



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1556/P3
MDK:ahe

DOA:.....Kirschbaum, BB0281 - Technical college system performance
funding formula

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

HIGHER EDUCATION

The bill makes changes to performance funding requirements for technical college districts. Current law required the TCS Board to submit a plan to JCF by March 31, 2014 for allocating general state aid to technical college districts based on performance with respect to specified criteria. Upon approval by JCF, current law required the TCS Board to allocate the general state aid among the districts so that, by fiscal year 2016-17, 30 percent of the aid was allocated according to the plan and 70 percent was allocated according to a formula for equalizing the aid based on district property values. Under current law, after fiscal year 2016-17, none of the aid is allocated according to the plan and 100 percent is allocated according to the equalization formula.

Under this bill, in fiscal year 2017-18, 30 percent of the aid is allocated according to the plan and 70 percent is allocated according to the equalization formula. For subsequent fiscal years, the bill requires the TCS Board to allocate 70 percent of the aid to technical college districts according to the equalization formula and to submit a new plan to the secretary of administration for allocating the following percentages of the aid based on a district's performance regarding the following sets of criteria, which are based on the criteria specified under current law:

1. Ten and one-half percent: participation in dual enrollment programs and the development and implementation of a policy to award course credit for educational experience and training not obtained through an institution of higher education.

2. Ten and one-half percent: student placement in jobs related to the students' programs of study; number of degrees and certificates awarded in high-demand fields, as jointly determined by DWD and the TCS Board; number of programs or courses with industry-validated curriculum; and workforce training provided to businesses and individuals.

3. Six percent: number of adults served by specified basic adult education, skills, and training courses and the success rate of adult students completing the courses; transition of adult students from basic education to skills training; and training and other service provided to special populations or demographic groups that are unique to a technical college district.

4. Three percent: participation in statewide or regional collaboration of efficiency initiatives.

The bill requires the TCS Board to submit the above plan to the secretary of administration by March 31, 2018. The TCS Board may not implement the plan unless approved or modified by the secretary of administration. Beginning in fiscal year 2018-19, the bill requires the TCS Board to submit an annual report to the secretary of administration regarding the allocations made under the plan and district performance regarding the criteria.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.292 (1) (d) of the statutes is amended to read:

20.292 (1) (d) *State aid for technical colleges; statewide guide.* The amounts in the schedule for state aids for technical college districts and technical colleges, including area schools and programs established and maintained under the supervision of the board, under s. 38.28 (2) ~~(b)~~, ~~(be)~~, and ~~(bm)~~ (2m), and for production and distribution of the statewide guide under s. 38.04 (18). Of the amount in the schedule for each fiscal year not exceeding \$50,000 may be spent by the board to match federal funds made available for technical education by any act of congress for the purposes set forth in such act and no more than \$125,000 may be spent by the board to produce and distribute the statewide guide under s. 38.04 (18). If, in any

fiscal year, actual program fees raised under s. 38.24 (1m) exceed board estimates, the increase shall be used to offset actual district aidable cost.

SECTION 2. 38.04 (32) (a) of the statutes is amended to read:

38.04 **(32)** (a) The board may award grants to district boards for the development of apprenticeship curricula and for activities the board determines are related to the performance criteria specified in s. 38.28 ~~(2) (be)~~ 1. (2m) (a) to (d). To the extent practicable, the board shall ensure that such grants are awarded annually to all districts. Amounts awarded shall be paid from the appropriation under s. 20.292 (1) (f).

SECTION 3. 38.28 (1) (title) of the statutes is created to read:

38.28 **(1)** (title) ANNUAL REPORTS.

SECTION 4. 38.28 (1) (a) of the statutes is renumbered 38.28 (1).

SECTION 5. 38.28 (1) (b) and (c) of the statutes are repealed.

SECTION 6. 38.28 (1m) (title) of the statutes is created to read:

38.28 **(1m)** (title) DEFINITIONS.

SECTION 7. 38.28 (2) (b) of the statutes is renumbered 38.28 (2), and 38.28 (2) (intro.) and (a), as renumbered, are amended to read:

38.28 **(2)** AIDABLE COST FUNDING. (intro.) ~~Subject to par. (bm), each~~ Each district's share of 70 percent of the amount appropriated under s. 20.292 (1) (d) shall be computed as follows:

(a) The district's aidable cost shall be multiplied by the applicable percentage and this product shall be multiplied by the equalization index to determine state aids. In this ~~subdivision~~ paragraph, the "applicable percentage" is the percentage sufficient to generate total aid under this section that will fall within the range of

0.999 and 1.001 of 70 percent of the amount appropriated under s. 20.292 (1) (d), as determined by the board.

SECTION 8. 38.28 (2) (be) 1. of the statutes is repealed.

SECTION 9. 38.28 (2) (be) 1m. of the statutes is repealed.

SECTION 10. 38.28 (2) (be) 2. of the statutes is renumbered 38.28 (2m) (e) and amended to read:

38.28 (2m) (e) Approval; modification. No later than March 31, 2014 2018, the board shall submit a plan for making allocations pursuant to ~~the formula established under subd. 1. pars. (a) to (d) to the joint committee on finance. If the cochairpersons of the joint committee on finance do not notify the board within 14 working days after the date of the submittal of the plan that the committee has scheduled a meeting to review the plan, the board shall implement the plan. If, within 14 working days after the date of the submittal of the plan, the cochairpersons of the committee notify the board that the committee has scheduled a meeting to review the plan, the~~ secretary of administration. The board may not implement the plan unless the committee secretary of administration approves or modifies the plan. If the committee secretary of administration modifies the plan, the board may implement the plan only as modified by the committee secretary.

SECTION 11. 38.28 (2) (be) 3. of the statutes is renumbered 38.28 (2m) (f), and 38.28 (2m) (f) 1. (intro.), a., b., c. and d., as renumbered, are amended to read:

38.28 (2m) (f) 1. (intro.) In each fiscal year, beginning in fiscal year ~~2014-15~~ 2018-19, the board shall submit a report to the ~~joint committee on finance~~ secretary of administration that describes how ~~the amount appropriated under s. 20.292 (1) (d) is allocated~~ allocations are made to each district under the plan administered under ~~subd. 2. par. (e).~~ The report shall describe all of the following:

a. The amount allocated to each district in the fiscal year under the formula administered under the plan.

b. The performance of each district with respect to each ~~criteria~~ the criteria specified in ~~subd. 1. a. to i.~~ pars. (a) to (d).

c. The methodologies used to make a district's allocation described under ~~subd. 3. 1. a.~~ based on the district's performance described under ~~subd. 3. 1. b.~~

d. The performance of the technical college system as a whole with respect to each ~~criteria~~ the criteria specified in ~~subd. 1. a. to i.~~ pars. (a) to (e).

SECTION 12. 38.28 (2) (be) 4. of the statutes is renumbered 38.28 (2m) (f) 2. and amended to read:

38.28 (2m) (f) 2. The board shall make the report submitted under ~~subd. 3. 1.~~ available to the public. Each district board that maintains an Internet site shall make the report available to the public at the Internet site.

SECTION 13. 38.28 (2) (be) 5. of the statutes is renumbered 38.28 (2m) (g) and amended to read:

38.28 (2m) (g) Legislative proposals. The board shall include in its biennial budget request under s. 16.42 any legislative proposals that the board recommends that relate to the criteria specified in ~~subd. 1. a. to i.~~ pars. (a) to (d) or to the plan or formula approved or modified by the ~~joint committee on finance~~ secretary of administration under ~~subd. 2. par. (e).~~

SECTION 14. 38.28 (2) (bm) of the statutes, as affected by 2017 Wisconsin Act (this act), is repealed.

SECTION 15. 38.28 (2) (bm) 2. e. of the statutes is created to read:

38.28 (2) (bm) 2. e. In fiscal year 2017-18, the percentage is 30 percent.

SECTION 16. 38.28 (2) (bs) of the statutes is renumbered 38.28 (3) (a) and amended to read:

38.28 (3) (a) *Statewide guide costs.* The board shall reduce each district's aid payment under ~~par. (b) 2. sub. (2)~~, or the amount allocated to each district under the plan administered under ~~par. (be) 2. sub. (2m) (e)~~, by the district's share of the amount necessary to produce and distribute the statewide guide under s. 38.04 (18), as determined by the board.

SECTION 17. 38.28 (2) (d) of the statutes is renumbered 38.28 (3) (b) and amended to read:

38.28 (3) (b) *Minimum standards; violations; necessity.* Notwithstanding ~~pars. (b), (be), and (bm) subs. (2) and (2m)~~, the board may withhold, suspend or reduce in whole or in part payment of state aid under ~~this subsection sub. (2) or (2m)~~ to any district board whose program or educational personnel does not meet minimum standards set by the board or which violates this chapter or any rule promulgated by the board under the authority of this chapter. The board shall discontinue aids to those programs which are no longer necessary to meet needs within the state.

SECTION 18. 38.28 (2) (e) of the statutes is renumbered 38.28 (3) (c).

SECTION 19. 38.28 (2) (f) of the statutes is renumbered 38.28 (6).

SECTION 20. 38.28 (2m) of the statutes is created to read:

38.28 (2m) PERFORMANCE FUNDING. (a) *Affordability and attainability.* The board shall rank each district board's performance regarding all of the following criteria and establish a formula for allocating 10.5 percent of the amount appropriated under s. 20.292 (1) (d) for a fiscal year based on a district board's ranking for the prior fiscal year so that a district board receives an allocation that is greater than any other district board with a lower ranking:

1. Participation in dual enrollment programs.

2. The development and implementation of a policy to award course credit for relevant educational experience or training not obtained through an institution of higher education, including skills training received during military service.

(b) *Workforce readiness.* The board shall rank each district board's performance regarding all of the following criteria and establish a formula for allocating 10.5 percent of the amount appropriated under s. 20.292 (1) (d) for a fiscal year based on a district board's ranking for the prior fiscal year so that a district board receives an allocation that is greater than any other district board with a lower ranking:

1. The placement rate of students in jobs related to students' programs of study.

2. The number of degrees and certificates awarded in high-demand fields. The board and the department of workforce development shall jointly determine what constitutes high-demand fields and revise the determination as necessary.

3. The number of programs or courses with industry-validated curriculum.

4. The workforce training provided to businesses and individuals.

(c) *Student success in state workforce.* The board shall rank each district board's performance regarding all of the following criteria and establish a formula for allocating 6 percent of the amount appropriated under s. 20.292 (1) (d) for a fiscal year based on a district board's ranking for the prior fiscal year so that a district board receives an allocation that is greater than any other district board with a lower ranking:

1. The number of adult students served by basic education courses, adult high school or English language learning courses, or courses that combine basic skills and occupational training as a means of expediting basic skills remediation, and the success rate of adult students completing such courses.

2. The transition of adult students from basic education to skills training.

3. Training or other services provided to special populations or demographic groups that can be considered unique to the district.

(d) *Efficiency.* The board shall rank each district board's performance regarding participation in statewide or regional collaboration or efficiency initiatives and establish a formula for allocating 3 percent of the amount appropriated under s. 20.292 (1) (d) for a fiscal year based a district board's ranking for the prior fiscal year so that a district board receives an allocation that is greater than any other district board with a lower ranking.

SECTION 21. 38.28 (2m) (f) (title) of the statutes is created to read:

38.28 (2m) (f) (title) *Report to secretary of administration.*

SECTION 22. 38.28 (3) (title) of the statutes is created to read:

38.28 (3) (title) FUNDING ADJUSTMENTS; NONPAYMENT.

SECTION 23. 38.28 (3) (c) (title) of the statutes is created to read:

38.28 (3) (c) (title) *Program approval.*

SECTION 24. 38.28 (4) (title) of the statutes is created to read:

38.28 (4) (title) COLLEGIATE TRANSFER PROGRAM GRANTS.

SECTION 25. 38.28 (5) of the statutes is renumbered 38.28 (3) (d) and amended to read:

38.28 (3) (d) *Sick leave.* State aid shall not be paid to a district for any year, unless every teacher, administrator, principal and supervisor employed by the district during that year is under a contract providing for leave of absence by reason of sickness of such person, without deduction from salary, for not less than 5 days per year and for accumulation of unused sick leave from year to year to a total of not less than 30 days. No allowance may be paid for such absences from teaching or other

educational services rendered in evening school by any person employed at least 30 hours per week in day school. This ~~subsection~~ paragraph does not apply to a person employed by the district board for less than 30 hours per week.

SECTION 26. 38.28 (6) (title) of the statutes is created to read:

38.28 (6) (title) ANTICIPATED COSTS.

SECTION 27. 227.01 (13) (Lr) of the statutes is amended to read:

227.01 (13) (Lr) Determines what constitutes high-demand fields for purposes of s. 38.28 (2) ~~(be) 1. b. (2m) (b) 2.~~

SECTION 9443. Effective dates; Technical College System.

(1) STATE AID FUNDING. The treatment of sections 20.292 (1) (d), 38.04 (32) (a), 38.28 (1) (title), (a), (b) and (c), (1m) (title), (2) (b), (be) 1., 1m., 2., 3., 4., and 5., (bs), (d), (e), and (f), (2m), (3) (title) and (3) (c) (title), (4) (title), (5), and (6) (title), and 227.01 (13) (Lr) of the statutes and the repeal of section 38.28 (2) (bm) of the statutes take effect on January 1, 2018.

(END)