



Outcomes-Based Funding

2021-22 report of the
Wisconsin Technical College System

August 2022

EXECUTIVE SUMMARY

The Wisconsin Technical College System (WTCS) is the first higher education sector in Wisconsin to distribute a portion of its state aid based on the outcomes of its 16 colleges. This model of distributing state funding began with 2014-15 state fiscal year. Now in its ninth year of implementation, the outcomes-based funding model has already successfully:

- demonstrated the link between college outcomes and the funding provided by the State of Wisconsin;
- encouraged continuous improvement by the colleges in areas of strategic importance; and
- struck a balance in the distribution of state funding between accountability and innovation (i.e., outcomes-based funding at 30%) and the need to maintain a continuous, predictable source of funding to address on-going educational and workforce needs (i.e., formula funding at 70%).

WTCS colleges are producing outcomes across the priority areas established by the Legislature.

- Almost 78% of employed graduates are employed in jobs related to their specific programs of study within six months.
- More than 70% of credentials are in high-demand fields.
- Industry-validated curriculum has increased.
- Almost 50,000 Wisconsin high school students earn dual credits each year.
- More than 432,000 workforce training credits were awarded in the last three years.
- Colleges are awarding more credits for prior education and training.



BACKGROUND

Beginning with the 2014-15 fiscal year, a new funding model for allocating a portion of general state aid to technical colleges was adopted.

Statutory Criteria

The funding model is based on ten statutory criteria:

- 1) job placement rates in jobs related to students' programs of study;
- 2) number of degrees and certificates awarded in high demand fields;
- 3) number of programs or courses with industry-validated curriculum;
- 4) the transition of adult basic education students to skills training;
- 5) the success rate of adults in basic education courses;
- 6) participation in dual enrollment programs;
- 7) workforce training provided to businesses and individuals;
- 8) participation in collaboration or efficiency initiatives;
- 9) training provided to special populations or demographic groups unique to the district; and
- 10) number of credits awarded to students for relevant education experience or training, including skills and training received during military service.

The statutes further specify that:

- the funding model be used to distribute 30% of general state aid funding;
- the remainder of general state aid be distributed based on the enrollment and cost-based statutory aid formula;
- the model use data from the three previous fiscal years; and
- each college designate seven of ten statutory criteria for use in the funding allocations.



Allocation of Funds among Criteria

Each year, 25% of the total outcomes-based funding is divided equally among the ten statutorily defined outcomes criteria as the base allocation for each criterion. The remaining 75% of outcomes-based funding is then distributed among all criteria proportionately, based on the number of colleges selecting each criterion.

2022-23 OUTCOMES FUNDING

TABLE 1: Distribution of 2022-23 Outcomes-Based Funding, by College and Criteria (in \$)

	Criteria 1: Job Placement	Criteria 2: High Demand Fields	Criteria 3: Industry Validated Curriculum	Criteria 4: ABE Transition	Criteria 5: ABE Success	Criteria 6: Dual Enrollment	Criteria 7: Workforce Training	Criteria 8: Collaboration	Criteria 9: Special Populations	Criteria 10: Credit for Prior Learning	College Total
Blackhawk	209,522	-	142,174	178,045	207,271	193,315	-	190,215	203,231	-	1,323,773
Chippewa Valley	337,212	299,801	270,327	-	-	349,006	220,313	274,508	-	209,121	1,960,289
Fox Valley	403,857	444,545	395,618	-	-	436,988	648,230	328,120	-	399,904	3,057,261
Gateway	-	354,863	257,518	-	315,641	407,826	246,612	289,845	297,659	-	2,169,964
Lakeshore	185,805	171,815	230,592	-	245,947	-	96,437	185,815	196,414	-	1,312,825
Madison Area	443,864	390,404	-	648,074	415,492	-	-	405,935	451,224	577,671	3,332,665
Mid-State	238,136	-	188,545	186,270	136,314	-	-	190,708	223,615	147,499	1,311,087
Milwaukee Area	-	-	462,717	617,594	587,368	-	429,831	441,762	430,852	353,465	3,323,587
Moraine Park	217,002	195,325	-	153,370	294,887	-	378,352	215,251	392,946	-	1,847,134
Nicolet Area	145,745	53,650	126,171	164,982	137,611	-	-	157,067	207,487	-	992,713
Northcentral	-	235,961	292,981	252,553	275,007	327,084	242,914	-	-	182,895	1,809,395
Northeast Wisconsin	354,336	392,737	381,951	-	-	423,010	-	330,001	303,734	413,115	2,598,885
Northwood	245,574	267,329	257,765	-	160,344	118,703	-	201,880	138,631	-	1,390,226
Southwest Wisconsin	228,717	-	172,500	-	-	113,127	100,693	178,046	126,573	100,173	1,019,828
Waukesha County	254,772	273,222	252,317	-	281,166	256,347	278,684	251,614	-	-	1,848,122
Western	-	184,890	248,347	233,684	-	224,150	-	246,248	292,174	258,222	1,687,714
Total	3,264,541	3,264,541	3,679,525	2,434,573	3,057,049	2,849,557	2,642,065	3,887,017	3,264,541	2,642,065	30,985,470

JOB PLACEMENT

WTCS gathers job placement data by annually surveying all credential completers six months after graduation. While not all graduates choose to answer the survey, over 63% of 2021 graduates responded to the survey's standardized questions.

Among 2021 graduates, 91% of respondents were employed within six months of graduation. Technical college graduates overwhelmingly stay to work and live in Wisconsin, with 92% of respondents employed within the state.

As shown in Table 2, almost 78% of employed graduates report being employed in jobs related to their specific programs of study within six months of completing a technical college program. These high levels of employment, particularly employment related to their specific programs of study, have been shown to be consistent over time, regardless of the state's unemployment rate or the overall state of the economy.

TABLE 2: Three-Year Total, Graduates in Related Fields

	Graduates Employed	Graduates Employed in Related Fields	Percentage Employed in Related Fields
Blackhawk	701	599	85.4%
Chippewa Valley	2,211	1,846	83.5%
Fox Valley	3,049	2,503	82.1%
Gateway	1,664	1,123	67.5%
Lakeshore	712	537	75.4%
Madison Area	4,011	3,002	74.8%
Mid-State	1,130	927	82.0%
Milwaukee Area	2,485	1,709	68.8%
Moraine Park	859	712	82.9%
Nicolet Area	245	181	73.9%
Northcentral	1,272	1,023	80.4%
Northeast Wisconsin	2,675	2,094	78.3%
Northwood	1,531	1,131	73.9%
Southwest Wisconsin	1,046	850	81.3%
Waukesha County	1,473	1,150	78.1%
Western	883	670	75.9%
Statewide	25,947	20,057	77.3%

Fifty percent of the funds are distributed based on a college's job placement rate and 50% based on a college's proportionate share of statewide graduates that report they are working in jobs related to their programs of study.

GRADUATES IN HIGH-DEMAND FIELDS

High-demand fields are defined as the top 50 occupations in Wisconsin with heavy employer demand for qualified workers for both new jobs as well as replacements created by turnover or retirements. Occupations are identified by comparing the Wisconsin Department of Workforce Development's (DWD) statewide, long-term occupational projections with the technical colleges' occupational training.

Examples of high-demand occupations for 2021-22 include: childcare workers, nurses and related health care professionals, machinists, electricians, welders, agricultural workers, first-line supervisors and software developers.

As shown in Table 3, Wisconsin's technical colleges produced more than 62,000 credentials in high-demand fields over the last three years. Over the same period, 87,800 credentials were earned across all fields. As a result, more than 70% of graduates were in fields with the most acute talent needs in the state. This is the outcome of the longstanding practices of meaningful, ongoing engagement with local employers and information from local labor market analyses. Such efforts influence and inform every technical college program, including its capacity, curriculum, equipment and skillsets.

TABLE 3: Three-Year High-Demand Credential Totals, by College

	High-Demand Credentials
Blackhawk	1,477
Chippewa Valley	4,884
Fox Valley	7,242
Gateway	5,781
Lakeshore	2,799
Madison Area	6,360
Mid-State	1,861
Milwaukee Area	4,348
Moraine Park	3,182
Nicolet Area	874
Northcentral	3,844
Northeast Wisconsin	6,398
Northwood	4,355
Southwest Wisconsin	1,547
Waukesha County	4,451
Western	3,012
Statewide	62,415

Funds are distributed based on each college's proportionate share of the total number of degrees and certificates awarded in high-demand fields statewide.

INDUSTRY-VALIDATED CURRICULUM

Industry-validated curriculum is defined in two ways, as active industry advised programs and Technical Skills Attainment (TSA). Industry-validated curriculum are technical college degrees and certificate programs which have enrolled students and advisory committees comprising local employers and employees in the relevant occupation. The advisory committees provide input on equipment, course materials, instructional methods and career guidance counseling to ensure relevance to current industry practiced standards.

Technical Skill Attainment assessments are formal, direct measurements that provide evidence that students have achieved intended program outcomes or skills. TSAs may include third-party exams, performance-based assessments, portfolios, capstone projects, clinical evaluations or other measures. TSAs measure student achievement in core industry-relevant program outcomes, while ensuring those outcomes derive directly from valid industry standards.

Table 4: Industry-Validated Programs and TSAs, 2020-21

	Industry-Validated Programs	Technical Skills Attainment Assessment
Blackhawk	66	56
Chippewa Valley	113	93
Fox Valley	169	134
Gateway	121	66
Lakeshore	98	66
Madison Area	158	91
Mid-State	83	60
Milwaukee Area	225	108
Moraine Park	97	41
Nicolet Area	52	35
Northcentral	129	79
Northeast Wisconsin	166	106
Northwood	113	84
Southwest Wisconsin	71	56
Waukesha County	110	84
Western	106	68
Statewide	1,877	1,227

Seventy five percent of the funds are distributed based on each college's proportionate share of active programs (i.e., having enrolled students) and the remaining 25% is distributed based on each college's proportionate share of programs with TSA assessments.

ABE TRANSITIONS

Adult Basic Education (ABE) helps adults with reading, writing, mathematics skills and career education at levels ranging from first through twelfth grade. English Language Learning (ELL) provides instruction for those whose native or dominant language is other than English. ELL helps these learners to read, write and communicate in English in order to achieve high school completion, entry into occupational programs and work placement.

A primary mission of Wisconsin's technical colleges is to enable full participation in the workforce, regardless of an individual's prior educational background. Over the past three years, technical colleges helped more than 12,400 students transition out of basic education and successfully complete postsecondary work.

Table 5 shows the number of adults over a three-year period transitioning from ABE to postsecondary coursework in the same year or the following year.

TABLE 5: Three-Year Total, Transitions from Adult Basic to Postsecondary Education

	3-Year Total
Blackhawk	736
Chippewa Valley	524
Fox Valley	388
Gateway	328
Lakeshore	153
Madison Area	2,679
Mid-State	770
Milwaukee Area	2,553
Moraine Park	634
Nicolet Area	682
Northcentral	1,044
Northeast Wisconsin	272
Northwood	306
Southwest Wisconsin	67
Waukesha County	372
Western	966
Statewide	12,474

Funds are distributed based on each college's share of the number of adult students who: (a) were enrolled in at least 12 hours of adult basic education, adult high school, or ELL courses; and then (b) successfully completed a postsecondary course, in either the year of their ABE enrollment or in the following academic year.

ABE SERVICES AND SUCCESS

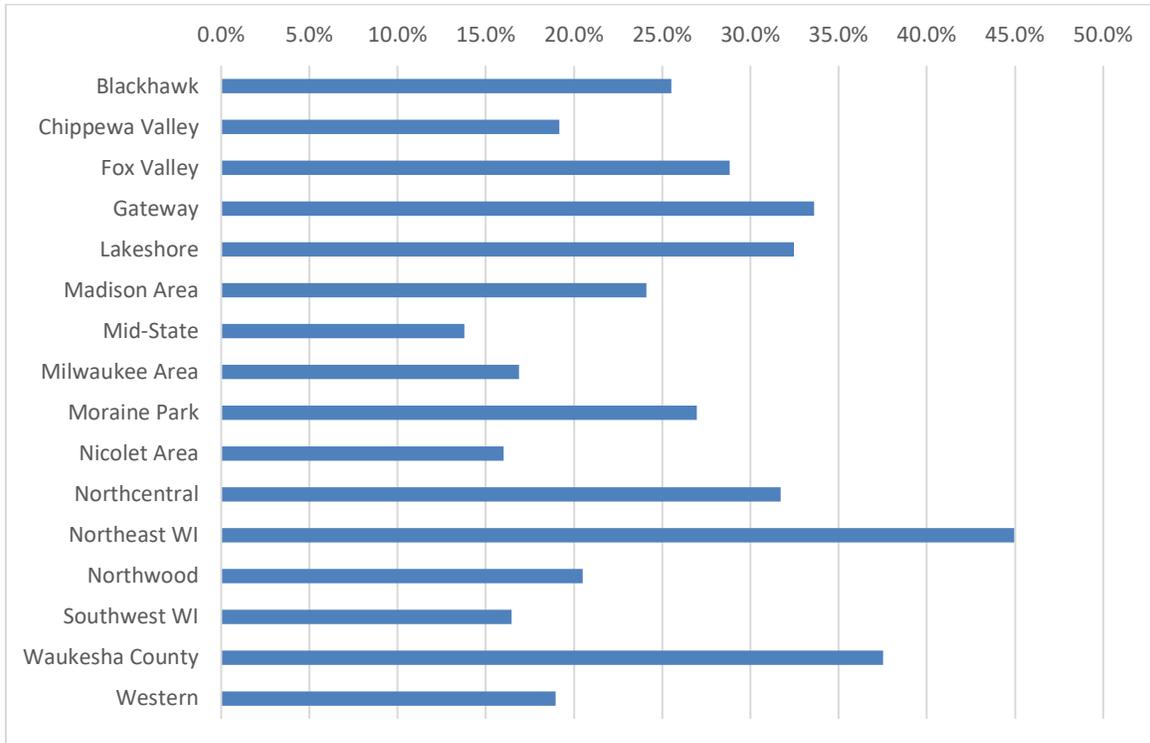
A core function of Wisconsin's technical colleges is to provide basic skills education and promote a fully literate society. Basic skills education enables students to fully participate in Wisconsin's workforce and helps ensure that all state residents have an opportunity to better themselves economically.

As shown in Table 6, more than 56,600 students took advantage of ABE services at technical colleges over the past three years. (To facilitate access to Wisconsin's technical colleges and to promote these statewide interests, state law requires ABE services must be provided tuition-free.)

TABLE 6: Three-Year Total, Adult Basic Education Students

	Number of Students
Blackhawk	2,011
Chippewa Valley	1,798
Fox Valley	4,318
Gateway	3,920
Lakeshore	2,030
Madison Area	8,449
Mid-State	1,813
Milwaukee Area	14,748
Moraine Park	4,385
Nicolet Area	1,489
Northcentral	3,017
Northeast Wisconsin	1,737
Northwood	1,431
Southwest Wisconsin	525
Waukesha County	2,256
Western	2,736
Statewide	56,663

Student success in ABE courses is defined as demonstrated educational gains on standardized national tests, which are administered and reported as a condition of the colleges' receiving federal adult basic education grants. Figure 1 shows the average three-year ABE student success rates by college.

FIGURE 1: Three-Year Success Rate: ABE Students Demonstrating Educational Gains

Funds are distributed based on two factors. Fifty percent of funding is distributed based on each college's proportionate share of the number of adult students who were enrolled in at least 12 hours of adult basic education, adult high school or ELL courses. The other 50% of funding is distributed based on each college's "success rate," which is defined as the percentage of adult basic education, adult high school or ELL students who have demonstrated educational gains under standardized pre- and post-testing regimens.

DUAL ENROLLMENT

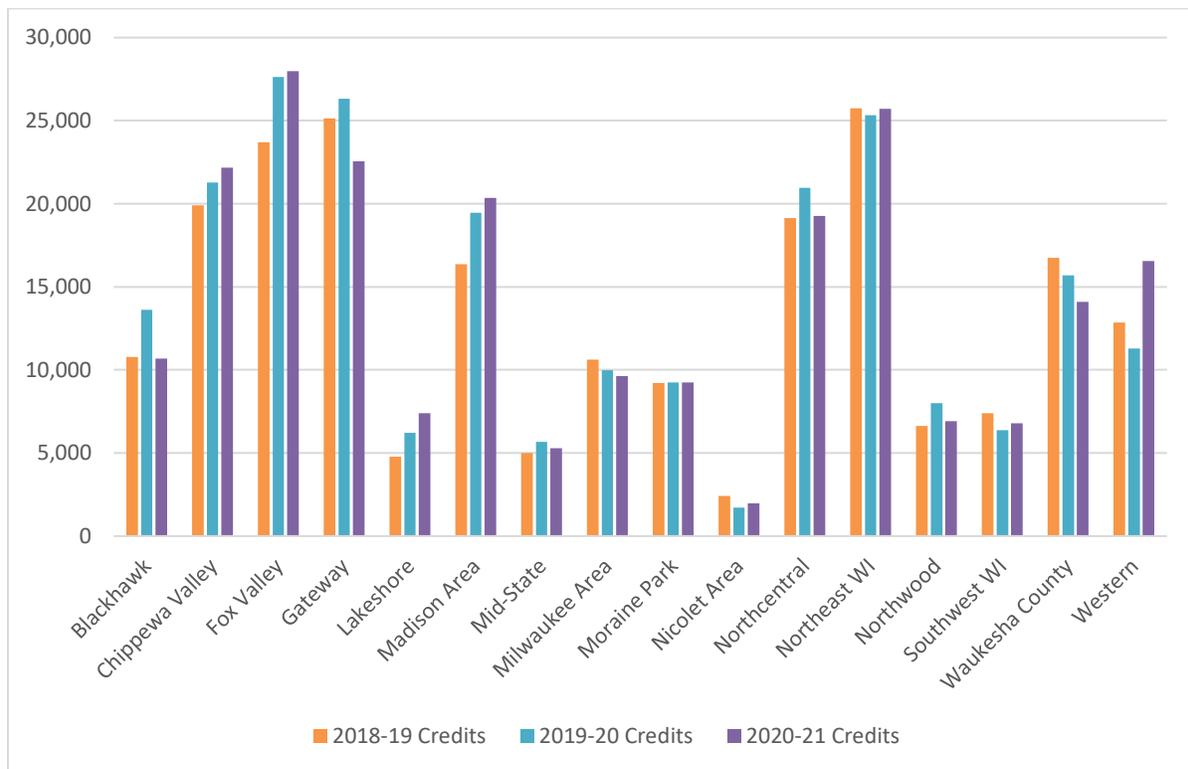
Wisconsin's technical colleges have provided college credit to high school students for more than 20 years, under a variety of programs designed to maximize access and minimize costs to students and their school districts.

The most popular and fastest growing of these is known as "transcripted credit." It permits students to study technical college curricula at their high school — taught by qualified high school instructors — under agreements that are revenue-neutral to both the college and the school district.

Each college works to establish and continually grow participation in these programs, even in those districts that are sparsely populated, cover a large geographical area, or have other challenges to participation.

Figure 2 shows the number of dual enrollment credits issued by colleges, over the three years.

FIGURE 2: Credits Awarded Under Dual Enrollment



Total statewide dual enrollment credits earned by high school students at Wisconsin's technical colleges increased from 216,437 in 2018-19 to 226,599 in 2020-21. Almost 50,000 Wisconsin high school students get a head start on college each year while earning dual credits.

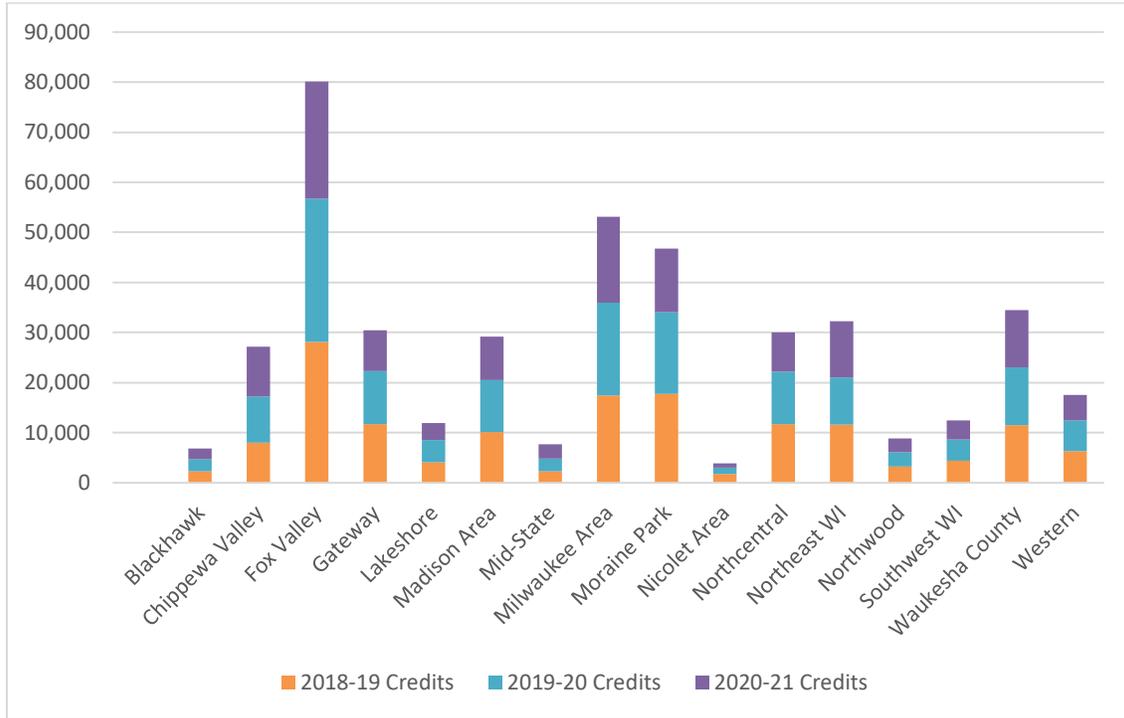
Funds are distributed based on each college's proportionate share of statewide credits earned in all types of dual enrollment offerings, which include transcribed credit, advanced standing (reported once the student enrolls at a technical college, post-high school), and Youth Apprenticeship, Start College Now (Formerly known as Youth Options) and Course Options programs.

WORKFORCE TRAINING

Wisconsin's technical colleges are an integral component of employer success across the state: as the premier providers of customized business solutions; apprenticeship-related classroom instruction; on-site training; and professional development, including APICS and supply chain, Lean Six Sigma, health care and human services, sustainability, continuous improvement, project management, leadership development, and other specialized training.

WTCS-delivered customized training helps businesses increase their efficiency, productivity and worker safety. For employees, it allows them to improve their employability and earning potential. Technical colleges provide workforce training for businesses of every size and in every industry in the state. As shown in Figure 3, WTCS delivered more than 432,000 workforce training credits over the last three years.

FIGURE 3: Workforce Training Credits



Workforce training funds are distributed based on each college's proportionate share of credits generated in each of the following areas:

- contracts to provide customized instruction to public and private employers;
- employer-paid tuition and training;
- apprenticeship education; and
- professional development seminars.

COLLABORATION

Wisconsin's technical colleges participate in a variety of local and regional collaborations and partnerships aimed at increasing efficiencies, maximizing student success and opportunities, and making the most of instructional resources. The six statewide partnerships in which all 16 technical colleges participate were chosen as standard measures for the purposes of the collaboration criteria.

Districts Mutual Insurance (DMI), for example, was formed by the colleges for the purposes of insuring property, automobile, liability, workers' compensation and other

risk. Since its establishment in 2004, DMI has saved taxpayers over \$19.5 million in insurance premiums, through the collective buying power of all 16 institutions and lowered administrative overhead. Similarly, the WTCS Purchasing Consortium takes advantage of the colleges' combined purchasing power to save on supplies and services common across all 16 colleges.

Funds are distributed based 50% on each college's proportionate share of full-time equivalent students and 50% as an amount equally divided among the colleges. To be eligible under these criteria, a college must maintain membership in the following collaborative partnerships:

- Districts Mutual Insurance;
- District Boards Association;
- Purchasing Consortium;
- Marketing Consortium;
- Wisconsin Student Government; and
- Worldwide Instructional Design System (WIDS).

SPECIAL POPULATIONS

The special populations criteria recognizes special student populations or demographic groups that may be considered unique to certain technical college districts, such as older dislocated workers and returning veterans. These groups may require specialized support services in order to reach their academic and career goals.

TABLE 7: Three-Year Total, Special Populations Served by Wisconsin Technical Colleges

	All Students	Pell Recipients (low income)	Students of Color	Veterans	Incarcerated	Dislocated Workers	Students with Disabilities
Blackhawk	23,858	3,128	4,511	209	251	82	651
Chippewa Valley	50,991	5,708	5,460	489	567	28	1,337
Fox Valley	139,920	6,450	21,561	935	2,030	214	1,289
Gateway	56,283	7,982	20,870	511	182	146	2,340
Lakeshore	27,500	2,604	4,420	239	593	92	458
Madison Area	87,371	11,053	22,969	1,139	592	458	3,675
Mid-State	23,841	3,347	2,390	253	414	150	583
Milwaukee Area	89,277	23,166	50,390	794	532	66	2,769
Moraine Park	42,358	3,616	7,532	233	5,189	127	2,684
Nicolet Area	12,622	1,495	1,450	103	119	115	565
Northcentral	53,093	4,601	6,160	311	1,260	217	1,203
Northeast Wisconsin	76,232	8,375	13,339	814	494	219	2,135
Northwood	48,413	3,675	3,667	249	282	86	994
Southwest Wisconsin	19,760	1,605	1,636	70	571	33	744
Waukesha County	53,810	3,701	10,508	553	342	113	1,747
Western	37,435	4,643	5,914	466	1,578	73	2,179
Statewide	842,764	95,149	182,777	7,368	14,996	2,219	25,353

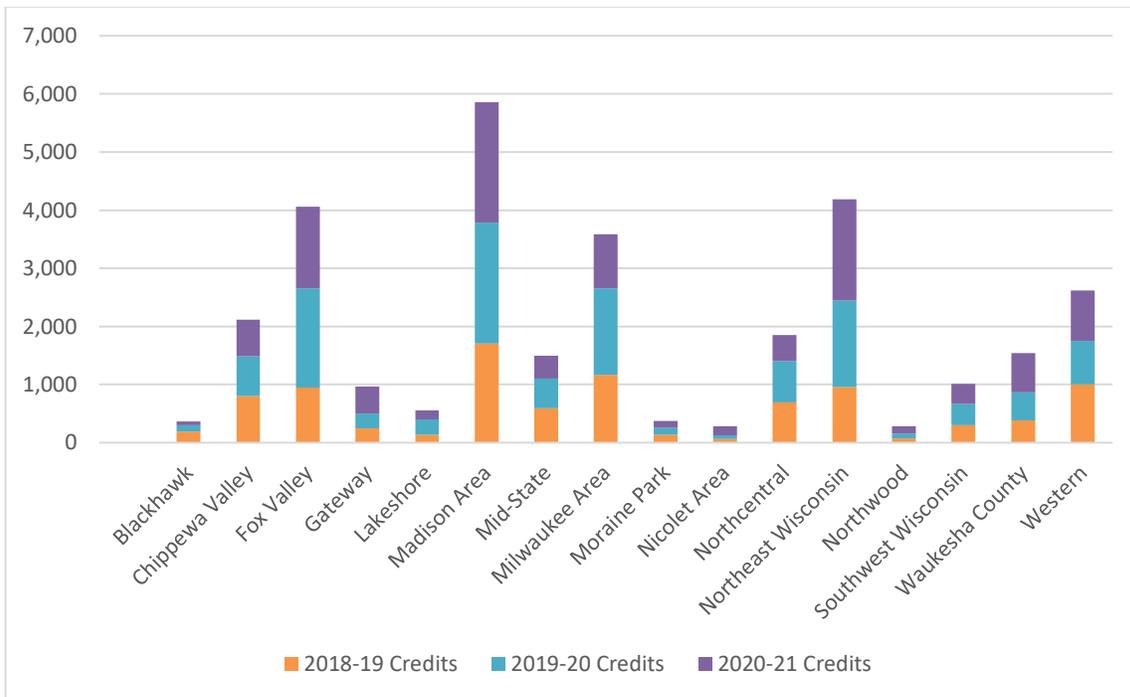
Half of available funds for these criteria are distributed based on each college’s proportionate share of the six special populations: students of color, Pell Grant recipients, military veterans, incarcerated individuals, dislocated workers and persons with disabilities. The remainder is distributed based on each college’s percentage of special population students, relative to their total student population.

Credits Awarded for Relevant Educational Experience or Training

Wisconsin’s technical colleges provide students with the opportunity to shorten their time to a credential by demonstrating their knowledge and skills they have gained outside the classroom.

Wisconsin’s technical colleges award credits for relevant educational experience or training not obtained through an institution of higher education, including skills training received through military training. The colleges awarded more than 31,000 credits during the most recent three-year period, an increase of 11% over the previous three-year period.

FIGURE 4: Credits Awarded for Relevant Educational Experience or Training



Funds are distributed based on each college’s credits awarded to students who successfully demonstrated relevant educational experience or training skills not obtained through an institution of higher education, but acquired through military and work experience, as well as other learning acquired outside traditional academic institutions.

