WTCS 2027-29 Biennial Budget Proposals

Type: General State Aid

Issue Title: State Aid

Priority: Low / Medium / High (select one)

Strategic Direction Goals: Innovate, Collaborate, Inspire, Transform

Statutory Modification: Yes No

Amount:

FY2028	**FY2029**
$19,694,848	$20,049,062

Summary: The Wisconsin Technical College System (WTCS) requests an increase in General State Aid to help restore the value of state investment that has eroded over time. Provide $19.7 million GPR in FY2028 and $39.0 million in FY2029. Allocate the increase in General State Aid through 50% statutory formula and 50% Outcomes Based Funding. As operating costs, employer demand and student needs have increased, state support has not kept pace, limiting the ability of colleges to expand capacity and maintain services. Additional funding would allow all 16 colleges to meet local workforce needs, serve growing enrollment demand, address workforce shortages and enhance student support services across the state.

- In FY2025, total operating revenues for WTCS colleges were nearly $1.57 billion. These revenues include property tax operating levies, federal aid, contract training revenue, Property Tax Relief Aid and General State Aid.
- WTCS relies on four primary sources of revenue: General State Aid, Property Tax Relief Aid, the operational levy, and tuition and fees. Following changes to the property tax relief aid and operational levy structures, General State Aid remains the primary mechanism through which the Legislature can make meaningful investments in the Wisconsin Technical College System.
- General State Aid accounts for 7.1% of the Technical College System's overall operating budget and provides approximately $115 million annually to WTCS. Of these funds, 70% are distributed to colleges through a funding formula, while the remaining 30% are allocated based on college performance across 10 outcome measures.
- Since 2011, WTCS operational funding has remained relatively flat. The System received funding increases in FY2016, FY2020, FY2022, FY2024, FY2026 and FY2027 totaling $26.6 million, representing just a 1.7% increase in the overall operating budget.

- WTCS colleges are allowed to use state general aid for a variety of costs, including student support, expanding capacity, addressing inflationary costs and developing new programs that respond to the unique workforce needs of each district.
- Since the 2020–21 academic year, WTCS enrollments have increased by 18%, while inflation has eroded colleges' buying power by 23% over the same period.
- For the 2026–27 academic year, the WTCS Board approved a 3% increase in occupational program tuition and a 2% increase in Associate of Arts and Associate of Science tuition—the largest overall tuition increases in more than a decade.

Funding

- Limits on property tax levies and state revenue limits have limited overall college revenue growth to about 1% per year, with few mechanisms--other than student tuition--to increase revenues.
- After years without adequate funding, technical colleges are facing a disinvestment scenario. Without reasonable state aid investments, technical colleges will be limited in their ability to:
    - expand workforce training capacity to meet economic demand.
    - provide additional dual credit opportunities.
    - increase number of transfer pathways.
    - meet adult education demand in their districts.
    - provide critical support services such as academic tutoring, advising and mental health services.
    - recruit, retain and graduate students within reasonable timeframes.
    - support students with specific and complex needs, such as foster youth.
    - recruit and retain qualified, industry-prepared faculty.
    - maintain up-to-date instructional equipment and technology.
    - maintain cybersecurity.
    - deliver the high-quality education and training students and employers expect.
- Last biennium, WTCS requested an increase of $20 million in FY26 and $25 million in FY27. Act 15 provided only $2.7 million in FY26 and $5.5 million in FY27. In discussions with legislators, there appears to be little interest in providing additional investments through general state aid funding. Instead, legislators are more inclined to fund specific projects or initiatives, as this allows them to clearly see where the money is being allocated and to demonstrate measurable results.

Funding Request – Increase current state general aid to address inflation and maintain purchasing power by providing approximately $19.7 million in the first year (FY28) of the biennium and $39.0 million in second year (FY29) of the biennium, ensuring WTCS districts can maintain current levels of programming. See chart below.

Allocation – Allocate the increase in General State Aid through 50% statutory formula and 50% Outcomes Based Funding.

Table 1

FY2025 Operational Revenues Inflated					
Inflation Percentage	**3.4%**				
Percentage to Formula State Aid	**50%**				
Percentage to Outcomes Based Funding	**50%**				
	FY2025 Revenues	FY2026 Inflation	FY2027 Inflation	FY2028 Inflation	FY2029 Inflation
Formula State Aid[(1)]	76,702,400	79,310,282	82,006,831	84,795,063	87,678,096
Outcomes Based Funding[(1)]	32,872,500	33,990,165	35,145,831	36,340,789	37,576,376
Property Tax Relief Aid[(2)]	449,000,000	455,589,270	462,107,566	468,542,446	474,880,700
Operational Levy [(3)]	270,286,897	278,963,627	287,935,366	297,212,144	306,804,332
Tuition-Program Fees	217,657,857	217,657,857	217,657,857	217,657,857	217,657,857
Other Fees	44,865,843	44,865,843	44,865,843	44,865,843	44,865,843
Grants to Districts	26,044,200	26,044,200	26,044,200	26,044,200	26,044,200
Other State Aid	5,866,651	5,866,651	5,866,651	5,866,651	5,866,651
Federal Funding	73,046,645	73,046,645	73,046,645	73,046,645	73,046,645
Self-Financing	373,100,177	373,100,177	373,100,177	373,100,177	373,100,177
Total	1,569,443,169	1,588,434,716	1,607,776,966	1,627,471,814	1,647,520,876
Year-to-Year Difference				19,694,848	20,049,062
	FY2028 Amount	19,694,848			
	FY2029 Amount	39,743,910			

[(1)] Inflated by "inflation percentage" each year

[(2)] Inflated by "inflation percentage" each year minus net new construction increase in operational levy

[(3)] Increased by net new construction in FY26 and NNC inflated by "inflation percentage" thereafter

Table 2

Operational Revenue Impacts to Colleges					
			Year One		
	Base		50% Split Between OBF & Statutory Formula		
	FY2025 Operating Revenues-Actual	% of Total	Projected Revenues With Additional 19,694,848	% of Total	Additional Revenue
Blackhawk	42,360,200	2.7%	43,073,384	2.7%	713,184
Chippewa Valley	82,696,636	5.3%	84,108,090	5.3%	1,411,454
Fox Valley	158,423,342	10.1%	160,350,822	10.1%	1,927,480
Gateway	112,339,374	7.2%	113,696,883	7.2%	1,357,509
Lakeshore	38,636,408	2.5%	39,253,303	2.5%	616,895
Madison	233,621,488	14.9%	235,904,809	14.8%	2,283,321
MidState	48,464,593	3.1%	49,322,504	3.1%	857,911
Milwaukee	277,027,976	17.7%	279,826,716	17.6%	2,798,741
Moraine Park	65,712,719	4.2%	66,659,976	4.2%	947,257
Nicolet	27,458,725	1.7%	27,862,480	1.8%	403,754
Northcentral	70,152,100	4.5%	71,502,432	4.5%	1,350,332
Northeast WI	127,471,895	8.1%	129,071,563	8.1%	1,599,668
Northwood	67,302,397	4.3%	67,965,918	4.3%	663,521
Southwest WI	34,940,942	2.2%	35,557,624	2.2%	616,682
Waukesha	104,865,543	6.7%	105,801,372	6.7%	935,828
Western	77,968,833	5.0%	79,180,141	5.0%	1,211,308
Total	1,569,443,169	100%	1,589,138,017	100%	19,694,848

			Year Two		
	Base		50% Split Between OBF & Statutory Formula		
	FY2025 Operating Revenues-Actual	% of Total	Projected Revenues With Additional 39,743,910	% of Total	Additional Revenue
Blackhawk	42,360,200	2.7%	43,799,395	2.7%	1,439,196
Chippewa Valley	82,696,636	5.3%	85,544,929	5.3%	2,848,294
Fox Valley	158,423,342	10.1%	162,312,969	10.1%	3,889,627
Gateway	112,339,374	7.2%	115,078,807	7.2%	2,739,434
Lakeshore	38,636,408	2.5%	39,881,293	2.5%	1,244,885
Madison	233,621,488	14.9%	238,229,197	14.8%	4,607,708
MidState	48,464,593	3.1%	50,195,844	3.1%	1,731,252
Milwaukee	277,027,976	17.7%	282,675,793	17.6%	5,647,817
Moraine Park	65,712,719	4.2%	67,624,270	4.2%	1,911,551
Nicolet	27,458,725	1.7%	28,273,495	1.8%	814,770
Northcentral	70,152,100	4.5%	72,877,050	4.5%	2,724,950
Northeast WI	127,471,895	8.1%	130,700,001	8.1%	3,228,107
Northwood	67,302,397	4.3%	68,641,372	4.3%	1,338,975
Southwest WI	34,940,942	2.2%	36,185,398	2.2%	1,244,456
Waukesha	104,865,543	6.7%	106,754,031	6.6%	1,888,488
Western	77,968,833	5.0%	80,413,235	5.0%	2,444,401
Total	1,569,443,169	100%	1,609,187,079	100%	39,743,910