



System Office General Operations

2023-25 Biennial Budget Initiative

Issue: General Program Operations – System Office Support

The Wisconsin Technical College System (WTCS) Board, the governing body of the largest higher education system in Wisconsin, is responsible for developing Wisconsin's essential workforce and providing career and economic opportunities for individuals throughout their lives. The Board's staff (System Office) consists of 55 full-time equivalent (FTE) state employees who are statutorily responsible for course and program approval, facility development, distribution of state aid, administration of state and federal grant programs, coordination with other educational and government entities, the establishment of System-wide policies and compliance with Board, state and federal rules and regulations. The Board staff also provides leadership and coordination to the 16 technical colleges to ensure consistency of WTCS offerings and opportunities across the state.

For a variety of reasons, federal Department of Education grants are now the System Office's primary funding source. As these federal and other private resources have allowed the System to maintain its statewide initiatives and services to WTCS colleges, while at the same time absorbed the increased administrative burden of programmatic and course delivery expansion during periods of declining state support, current overreliance on federal funding is not sustainable. To ensure the continued successful operations and output of the System Office, additional General Purpose Revenue (GPR) investment is needed.

Background

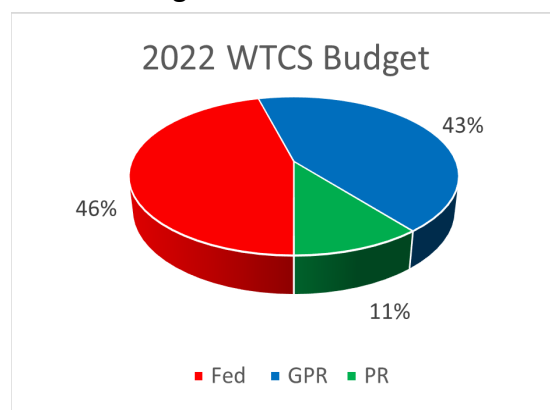
In the last decade, the System Office has initiated several new System-wide activities that have enhanced the operations and outcomes of WTCS. Some of these initiatives include:

- establishing the WTCS Student Success Center;
- progress toward achieving Wisconsin's 60Forward Postsecondary Attainment goal;
- building modern grant evaluation and award processes;
- expanding Start College Now and other dual enrollment options for high school students;
- using data and professional data analysis to drive institutional and System-wide policy and operational transformation;
- increasing System-wide data security;

- restructuring WTCS credential programs to fit within a career pathway model, including stackable credentials, multiple entry and exit points, articulated transfer with K-12 and four-year partners;
- aligning registered apprenticeship-related classroom instruction to academic programs to allow students to simultaneously complete apprenticeships and obtain a college credential;
- expanding the Universal Transfer Agreement and increasing program-to-program articulation agreements with the University of Wisconsin System and other partners;
- establishing new program delivery models to better serve historically underrepresented student populations; and
- reducing financial barriers through emergency grants, privately financed Promise programs and partnerships with community-based service organizations.

The System Office has supported these important initiatives, in part, by securing over \$1 million in private grant funds. These critical funds were utilized to establish data visualization dashboards, create a Student Success Center, provide mentoring and coaching to the colleges and maintain and modernize software to support the tools being utilized. Without this private support the System Office would not have the capacity to continue establishing new initiatives. Initiatives such as these allow the System Office to innovate and be responsive to serve colleges, local employers, and most importantly, expand the pool of students necessary to meet workforce demand.

Currently, System Office operations are funded with federal grant, state GPR and Program Revenue (PR). As shown in the graphic below, federal funding is the largest source of the System Office’s general operations budget.



Since 2010-11, the System Office’s authorized FTE positions were decreased by 39%. There has been no significant new GPR investment in System Office operations in two decades. In addition, the System Office lacks the resources necessary to fund all authorized FTE positions.

Federal funding is insufficient to maintain current operations. While the System is extremely appreciative of salary increases authorized for all state employees, these increases are not offset by automatic federal funding adjustments for operations. When the Governor and Legislature provide the System with employee compensation increases (2% per year since 2016), the State includes these expenses in the biennial budget and automatically increases agency operational appropriations to pay for these increased costs for state-funded positions. However, the federal government does not provide additional funding for state compensation increases for federally funded positions, even though they are state-authorized positions entitled to the same compensation increases. Since the 2013-15 budget, WTCS base position cost obligations (salary/fringe) for federally funded positions increased \$633,000. The main contributors to this increase were state general wage increases. At the same time, the WTCS federal appropriations available for state operations increased by only \$326,300, creating a shortfall of \$306,700. This structural deficit will grow in January 2023, when the next across-the-board state employee wage adjustments go into effect.

In addition, standard budget adjustments do not apply to supplies and services (except GPR and PR funded rent) creating an additional structural deficit that is difficult to measure. The System Office has had to absorb the ever-increasing costs for supplies and services, foregoing additional investment in IT system programming and data security, and significantly reducing vital in-person contact with college staff, higher education partners and business leaders.

To balance the operations budget, the System Office has been forced to reallocate funding, including holding positions vacant. Specifically, the System Office has held 3.0 FTE positions vacant, whose critical duties include course and curriculum approval, grant management and coordination with educational partners. Post-pandemic transformations in the way we work and live as well as Wisconsin employers' ongoing need for high-skilled talent have increased the need for, and importance of, these positions. An additional \$375,000 GPR annually would ensure sustained support for these positions and reduce the System Office structural deficit. As a result, the System Office will have increased capacity to provide new programs and services designed to expand Wisconsin's workforce, increase college efficiency and accountability, identify and implement the most effective learning strategies and improve success for student populations with unique challenges to access postsecondary education including justice involved individuals, foster youth and new refugees.

Program transformation, technology and data security demands are increasing. The COVID-19 pandemic accelerated changes in the way we live, learn and work. It also highlighted the essential nature of WTCS staff and WTCS graduates to our economy and communities, raising expectations for greater access, transparency and responsiveness.

The System Office is responsible for maintaining the data systems by which the WTCS Board and colleges assess and ensure consistency and high-quality course and program delivery across the state. As demands for greater access, transparency and demonstrated effectiveness for the System have grown, so has the use of these data systems to evaluate WTCS program content and design, delivery methods and student and institutional outcomes.

It is imperative that the System Office makes incremental changes to improve the functionality and security of its data (and its System-wide data network). Unfortunately, the cost of this ongoing data maintenance and protection has risen significantly as the complexity and use of this data, and the frequency and consequences of cyber threats, rises. An estimated \$500,000 in additional GPR annually is needed to address the System Office's information technology infrastructure and security needs.

Request

An increase of \$875,000 GPR in s. 20.292(1)(a), WTCS general program operations.