

May 4, 2009

Budget Committee Vote Supports Technical Colleges!

Joint Finance Committee adds \$6.4 Million over Original Bill:

- *Restores Funding Cuts to General Aid*
- *Provides Modest General Aid Increase – the First Since 2001*
- *Increases Technical College Student Financial Aid*
- *Protects Increased Capital Projects Limit, Changes to Workforce Training Grants and Non-Resident Tuition Flexibility*
- *Eliminates Increase to Fire Training Funding*
- *Great Advocacy Mattered; Budget Process Continues!*

General Aid Cuts Restored! Small Increase is First in Eight Years!

On Wednesday, April 29th, the Wisconsin Legislature's Joint Finance Committee (JFC) restored proposed cuts to WTCS general aid and approved a small increase in general aid, the first increase since 2001. The JFC voted 12-4 on party lines with Democrats in favor and Republicans opposed. The vote increased general aid for the upcoming 2009-2011 biennium by a total of \$5,209,600. This restores the entire proposed cut in AB 75, the original budget bill (totaling \$3.37 million), and provides a new general aid increase of approximately 1% beginning next year (totaling \$1.84 million).

Financial Aid for WTCS Students Increased!

As part of one large "omnibus" motion covering WTCS funding and the Higher Educational Aids Board (HEAB), the JFC also voted to increase technical college student financial aid by some \$1.16 million above the proposed budget bill. This move increased Wisconsin Higher Education Grant (WHEG) funding to 3.5% annually, instead of a proposed 1% in 2009-10 and 2% in 2010-11.

Motion Addressed Many Other Programs

The omnibus motion also addressed a number of other aid programs for UW, tribal college and private college students. While omnibus motions themselves are fairly common in JFC budget action, it is quite rare - really unheard of - for the JFC to combine issues across multiple agencies into one motion. Besides the actions above, the motion increased other aid programs such as tribal college student aid. It reduced the very large proposed increase in aid for UW students. It also provided that UW students from families with incomes of \$60,000 or less will be held harmless from tuition increases through increased aid. Finally, it reduced the amount of UW auxiliary funding (fees from sources like dormitories and food services) that will be shifted to fund UW student aid increases.

Because this motion rolled many programs together into one action, it would be easy to suggest that one program was cut to increase another. In fact, there will be hundreds of changes to the 1,800 page budget bill including creating and eliminating programs, as well as decreased, increased, and shifted appropriations. In this case, the committee simply placed a large number of programs into one complex motion. It is important to note that the WTCS coalition never requested that any specific proposed resources be shifted toward the WTCS. We simply argued vigorously and consistently for new funding on the merits.

Workforce Advancement Training (WAT) Grants Changes Made

The omnibus motion also made helpful changes to the Workforce Advancement Training (WAT) Grants Program without affecting its funding level. The current \$1 million set-aside of total funds for small businesses was reduced to \$500,000 annually, better reflecting actual demand. The application requirement for small business was also streamlined. Finally, the annual appropriation will now be a "biennium" appropriation. This allows funds to be used across the two-year period instead of on a strictly annual basis. While any funding not used over the entire biennium would still be subject to lapse, the new provision makes it possible to use more or less of the fund in either year of the biennium and to authorize projects that might span from one fiscal year to another.

Election Season Already?

To observers, the April 29th JFC proceedings were some of the more partisan in tenor in recent memory. In some ways, this is a function of the JFC having already mowed through relatively easier budget topics to cross now into the tougher territory of more difficult and larger items. There is more uncertainty than ever concerning revenue trends in the face of already steep deficits.

April 29th was also the day Capitol insiders might note as the first full day of the 2010 governor's race. Milwaukee County Executive Scott Walker announced his intention to run for governor on the 28th. Consciously or not, meaningful political moments outside the building often affect the tenor and rhetoric inside.

Federal Funds Amendment Generates Major Discussion

Following the introduction of the omnibus motion, Representative Robin Vos (R-Caledonia) introduced an amendment to bring \$35 million in federal dollars to technical colleges targeted to programs with waiting lists. This triggered a torrent of commentary supporting technical colleges and their efforts by members on both sides, mixed with an equal torrent of political jabs back and forth. Republicans used the moment to highlight the omnibus motion as “not doing enough.” Democrats accused Republicans of suddenly “finding religion” in support of the colleges after attempting to make major cuts to WTCS funding just last session.

The federal funds motion failed with the four Republicans and Representative Cory Mason (D-Racine) voting in favor and eleven Democrats opposed. JFC Co-chair Senator Miller (D-Monona) did note his hope that some of the federal funds could be saved to the end and used for technical colleges as a high priority in the final package. Of course, we will continue to monitor and to work on this possibility.

As the debate unfolded, every JFC member likely knew that the federal funds behind this amendment were already committed to other purposes in a budget endgame some weeks away. This practice is not uncommon. Keeping some pot or pots of funds gives the committee flexibility to address changes as the process unfolds. Whether this pot of funds and any other flexibility the JFC maintains is enough to bridge a broad and deep budget gap is not known at this time. This will depend greatly on how state revenue estimates for the 2009-11 biennium change over the coming weeks and months.

The Omnibus Motion

Voting in favor of the omnibus motion: Senators Mark Miller (D-Monona), Dave Hansen (D-Green Bay), Lena Taylor (D-Milwaukee), Julie Lassa (D-Stevens Point), John Lehman (D-Racine), and Judy Robson (D-Beloit), and Representatives Mark Pocan (D-Madison), Pedro Colon (D-Milwaukee), Tamara Grigsby (D-Milwaukee), Cory Mason (D-Racine), Gary Sherman (D-Port Wing) and Jennifer Shilling (D-La Crosse).

Voting against: Senators Alberta Darling (R-River Hills) and Luther Olsen (R-Ripon) and Representatives Robin Vos (R-Caledonia) and Phil Montgomery (R-Ashwaubenon).

Capital Projects Increase Survives Threat

Later in the proceedings, Representative Vos introduced a motion to take away the proposed increase in district capital project limits from \$1 million to \$1.5 million without going to referendum. The amendment was described as an attempt to protect taxpayers from “unelected” technical college boards raising property taxes without accountability. The motion was turned back on party lines. Because the JFC is amending the budget bill as introduced, and that bill included the \$1 to \$1.5 million increase, a majority would have been required to eliminate this increase. We did not anticipate this item would become controversial. However, behind the scenes conversations and negotiations appeared to have politicized the issue in recent days.

New Non-Resident Tuition Request Stays in Bill

The budget bill also allows WTCS districts to begin charging 150% of resident tuition costs to non-resident students. Currently, non-resident students are assessed full cost, which makes enrolling largely cost prohibitive. This change will allow districts to better use unfilled capacity. State law gives residents a preference for available seats, so the change will not affect access for Wisconsin residents. This change was in the original bill and remains intact as there was no JFC action on the item.

Fire Training Fund Increase Eliminated

In a separate vote on April 29th, a surprise motion surfaced to eliminate a proposed increase in funding of WTCS fire training. These funds are generated by insurance charges and are used to train firefighters primarily by fire departments, and, in a much smaller amount, by technical colleges. Technical colleges increasingly subsidize training provided to local fire departments as this state funding fails to cover district costs. The motion eliminated the proposed increase to bridge this shortfall and left funding at \$600,000 annually for technical colleges. There was no indication until the motion was introduced that this was coming. The motion passed on a 16-0 vote.

A Positive Day in a Long Budget Season

In many ways, Wisconsin technical colleges were supported strongly on April 29th and the day’s outcomes reflect it. Members of both parties described the colleges as central to job growth and economic recovery. Senator Judy Robson (D-Beloit), whose district has been slammed by the GM Janesville plant closing, passionately described technical colleges as the “anchor” people have in turbulent times and challenged communities.

This dialog reflects both the success of our strategic budget advocacy and our ongoing efforts to make our story known and our presence better recognized statewide.

In the face of a huge deficit and uncertainty about still-softening revenue estimates, the 2009-2011 state budget process can be characterized as a struggle to keep state affairs afloat with little opportunity for new initiatives or increases. The bulk of federal stimulus funds coming to the state have been committed to cover major state budget drivers such as K-12 funding. The budget bill makes meaningful cuts to already reduced state operations. Even if state revenues stabilize, there is a strong sense that there simply is no slack left, no flexibility in this budget. In this context, the JFC's actions were very meaningful, despite the fact they do not begin to solve the dilemmas faced by districts flooded by new students as property values and levies flatten or fall outright.

A Path to Prosperity

The exceptional action JFC took on Wednesday, April 29th, was also fueled by Representative Cory Mason's (D-Racine) effort to establish a much larger *Path to Prosperity* jobs program through technical colleges. Mason worked member-by-member in the JFC and with Assembly leaders to build support for **a major investment of up to \$50 million annually in the WTCS**. Those funds would have been used flexibly by the districts targeting the state's areas of highest unemployment. In the end, the idea was too bold and big for consideration.

It takes a visionary to realize the need for bold ideas and bold investments in the face of major crisis. Representative Cory Mason is this visionary. While Path to Prosperity did not come forward for a vote, he nevertheless changed the face of the debate by making the larger dialog about economic recovery synonymous with a dialog about the power and capacity of Wisconsin Technical Colleges.

Thanks for a Great Team Effort

There's always a risk of missing key individuals when noting those who were instrumental in the advocacy process so far. We had very solid turnout and efforts across the WTCS from our state WTCS leadership, college presidents and administrators, faculty and staff and their organizations AFT-Wisconsin and WEAC, student leaders and Wisconsin Student Government (WSG), the Wisconsin Association of Career and Technical Education (WACTE), and, of course, district board members.

Scott Spector of AFT-Wisconsin and Andy Lyons of WEAC worked tirelessly for weeks, both in the Capitol and following the JFC statewide as they conducted budget hearings. Dan Clancy and Morna Foy dedicated a significant amount of effort and time, as well.

On April 29th, in addition to these individuals, we were joined in the Capitol by a team including Mid-State President John Clark, Northcentral President Lori Weyers, MATC Milwaukee President Vicki Martin, Western President Lee Rasch, and Gateway Vice President Stephanie Sklba.

When push came to shove, many colleagues made targeted visits and calls and spent time with key leaders. Thanks especially to the extra efforts of Milwaukee's Mike Rosen, Peter Earle and Lauren Baker, to Northeast Wisconsin's Tony Vanderbloemen, and to Blackhawk's Tom Westrick, among others statewide.

Next?

The budget process continues. While actions taken by JFC tend to remain in the budget, this is still a volatile process with both peril and opportunities. There will be individuals and interests seeking to take the gains we have made. There may also be opportunities to secure better investments. We will all remain engaged and vigilant and more details will follow as the process continues.

Most importantly, there is a growing sense of concern about state revenue estimates. This budget bill, and the changes made to it along the way, must balance estimated revenues the state receives through June 30, 2011. There was a day when the issue was what level of growth to factor into revenue estimates. Today, instead, the issue is whether there is another cliff from which revenue estimates fall beyond the tumbles and plunges already factored into the process.

Thank our Supporters

Please take a moment to send a note of thanks to those JFC members who voted in favor of increased support for technical colleges. Please especially take some time, whatever your district, to thank Representative Mason for his extraordinary leadership on our behalf.

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Any analysis or opinion in this report is exclusively that of the author, Paul Gabriel.

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