



February 11, 2013

Governor Announces Major Workforce Investments

- *New state funding and a new funding model proposed for technical colleges.*
- *Existing categorical aid to technical colleges will be preserved but made more flexible.*
- *A transferable block of core credits will be developed between technical colleges and the UW.*
- *K-12 will develop a student “Academic and Career Plans” opportunity beginning in 6th grade.*
- *UW System will allocate funds to economic development.*
- *Department of Workforce Development (DWD) to establish a \$15 million fund for new training grants available to technical colleges and other training providers.*
- *DWD will also create a statewide “Labor Market Information System.”*

In advance of Governor Walker’s 2013-2015 budget address next week, the Governor’s office yesterday announced a first look at major and groundbreaking initiatives to invest in workforce training. These significant initiatives, described [HERE](#), include both a stand-alone bill to be introduced this week, and a wide range of state budget bill initiatives affecting technical colleges, the Department of Workforce Development (DWD), the UW System and other entities and programs.

The stand-alone bill may be introduced at the Governor’s request sometime this week. The budget bill provisions will be available for detailed analysis soon after the Governor’s February 20th state budget address to the Legislature.

Yesterday’s state budget-related announcements include new general aid funding and a transition to a new state aid funding model for technical colleges:

General Aid to Technical Colleges Increased – State general aid will be increased by \$5 million from approximately \$83.5 to \$88.5 million annually. This is the state’s main investment in technical colleges, currently distributed by formula to the districts based on factors such as enrollment, property values and costs. It is not yet clear whether this very positive increase will be effective in July, 2013 or 2014.

Transition to Performance Based Funding – General aid will also be transitioned from its current distribution formula to a performance based model to be phased in between 2014 and 2020. Approximately \$9 million, 10% of state general aid, will be subject to new performance measures beginning in 2014-15. Additional proportions of aid would shift annually to the new model with a complete transition by 2020. The new funding metrics will be focused on job placement and programming in high demand skills, measures on which technical colleges have always performed well. Further details concerning the transition and the performance measures themselves have not yet been announced.

State budget proposals will also include new flexibility for existing technical college aid and development of a block of 30 fully-transferable credits between technical colleges and UW institutions.

New Flexibility for Categorical Aid – The proposal includes new flexibility in using the existing approximately \$22 million annually in categorical aid to the technical colleges. In addition to general aid, technical colleges compete for these existing targeted state grant funds administered by the WTCS. These funds are currently divided into highly specific purposes with exact funding amounts by category. The Governor’s initiatives include providing the WTCS flexibility to use these funds fluidly.

Core Credit Transfer – The budget proposals will include requiring “... the UW and Technical Colleges to develop a core set of 30 credits transferrable between all institutions, while giving private and tribal colleges the option to participate as well.”

Other budget initiatives for the UW, K-12, and workforce development are also outlined in the release. Highlights include:

K-12 Academic and Career Plans – The K-12 proposals include giving “...every child the opportunity to create an academic and career plan based on his or her interests, beginning in 6th grade. These individualized plans, developed with and frequently revised by parents, teachers, and guidance counselors, will help make sure our children are on track to graduate with a diploma and a plan.”

UW Incentive Grants – The budget proposals include allocating \$20 million for workforce and economic development purposes including affordability at UW institutions. It is not clear whether these are new or reallocated funds, and no additional details are available at this time.

Separately, the Governor will request legislative consideration of a stand-alone bill focusing on workforce development. According to the Governor’s office release, the draft bill, LRB—1162, will proceed in advance of the budget and will include the following:

Labor Market Information System – The bill will create a “Labor Market Information System” through DWD to track job openings and to link unemployed Wisconsinites to jobs and training. In addition, the system “...will provide high school students and guidance counselors with up to date labor market information helping inform students about career opportunities and the training they would need for currently in-demand jobs.”

Worker Training Grants – The bill will propose \$15 million over the 2-year biennium for DWD grants “...to both public and private organizations, such as technical colleges, Workforce Investment Boards, regional economic development organizations, and Wisconsin businesses, providing training to new and incumbent workers.” These grants likely will focus on business partnerships with some business investment or matching funds.

Office of Skills Development – The bill will also create the Office of Skills Development at DWD and will fund 4 staff positions to administer the worker training grants. “With the Wisconsin Economic Development Corporation, the Technical College System, economic development agencies, and businesses, the Office will nimbly and quickly adjust training grants to current and changing workers’ skill needs and emerging skill clusters, providing workers with a responsive, flexible, and valuable training resource.”

Detailed analysis of the stand-alone bill and relevant budget provisions will be provided after the bills themselves are available.

This report was prepared by Paul Gabriel for the Wisconsin Technical College District Boards Association. Any analysis or opinion is exclusively the author’s.