

Wisconsin Technical College System

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<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments



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May 23, 2023

Joint Committee on Finance

Paper #860

General Aid (Wisconsin Technical College System)

[LFB 2023-25 Budget Summary: Page 696, #2]

CURRENT LAW

State aid is provided to Wisconsin Technical College System (WTCS) districts from three major appropriations. Property tax relief aid (\$449.0 million GPR in 2022-23) is subject to each district's revenue limit, and therefore reduces its operational levy by an equal amount. State general aid (\$103.3 GPR million in 2022-23) is outside of revenue limits and is distributed using a partially equalizing formula and as outcomes-based funding. State categorical aids (\$24.1 million GPR in 2022-23) are used to support grant categories relating to specific types of training and credentials.

DISCUSSION POINTS

1. In 2022-23, \$103.3 million GPR is appropriated for state general aids. Of that amount, \$72.3 million (or 70%) is distributed using a partially equalizing formula that takes into account each of the 16 districts' costs, full time equivalent (FTE) students, and equalized property valuation. The remaining \$31.0 million is distributed through an outcomes-based funding formula.
2. Under the partially equalizing formula, the two primary factors which determine the level of state aid received by a district are the level of aidable cost and the equalization index. Districts with less property valuation behind each student receive a higher percentage of their aidable costs because they are less able to generate as much property tax revenue at a given mill rate than districts with high property valuations. The principle behind the equalization formula is that those districts with relatively high property valuations behind each student generate more property tax revenue at a given mill rate and, therefore, should receive less state aid per student than districts with relatively low valuations per student.
3. Under the outcomes-based formula, aid is distributed based on each district's

performance on criteria described in state law, which includes the following: (a) job placement rates; (b) the number of degrees and certificates awarded in high-demand fields; (c) the number of programs or courses with industry-validated curriculum; (d) the transition of adult students from basic education to skills training; (e) the number of and success of adult students served by basic education courses; (f) participation in dual enrollment programs; (g) workforce training provided to businesses and individuals; (h) participation in statewide or regional collaboration or efficiency initiatives; (i) training or other services provided to special populations or demographic groups unique to the district; and (j) implementing a policy to award course credit for relevant education or training not obtained at a college or university. Performance funding in each fiscal year is determined by the district's performance in the three previous fiscal years on seven of the 10 performance criteria, to be selected by the district prior to the calculation of aid in each fiscal year.

4. Table 1 shows the amount of partially equalizing aid, the amount of outcomes-based funding, and total state general aid received by each technical college district in 2022-23.

TABLE 1
State General Aid Distribution by District, 2022-23

	<u>Partially Equalizing Aid</u>	<u>Outcomes Based Funding</u>	<u>Total State Aid</u>
Blackhawk	\$2,053,300	\$1,323,800	\$3,377,100
Chippewa Valley	5,557,800	1,960,300	7,518,100
Fox Valley	7,244,000	3,057,300	10,301,300
Gateway	4,698,300	2,170,000	6,868,300
Lakeshore	1,926,100	1,312,800	3,238,900
Madison Area	9,203,400	3,332,700	12,536,100
Mid-State	2,398,300	1,311,100	3,709,400
Milwaukee	12,150,800	3,323,600	15,474,400
Moraine Park	2,334,900	1,847,100	4,182,000
Nicolet Area	620,900	992,700	1,613,600
Northcentral	5,763,600	1,809,400	7,573,000
Northeast WI	6,596,800	2,598,900	9,195,700
Northwood	1,534,300	1,390,200	2,924,500
Southwest WI	2,093,300	1,019,800	3,113,100
Waukesha Co	2,695,200	1,848,100	4,543,300
Western	<u>5,428,400</u>	<u>1,687,700</u>	<u>7,116,100</u>
Total	\$72,299,400	\$30,985,500	\$103,284,900

5. Table 2 shows the amounts appropriated for general aids to WTCS districts and the ratio of general aids to aidable costs since 2013-14. Aidable costs represent expenditures, including debt service, associated with providing postsecondary, vocational-adult, and collegiate transfer programs that are funded by property taxes and state general aids. As the table shows, the percentage of aidable costs funded with general aids has remained relatively steady, with periods in which the percentage declines followed by an increase resulting from additional general aid.

TABLE 2

**State General Aid as a Percentage of Aidable Costs
2013-14 to 2022-23**

	<u>State General Aids</u>		<u>Aidable Costs*</u>		<u>Ratio of Aid to Cost</u>	<u>Change in CPI**</u>
	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>		
2013-14	\$83,534,900	0.0%	\$873,741,930	1.6%	9.6%	1.5%
2014-15	88,534,900	6.0	881,338,742	0.9	10.0	1.6
2015-16	88,534,900	0.0	895,660,149	1.6	9.9	0.1
2016-17	88,534,900	0.0	908,816,651	1.5	9.7	1.3
2017-18	88,534,900	0.0	931,564,174	2.5	9.5	2.1
2018-19	88,534,900	0.0	943,044,772	1.2	9.4	2.4
2019-20	101,034,900	14.1	973,967,677	3.3	10.4	1.8
2020-21	101,034,900	0.0	977,195,228	0.3	10.3	1.2
2021-22	103,284,900	2.2	1,003,431,529	2.7	10.2	4.7
2022-23	103,284,900	0.0	1,034,973,586	3.1	10.0	N.A.

*Aidable costs are based on district estimates.

**Changes in consumer Price Index-All Urban Consumers for calendar years 2013 through 2021.

6. Since 2013-14, aidable costs have grown by an annualized growth rate of approximately 1.90% each year. Based on that growth rate, it is estimated that aidable costs will total \$1,054.6 million in 2023-24 and \$1,074.7 million in 2024-25, and the current amount of general aid funding would equal approximately 9.8% of aidable costs in 2023-24 and 9.6% of aidable costs in 2024-25.

7. Property tax increases related to technical colleges are restricted by a revenue limit that prohibits a district from increasing its revenue in any year by a percentage greater than the district's valuation factor (the percentage increase in the district's equalized value resulting from net new construction in the district). For purposes of this revenue limit, revenue is defined as the sum of the tax levy and state property tax relief aid. State general aid is not counted towards the revenue limit. Therefore, any increase in general aid represents an increase in resources for use by technical college districts.

8. WTCS colleges received federal aid under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan Act (ARPA) totaling an estimated \$377.5 million, including discretionary funding provided by the Governor through competitive grants and as non-competitive supplemental funding. Of that amount, the colleges are required to allocate a minimum of at least \$128.3 million for student financial aid. The remaining funds may be used for additional student financial aid grants, or for allowable expenses related to the coronavirus pandemic. Additionally, under ARPA, institutions are required to use a portion of their allocation for implementing evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines, and conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member of independent student, or other circumstances. Under the Acts, institutions must use their allocation of

funds by June 30, 2023. As a result, the funds are available for use during the 2021-23 biennium, but will no longer be available after the biennium. The grants operate on a cost-reimbursement basis, so institutions do not receive their allotment of funds at the beginning of the grant period, but rather must submit claims for reimbursement as they incur eligible expenses.

9. Under these federal programs, funds are distributed directly to WTCS colleges, which are local units of government, without passing through the System office. As a result, limited information is available about the uses of the funds. In required reports to the federal Department of Education showing expenditures under the Acts as of January 31, 2023, WTCS colleges reported spending \$121.7 million of the \$128.3 million in student funds, or 94.8 percent, and \$292.7 million of the \$320.6 million in total non-discretionary funds, or 91.3 percent. The percentage of funds spent by each technical college ranged from 84.3% at Milwaukee Area to 100.0% at Fox Valley and Northwood.

10. Assembly Bill 43/Senate Bill 70 would provide an increase of \$32,900,000 GPR annually in the appropriation for state general aid for technical colleges. Under the proposed increase, general aid funding would equal 12.9% of aidable costs in 2023-24 and 12.7% in 2024-25. [Alternative 1]

11. If the Committee wishes to provide additional funding for WTCS but at a smaller GPR cost, the Committee could consider increasing WTCS's general aid appropriation by \$1,962,400 in 2023-24 and \$3,962,100 in 2024-25, which would represent 1.9% increases in each year over base level funding. Under this approach, the general aid appropriation would continue to fund an estimated 10.0% of aidable costs. [Alternative 2] Providing an increase of 3.0% over base level funding in each year would require an increase of \$3,098,500 GPR in 2023-24 and \$6,290,000 GPR in 2024-25. Under this approach the general aid appropriation would fund 10.1% of aidable costs in 2023-24 and 10.2% in 2024-25. [Alternative 3]

12. In its 2023-24 agency budget request, WTCS requested \$25.0 million GPR in 2023-24 and \$50.0 million in 2024-25 in the appropriation for state aid for technical colleges. Under the proposed increase, general aid funding would equal 12.2% of aidable costs in 2023-24 and 14.3% in 2024-25. WTCS indicated that this funding would provide technical colleges with the flexibility to develop various student supports to align with specific institutional and student population needs. Student support services could include transportation, childcare, high-speed internet access, expanded hours for labs and other student services, assistance with food and housing insecurity, and access to mental health services. Providing such support services to students would allow districts to address workforce talent shortages by reducing barriers that students face, thus increasing student retention and the likelihood that students will complete their programs. [Alternative 4]

ALTERNATIVES

1. Provide \$32,900,000 annually in the appropriation for state general aid for technical colleges.

ALT 1	Change to Base
GPR	\$65,800,000

2. Provide \$1,962,400 in 2023-24 and \$3,962,100 in 2024-25, an increase of 1.9% annually compared to the current law general aid appropriation.

ALT 2	Change to Base
GPR	\$5,924,500

3. Provide \$3,098,500 in 2023-24 and \$6,290,000 in 2024-25 in the general aid appropriation, an increase of 3.0% annually compared to the current law general aid appropriation.

ALT 3	Change to Base
GPR	\$9,388,500

4. Provide \$25,000,000 in 2023-24 and \$50,000,000 in 2024-25 in the general aid appropriation.

ALT 4	Change to Base
GPR	\$75,000,000

5. Take no action.

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May 23, 2023

Joint Committee on Finance

Paper #861

System Office General Operations (Wisconsin Technical College System)

[LFB 2023-25 Budget Summary: Page 698, #8]

CURRENT LAW

An administrative staff of 55.00 full time equivalent (FTE) positions is authorized for the Wisconsin Technical College System (WTCS) Board, including 26.25 GPR positions, 23.75 FED positions, and 5.00 PR positions. In 2022-23, \$3,015,500 GPR and \$3,851,800 FED is appropriated for general program operations for the Board.

DISCUSSION POINTS

1. WTCS is responsible for providing occupational education and training programs, including apprenticeships, to enable residents to obtain the knowledge and skills necessary for employment, and for providing customized training and technical assistance to businesses and industry to advance economic development and employment opportunities. WTCS staff are responsible for approving programs and courses at the 16 technical colleges, overseeing facility development, distributing state aid, administering state and federal grant programs, establishing systemwide policies, coordinating with other educational and government entities, ensuring compliance with state and federal rules and regulations, and providing other leadership and coordination services to the technical colleges.

2. In its agency budget request, WTCS requested an increase of \$500,000 GPR annually for general program operations to fund information technology infrastructure and security needs for the System Office. WTCS indicated that ongoing data maintenance and protection costs have increased. At the same time, demands for greater transparency and access to data, as well as the frequency and consequences of cybersecurity threats, have grown. WTCS indicated that the funds would be used for essential data systems, primarily Tableau, which is an interactive data visualization software used to perform analyses and inform policy and decision making, and data security upgrades.

3. WTCS also requested to delete 3.0 FED positions and \$375,000 FED in annual funding and provide 3.0 GPR positions and \$375,000 GPR in annual funding to address a shortfall in revenues for federally-funded positions. WTCS indicated that increasing costs for supplies and services, which other than rent are not included in standard budget adjustments, have contributed to this shortfall, as well as general wage adjustments for state employees without corresponding increases in federal funding.

4. The Legislature approved general wage adjustments of 2.0% for most state employees in each of the past six years. When general wage adjustments are provided, they generally apply to state-authorized positions of all fund sources. Additional GPR is provided to fund the adjustment for GPR positions, but the federal government does not provide additional funding for wage adjustments provided by the Legislature. In its request document, WTCS indicated that costs for salary and fringe benefits for federally-funded positions increased by \$633,000 since the 2013-15 biennium, primarily due to the general wage adjustments, and that over that same period, federal funding available for operations increased by \$326,300. WTCS indicated that it expected the shortfall to grow with additional employee wage adjustments effective January, 2023, and that to make up for this, the System Office reallocated funding and held 3.0 FTE positions vacant. The duties of the vacant positions include course and curriculum approval, grant management, and coordination with educational partners.

5. The System Board's GPR general program operations appropriation has not been increased, other than standard budget adjustments, in more than 20 years. The appropriation was subject to a number of across-the-board reductions in the 2000s, and the amount appropriated in 2023-24 (\$3,015,500) is less than the amount that was appropriated in 2002-03 (\$3,237,000).

6. The Board's number of authorized positions has also decreased. The table shows the number of budgeted FTE positions for WTCS by fund source in each biennium since 2009-11. WTCS positions decreased by 33.2% between 2009-11 and 2017-19, from 82.30 to 55.00, with the largest decrease occurring in federally funded positions in 2011-13. The total number of FTE positions has remained unchanged since 2017-19.

**WTCS Budgeted FTE Positions by Biennium
2009-11 to 2021-23**

	<u>GPR Positions</u>	<u>FED Positions</u>	<u>PR Positions</u>	<u>Total Positions</u>	<u>Percent Change</u>
2009-11	30.25	36.85	15.20	82.30	--
2011-13	23.25	28.75	11.00	63.00	-23.5
2013-15	23.25	28.75	11.00	63.00	0.0
2015-17	23.25	26.75	11.50	61.50	-2.4
2017-19	23.25	26.75	5.00	55.00	-10.6
2019-21	23.25	26.75	5.00	55.00	0.0
2021-23	23.25	26.75	5.00	55.00	0.0

7. WTCS indicated that in the past decade, its System Office staff have taken on additional

initiatives, funded in part with \$1 million in private grant funds. These initiatives include the establishment of data visualization dashboards, creation of a student success center to increase completion rates, provision of mentoring and coaching to the technical colleges, and software maintenance and modernization. WTCS indicated that other activities System Office staff have completed in the past decade include grant evaluation processes, expanding dual enrollment options for high school students and transfer and articulation agreements with the University of Wisconsin System and other partners, increasing data security, restructuring credential and apprenticeship programs, and providing emergency grants to reduce financial barriers.

8. Assembly Bill 43/Senate Bill 70 would provide an increase of \$875,000 GPR annually. The bill would also delete \$375,000 FED annually and convert 3.0 FTE positions from FED to GPR. The additional funding would allow WTCS to hire staff in the areas of curriculum development and grant management to fill the positions that have been held open due to lack of funding and to address information technology infrastructure and security needs. [Alternative 1]

9. If the Committee wishes to provide support for WTCS general operations at a reduced cost, the Committee could consider providing an increase of \$750,000 GPR annually, deleting \$250,000 FED annually, and converting 2.0 FTE positions from FED to GPR. [Alternative 2]

ALTERNATIVES

1. Provide \$875,000 GPR annually, reduce federal funding by \$375,000 annually, and convert 3.0 FTE positions from FED to GPR.

ALT 1	Change to Base	
	Funding	Positions
GPR	\$1,750,000	3.00
FED	<u>-750,000</u>	<u>-3.00</u>
Total	\$1,000,000	0.00

2. Provide \$750,000 GPR annually, reduce federal funding by \$250,000 annually, and convert 2.0 FTE positions from FED to GPR.

ALT 2	Change to Base	
	Funding	Positions
GPR	\$1,500,000	2.00
FED	<u>-500,000</u>	<u>-2.00</u>
Total	\$1,000,000	0.00

3. Take no action.

Prepared by: Maria Toniolo



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May 23, 2023

Joint Committee on Finance

Paper #862

Grants to District Boards (Wisconsin Technical College System)

[LFB 2023-25 Budget Summary: Page 697, #4, #5, and #7]

CURRENT LAW

State aid is provided to Wisconsin Technical College System (WTCS) districts from three major appropriations. Property tax relief aid (\$449.0 million GPR in 2022-23) is subject to each district's revenue limit, and therefore reduces its operational levy by an equal amount. State general aid (\$103.3 GPR million annually) is outside of revenue limits and is distributed using a partially equalizing formula and as outcomes-based funding. State categorical aids (\$24.1 million GPR) are used to support grant categories relating to specific types of training and credentials.

DISCUSSION POINTS

1. The System Board has the authority to distribute categorical aid funding according to guidelines developed by the Board. In 2021-22, the Board funded grants under nine categories, including (a) core industry; (b) career pathways; (c) workforce advancement training; (d) completion; (e) integrated education and training; (f) systemwide leadership; (g) developing markets; (h) professional growth; and (i) apprenticeship-related instruction.

Workforce Advancement Training Grants

2. The System Board awards workforce advancement training grants to technical college districts to support customized training for incumbent employees of established businesses operating in Wisconsin, as well as regional workforce and economic development efforts. Training focuses primarily on occupational skills, but can include a combination of occupational, academic, or employability skills.

3. Annually, \$4.0 million in workforce advancement training grants is available to technical college districts, including up to \$3.5 million for general business and up to \$500,000 for

small businesses. Technical college districts may apply for competitive grants in an amount between \$2,500 and \$200,000 in partnership with a single business or consortium of businesses. Grants may be used to assess the training needs of employees, develop curriculum, provide staff development for instructional staff, purchase supplies or equipment related to instructional activities completed under the grant, provide basic skills or English language learning instruction, or provide technical assistance to employers resulting in the advancement of current employees or additional hiring of new employees.

4. In 2021-22, the System Board awarded 54 workforce advancement training grants to 12 technical college districts. WTCS indicated that in the current year, the most common training topics requested include manufacturing in areas such as blueprint reading, occupational math, and engineering and design software; leadership covering topics such as performance management, effective communication, and problem solving; and healthcare with trainings helping employees to move into high demand roles such as certified nursing assistants, medical assistants, and medications aides. Over 38,000 workers have been trained through workforce advancement training programs over the last five years.

5. Labor shortages are impacting various industries throughout Wisconsin, including healthcare, construction, professional business services, and leisure and hospitality. According to the U.S. Chamber of Commerce America Works Data Center, as of February, 2023, the number of job openings in Wisconsin was more than double the number of available workers. In its agency budget request, WTCS indicated that workforce advancement training programs can help employers meet their workforce needs by developing skills of existing employees. WTCS also indicated that surveys of participating employers found high levels of satisfaction, in addition to benefits such as increased productivity and employee retention.

6. Assembly Bill 43/Senate Bill 70 would provide an increase of \$1,500,000 GPR in 2023-24 and \$2,000,000 GPR in 2024-25 for the workforce advancement training grants to provide customized instruction and training opportunities for businesses to meet current workforce demands in various industries. In its agency budget request, WTCS indicated that the current level of funding available for the grants is not meeting demand; in each of the last five years, more than \$5 million in training projects had been proposed, of which only \$4 million could be funded annually. WTCS also estimated that if grants were provided throughout the year, rather than once per year as under current practice, demand would grow by an additional \$1 million per year. Thus, the amount of funding under the bill is estimated to be sufficient to fully meet program demand. [Alternative A1]

7. If the Committee wishes to provide additional funding for workforce advancement training grants at a lower amount, the Committee could consider providing \$1,000,000 annually, which is the amount WTCS indicated is currently requested each year in the single annual grants cycle above what is available. [Alternative A2]

8. The bill also includes statutory language that would require the System Board to award grants to district boards for the purpose of increasing the number of customized instruction and training opportunities for businesses to meet current workforce demands in various industries. Current law under s 38.41 specifies that the district board may award grants for skills training or other education related to the needs of business, but does not require that such grants are made.

Open Educational Resources

9. Open educational resources include teaching, learning, and research resources that reside in public domain or have been released under an intellectual property license that permits free use and repurposing by others. The resources may include textbooks, streaming videos, modules, tests, software, and other tools used to support education.

10. In 2019, WTCS received a \$2.5 million grant from the federal Department of Education to develop open educational resources. All 16 technical colleges, led by Chippewa Valley, were involved in the development of open educational resources for nursing programs. WTCS developed five textbooks for nursing program courses with the initial grant along with 25 online virtual simulations and 25 virtual reality scenarios. The five textbooks covered courses on nursing pharmacology, nursing skills, nursing fundamentals, management and professional concepts, and mental health and community concepts. A sixth textbook for nursing assistant coursework was developed using funding from the federal coronavirus relief acts. These materials are developed with the needs of local industry and business in mind, and are written by technical college faculty with expertise in the subject matter. Materials are available to students free of charge. According to WTCS, over 5,700 students in Wisconsin are able to use the current open educational resources each year, for an estimated total annual savings of \$1.5 million (or approximately \$263 per student). Additionally, a medical terminology textbook first available in Fall, 2022, is projected to impact 8,600 WTCS college students and an additional 3,300 dual credit high school students annually, saving them an estimated \$895,000 each year.

11. AB 43/SB 70 would provide \$3,000,000 GPR in 2023-24 in the appropriation for grants to district boards (a continuing appropriation) to provide grants to create open educational resource textbooks and other materials that will allow the public and technical colleges across WTCS to access technical college course materials. [Alternative B1]

12. In its agency budget request, WTCS requested \$1,000,000 GPR in 2023-24, and \$2,000,000 GPR in 2024-25 and annually thereafter for open educational resources. WTCS indicated that this would allow open educational resources to be developed for additional courses, including those related to automotive technology, mechanical design, information technology, early childhood, and culinary programs. WTCS also indicated that providing the funding over a two-year period would give faculty the time needed to develop the materials, and ongoing funding would allow the resources to be continually updated to adapt to changes in industry practices. [Alternative B2]

Advanced Manufacturing, Engineering Technology and Apprenticeship

13. Wisconsin has a long history in the forestry and paper manufacturing industries and has been a leading paper producer in the United States for over 50 years. According to the Wisconsin Paper Council, there are 17 million acres of forestland in the state, as well as 32 paper mills, many of which are located in the middle region of the state, that provide 64,000 jobs.

14. The paper industry has experienced a number of changes in recent years, beginning with a slow decline since the early 2000's as many print resources moved to electronic formats, and more recently experiencing a sharp decline when the COVID-19 pandemic impacted the demand for

printing and writing paper. Since 2021, the paper industry has rebounded as people have returned to school and work in person, but demand is not expected to return to previous levels. As a result, some paper mills have shifted focus to other products which are experiencing increased or steady demand, such as specialty papers for food packaging and hygiene and corrugated cardboard. In addition, sustainability is driving changes in the paper industry, as demand for recyclable packaging and products made from recycled materials has increased.

15. AB 43/SB 70 would provide \$250,000 annually in the appropriation for grants to district boards and would require the System Board to award a grant of \$250,000 in each fiscal year to Mid-State Technical College (Wisconsin Rapids) for an advanced manufacturing, engineering technology and apprenticeship center to train and maintain a workforce to meet the needs of the state's paper, pulp, and converting mills. The bill would specify that funds could be used for maintenance of capital equipment and supplies, equipment for student learning infrastructure and student learning support, information technology equipment, and ongoing operations. [Alternative C1]

Overall Funding for Categorical Aid

16. Under 2013 Act 20, the continuing appropriation for WTCS categorical aid was created by deleting and consolidating 15 separate categorical aid appropriations, beginning in 2014-15. WTCS was appropriated categorical aid funding that totaled \$21,874,200 GPR annually from 2014-15 through 2020-21, which was equal to the total amount of funding for the deleted appropriations. Under 2021 Act 58, categorical aid funding was increased to \$24,187,200 GPR annually.

17. Rather than specifying individual programs for grant funding, the Committee could increase the total amount of categorical aid funding available and allow the Board to allocate the additional funding based on the guidelines it has developed. The Committee could consider increasing the funding level for WTCS categorical aids by \$2.0 million GPR annually, \$1.5 million GPR annually, or \$1.0 million GPR annually. [Alternative D1, D2, or D3] If no additional funding is provided, the System Board would continue to distribute the currently available funding to programs based upon priority needs. [Alternative D4]

ALTERNATIVES

A. Workforce Advancement Training Grants

1. Provide an increase of \$1,500,000 in 2023-24 and \$2,000,000 in 2024-25 for the workforce advancement training grants, which is estimated to fully fund all grant requests if applications are accepted throughout the year.

ALT A1	Change to Base
GPR	\$3,500,000

2. Provide an increase of \$1,000,000 annually, which is estimated to fully fund all grant

requests if applications are accepted once per year, as under current practice.

ALT A2	Change to Base
GPR	\$2,000,000

3. Take no action.

B. Open Educational Resources

1. Provide an increase of \$3,000,000 in 2023-24 for grants to technical colleges for the creation of open educational resources.

ALT B1	Change to Base
GPR	\$3,000,000

2. Provide an increase of \$1,000,000 in 2023-24 and \$2,000,000 in 2024-25 for grants to technical colleges for the creation of open educational resources.

ALT B2	Change to Base
GPR	\$3,000,000

3. Take no action.

C. Advanced Manufacturing, Engineering Technology and Apprenticeship

1. Provide \$250,000 annually for a grant to Mid-State Technical College for an advanced manufacturing, engineering technology and apprenticeship center.

ALT C1	Change to Base
GPR	\$500,000

2. Take no action.

D. Overall Funding for Categorical Aid

1. Provide an increase of \$2,000,000 annually

ALT D1	Change to Base
GPR	\$4,000,000

2. Provide an increase of \$1,500,000 annually

ALT D2	Change to Base
GPR	\$3,000,000

3. Provide an increase of \$1,000,000, annually

ALT D3	Change to Base
GPR	\$2,000,000

4. Take no action.

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Joint Committee on Finance

Paper #863

Grants for Health Care Credits in Dual Enrollment Programs (Wisconsin Technical College System)

[LFB 2023-25 Budget Summary: Page 696, #3]

CURRENT LAW

The statutory purposes of the Wisconsin Technical College System (WTCS) include contracting with secondary schools, including tribal schools, to provide educational opportunities for high school age pupils in order to enhance their potential for benefitting from postsecondary education and for obtaining employment. WTCS also coordinates with secondary schools to facilitate the transfer of students into postsecondary technical college education through curriculum articulation and collaboration.

DISCUSSION POINTS

1. WTCS awards credits to high school pupils through the following five programs or types of dual credits: (a) Start College Now, which allows public high school juniors and seniors to take postsecondary courses at a technical college; (b) transcribed credit, which provides resources to a qualified high school teacher to deliver a full college course to pupils while in high school; (c) youth apprenticeship, which allows high school pupils to receive credit through a combination of school-based and work-based instruction under contract with a technical college; (d) a contract authorized under section 38.14 of the Wisconsin statutes, which allows public and private educational institutions to contract with technical colleges to provide high school pupils with college level instruction from a college instructor; and (e) advanced standing credit, which is awarded to students when they enter a program at a technical college that has an articulation agreement with a high school stating that one or more high school courses align to the first college level course. Students do not pay for dual enrollment courses taken through a WTCS institution. For transcribed credit courses, school districts pay the salary of the high school teacher who teaches the course, and provide classroom space and

materials, but do not pay an additional fee. For other types of credits, schools may pay a fee based on a contract between the district and the technical college.

2. WTCS reported that 77.8% of technical college credits awarded to high school pupils in 2021-22 were transcribed credits, 11.3% were awarded through the Start College Now program, 9.8% were awarded under contracts with educational institutions, 0.5% were awarded through the youth apprenticeship program, and 0.5% were awarded as advanced standing credits. WTCS indicated that 463 high schools in the state offered transcribed credits in 2021-22, and the most common types of courses offered involve business management and administration; science technology, engineering, and math (STEM); manufacturing; associate of arts or associate of science; finance; and agriculture, food, and natural resources.

3. The table below shows the number of unduplicated high school pupils and the total number of technical college credits earned by those pupils under the various dual enrollment programs in each of the last five years, as reported by WTCS in its dual enrollment publication. As shown in the table, the number of pupils and credits earned increased in each year, with the exception of the 2020-21 school year. Participation in the various dual enrollment programs in that year was negatively impacted by the COVID-19 pandemic. WTCS states that high school pupils saved a total of \$36.8 million in technical college tuition and fees (or an average of \$643 per pupil), based on the number of credits earned in 2021-22. In that same year, WTCS resident tuition for postsecondary (associate degree and technical diploma) courses was \$141.00 per credit.

**Number of Dually Enrolled High School Pupils and Credits Earned at WTCS
2017-18 through 2021-22**

	<u>Unduplicated Pupil Count</u>	<u>Total Credits Earned</u>
2017-18	46,310	190,064
2018-19	51,408	216,438
2019-20	52,543	228,769
2020-21	49,422	226,599
2021-22	57,219	256,985

4. According to a February, 2017, report from the Institute of Education Sciences, which is the statistics, research, and evaluation arm of the U.S. Department of Education, dual enrollment programs have had positive effects on student outcomes. Because dual enrollment programs are often offered for free or at a discounted tuition rate, participation in such programs reduces the overall cost of college and may increase college attendance and completion of students with lower socioeconomic statuses. In addition to reducing the cost of college, researchers found that students who participate in dual enrollment programs are more likely to complete high school and attain a college degree, and may have improved general academic achievement in high school and reduced need for development coursework in college. Dual enrollment programs may expose high school pupils to content that is otherwise not available in their school, which prepares them for the academic requirements of college while providing additional support.

5. The Wisconsin Hospital Association's 2022 Health Care Workforce Report indicates that the health care industry is facing a labor shortage due primarily to an aging population with increased healthcare demands. The report also indicates that resignations of healthcare professionals have been exacerbated by the COVID-19 pandemic. The report specifies vacancy rates by type of healthcare position in Wisconsin. According to hospital personnel surveys, vacancy rates have increased in recent years for lab technicians and technologists, radiographers, respiratory therapists, and, to a lesser extent, occupational therapists. The report also indicates that, according to the U.S. Census Bureau of Labor Statistics, the health care industry had the highest number of unfilled positions across the nation in November, 2021, followed by professional and business services, manufacturing, financial activities, and accommodation and food services.

6. Assembly Bill 43/Senate Bill 70 would provide \$2,000,000 GPR annually for grants to technical colleges to reimburse the colleges for costs related to providing high school pupils dual enrollment courses related to health care. The bill would allow the System Board to determine how to distribute the grants. WTCS indicated that the amount of funding is based on current enrollment of high school pupils in dual enrollment courses related to health care. [Alternative 1a]

7. The System Board distributes \$24.1 million annually in state categorical aid funding to district boards to support grant categories relating to specific types of training and credentials. In 2021-22, the Board funded grants under nine categories, including (a) core industry; (b) career pathways; (c) workforce advancement training; (d) completion; (e) integrated education and training; (f) systemwide leadership; (g) developing markets; (h) professional growth; and (i) apprenticeship-related instruction.

8. Grants awarded under the career pathways category are for strategies to earn credentials necessary to obtain employment or advance to a higher level of employment within an occupational industry. Career pathway grants may be used for developing or expanding instruction, supportive and planning services, professional development for faculty and instructional staff, the establishment of dual credit agreements, and other activities to support students' transitions into the workforce and on to higher positions. In 2021-22, \$4.0 million was available for career pathways grants, and 11 grants were awarded to eight districts. In 2022-23, the amount was reduced to \$3.5 million, and 15 grants were awarded to nine districts, including four grants for healthcare career pathways, one of which was specifically for a dual credit academy in health care for K-12 pupils.

9. One could argue that other industries, including manufacturing, childcare, education, emergency medical services, public safety, construction, and transportation, are also facing workforce shortages and that workforce needs vary based on geographic location. If the Committee wishes to provide assistance to address workforce shortages in other career sectors, the Committee could consider providing funding to reimburse the costs of providing high school pupils dual enrollment courses for all career sectors, as determined by the System Board. [Alternative 2a]

10. If the Committee wishes to provide funding to reimburse technical colleges for the cost of providing high school pupils dual enrollment courses related to health care at a reduced cost, the Committee could consider providing \$1,000,000 GPR annually. [Alternative 1b] The Committee could also consider providing a reduced amount of funding to reimburse the costs of providing high

school pupils dual enrollment courses for all career sections, as determined by the System Board.
[Alternative 2b]

ALTERNATIVES

1. Provide funding in a new GPR appropriation for grants to technical colleges to reimburse the costs of providing high school pupils dual enrollment courses related to health care equal to:

- a. \$2,000,000 annually.

ALT 1a	Change to Base
GPR	\$4,000,000

- b. \$1,000,000 annually.

ALT 2a	Change to Base
GPR	\$2,000,000

2. Provide funding in a new GPR appropriation for grants to technical colleges to reimburse the costs of providing high school pupils dual enrollment courses related to any high demand field, as determined by the System Board, equal to:

- a. \$2,000,000 annually.

ALT 2a	Change to Base
GPR	\$4,000,000

- b. \$1,000,000 annually.

ALT 2b	Change to Base
GPR	\$2,000,000

3. Take no action.

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