated in Congress, such as those proposed under the Student Aid and Fiscal Responsibility Act of 2009 (also referred to as the American Graduation Initiative). This federal legislation, if enacted, could make more than \$630 million available annually from 2010 to 2013 for the nation's community and technical colleges.

If enacted, AB-513 would also result in increased state and local costs related to grant program administration and reporting.