



Outcomes-Based Funding

2023-24 report of the
Wisconsin Technical College System

July 2024

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 eleventh 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 80% 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 programs and Technical Skill Attainment (TSA) assessments continue to increase.
- More students are transitioning out of Adult Education and successfully completing postsecondary work.
- Dual credits earned by Wisconsin high school students increased nearly 8% compared to the previous three-year period.
- Workforce training credits delivered to Wisconsin's employers have increased.
- Credits earned for prior education and training continue to increase.



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 educational 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.

2024-25 OUTCOMES FUNDING

TABLE 1: Distribution of 2024-25 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	236,752	-	185,660	156,857	186,529	160,165	-	206,244	210,399	-	1,342,605
Chippewa Valley	359,081	333,496	291,727	-	-	416,900	279,904	310,646	-	157,916	2,149,669
Fox Valley	400,449	484,989	422,453	-	-	442,440	597,445	-	412,770	395,428	3,155,975
Gateway	283,328	435,841	-	-	297,550	469,951	258,983	313,931	275,589	-	2,335,172
Lakeshore	173,614	177,743	237,340	-	259,557	126,103	-	198,789	243,534	-	1,416,680
Madison Area	459,637	397,374	-	537,760	465,926	-	-	434,979	444,822	597,980	3,338,478
Mid-State	239,283	134,808	206,503	358,675	253,027	-	-	210,570	239,450	-	1,642,317
Milwaukee Area	-	-	516,583	421,317	604,833	-	426,578	459,111	400,901	308,164	3,137,485
Moraine Park	246,803	227,171	221,542	-	278,906	-	322,766	230,570	362,052	-	1,889,809
Nicolet Area	133,919	58,224	122,895	234,907	224,158	-	-	169,734	190,417	-	1,134,253
Northcentral	247,996	-	310,962	347,056	313,274	341,040	-	266,025	243,269	-	2,069,622
Northeast Wisconsin	355,795	410,010	398,946	-	-	432,481	292,597	358,570	-	414,962	2,663,362
Northwood	265,769	260,122	282,122	-	195,430	118,984	-	215,348	193,520	-	1,531,295
Southwest Wisconsin	244,200	-	179,229	-	127,025	128,846	106,083	193,795	195,286	-	1,174,465
Waukesha County	256,981	323,442	279,779	-	-	266,189	298,482	275,270	-	226,285	1,926,428
Western	-	-	247,866	306,137	257,135	340,120	-	280,154	271,467	261,976	1,964,855
Total	3,903,606	3,243,221	3,903,606	2,362,709	3,463,350	3,243,221	2,582,837	4,123,734	3,683,478	2,362,709	32,872,470

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 58% of 2023 graduates responded to the survey's standardized questions.

Among 2023 graduates, 93% of respondents were employed within six months of graduation. Technical college graduates overwhelmingly stay to work and live in Wisconsin, with 91% of respondents employed within the state.

As shown in Table 2, over 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	744	654	87.9%
Chippewa Valley	2,116	1,746	82.5%
Fox Valley	2,530	2,088	82.5%
Gateway	1,826	1,293	70.8%
Lakeshore	515	370	71.8%
Madison Area	3,329	2,630	79.0%
Mid-State	1,043	817	78.3%
Milwaukee Area	2,214	1,619	73.1%
Moraine Park	968	806	83.3%
Nicolet Area	286	179	62.6%
Northcentral	1,233	931	75.5%
Northeast Wisconsin	2,261	1,777	78.6%
Northwood	1,407	1,070	76.0%
Southwest Wisconsin	967	797	82.4%
Waukesha County	1,291	989	76.6%
Western	685	554	80.9%
Statewide	23,415	18,320	78.2%

Three-year total includes fiscal years 2020-21, 2021-22 and 2022-23

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 2023-24 include: childcare workers, teacher assistants, nurses and related health care professionals, truck drivers, machinists, mechanics, agricultural managers, and computer systems analysts.

As shown in Table 3, Wisconsin's technical colleges produced nearly 60,000 credentials in high-demand fields over the last three years. Over the same period, 84,900 credentials were earned across all fields. As a result, 71% 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	1,796
Chippewa Valley	4,777
Fox Valley	6,947
Gateway	6,243
Lakeshore	2,546
Madison Area	5,692
Mid-State	1,931
Milwaukee Area	4,136
Moraine Park	3,254
Nicolet Area	834
Northcentral	3,539
Northeast Wisconsin	5,873
Northwood	3,726
Southwest Wisconsin	1,448
Waukesha County	4,633
Western	2,589
Statewide	59,964

Three-year total includes fiscal years 2020-21, 2021-22 and 2022-23

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: 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, 2022-23

	Industry-Validated Programs	Technical Skills Attainment Assessment
Blackhawk	79	62
Chippewa Valley	114	97
Fox Valley	169	131
Gateway	125	60
Lakeshore	102	63
Madison Area	154	88
Mid-State	81	62
Milwaukee Area	231	112
Moraine Park	104	53
Nicolet Area	51	30
Northcentral	136	74
Northeast Wisconsin	171	94
Northwood	112	81
Southwest Wisconsin	71	55
Waukesha County	109	91
Western	102	56
Statewide	1,911	1,209

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.

AE TRANSITIONS

Adult Education (AE) 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 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 11,800 students transition out of AE and successfully complete postsecondary work.

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

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

	3-Year Total
Blackhawk	621
Chippewa Valley	469
Fox Valley	285
Gateway	240
Lakeshore	168
Madison Area	2,129
Mid-State	1,420
Milwaukee Area	1,668
Moraine Park	444
Nicolet Area	930
Northcentral	1,374
Northeast Wisconsin	287
Northwood	272
Southwest Wisconsin	41
Waukesha County	292
Western	1,212
Statewide	11,852

Three-year total includes fiscal years 2020-21, 2021-22 and 2022-23

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 education, adult high school or ELL courses; and then (b) successfully completed a postsecondary course, in either the year of their AE enrollment or in the following academic year.

AE 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, nearly 52,000 students took advantage of AE 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 AE services must be provided tuition-free.)

TABLE 6: Three-Year Total, Adult Education Students

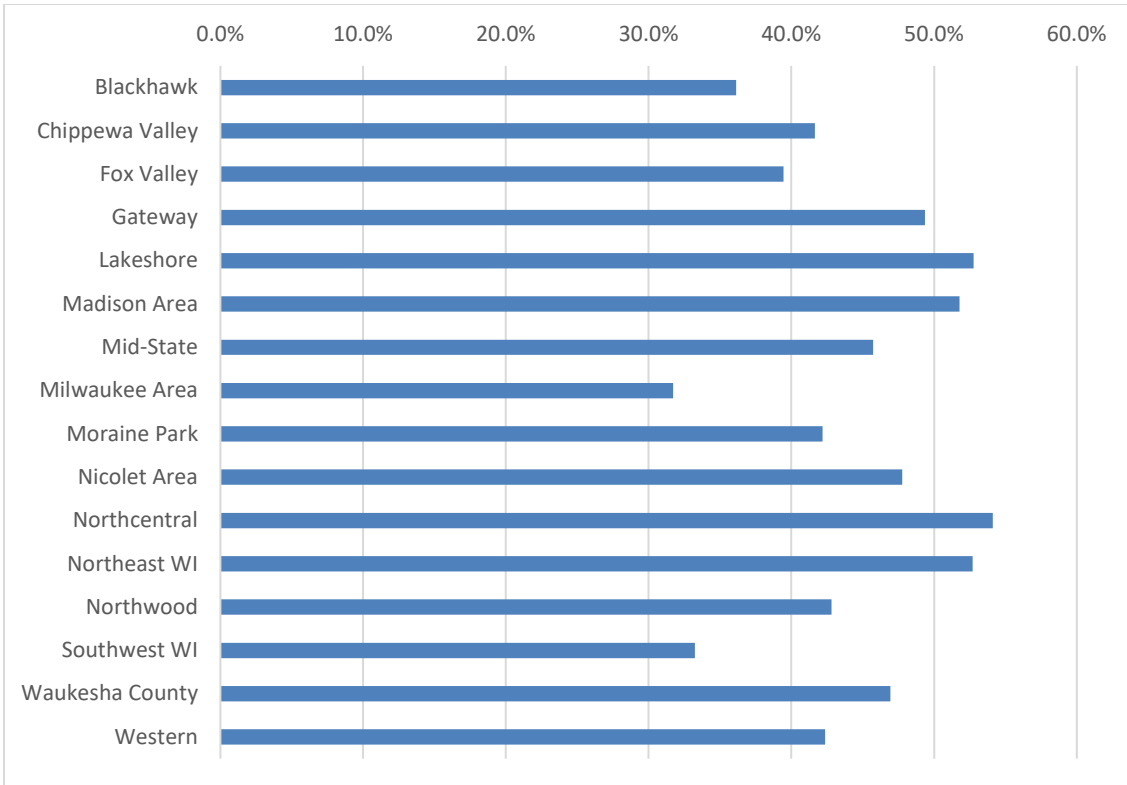
	Number of Students
Blackhawk	1,681
Chippewa Valley	2,163
Fox Valley	3,678
Gateway	3,347
Lakeshore	2,140
Madison Area	7,289
Mid-State	2,545
Milwaukee Area	12,310
Moraine Park	3,464
Nicolet Area	1,672
Northcentral	3,351
Northeast Wisconsin	1,815
Northwood	1,364
Southwest Wisconsin	452
Waukesha County	1,780
Western	2,916
Statewide	51,967

Three-year total includes fiscal years 2020-21, 2021-22 and 2022-23



Student success in AE 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 education grants. Figure 1 shows the average three-year AE student success rates by college. The three-year success rate includes fiscal years 2020-21, 2021-22 and 2022-23.

FIGURE 1: Three-Year Success Rate: AE 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 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 education, adult high school or ELL students who have demonstrated educational gains under standardized pre- and post-testing regimens.



DUAL ENROLLMENT

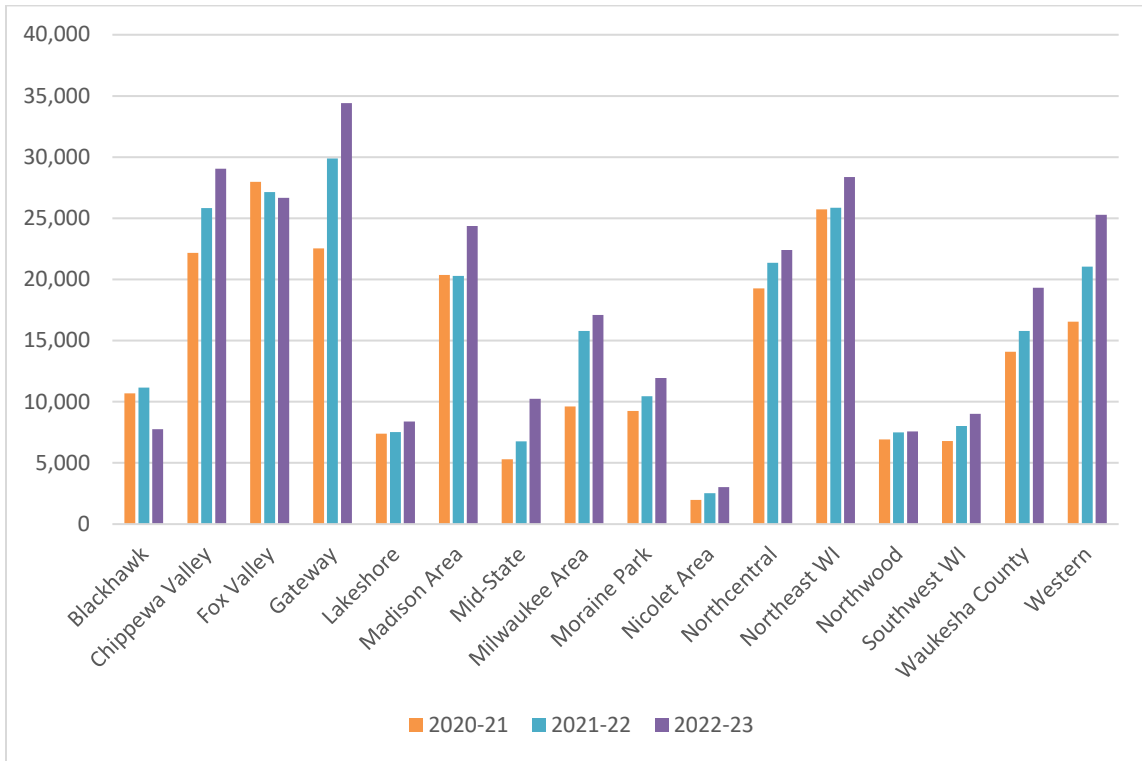
Wisconsin’s technical colleges have provided college credit to high school students for more than 20 years, under a variety of programs designed to maximize access and minimize costs to students and their school districts.

The most popular and fastest growing of these is known as “transcribed 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 by 26% between 2020-21 and 2022-23. More than 62,200 Wisconsin high school students get a head start on college each year while earning dual credits.



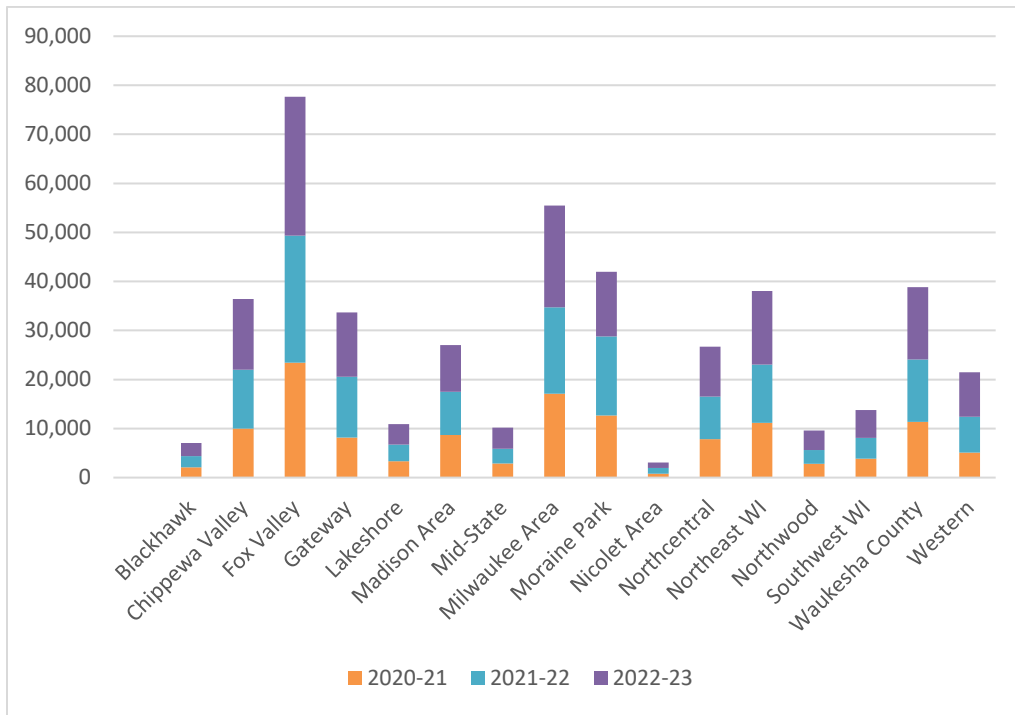
Funds are distributed based on each college’s proportionate share of statewide credits earned in all types of dual enrollment offerings, which include transcribed credit, advanced standing (reported once the student enrolls at a technical college, post-high school), and Youth Apprenticeship, Start College 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 all sizes and across a wide variety of industries. As shown in Figure 3, WTCS delivered nearly 452,000 workforce training credits over the last three years, a 5% increase over the previous three-year period.

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 \$21 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	Justice- Involved	Dislocated Workers	Students with Disabilities
Blackhawk	23,187	3,092	4,950	310	183	110	618
Chippewa Valley	49,132	5,125	5,935	872	711	6	1,229
Fox Valley	144,728	5,532	26,746	1,783	1,658	933	943
Gateway	52,637	6,185	20,255	908	163	98	2,335
Lakeshore	26,609	2,576	5,041	1,351	520	58	463
Madison Area	74,241	9,034	23,290	2,013	895	347	3,842
Mid-State	25,797	2,793	2,772	2,002	380	111	524
Milwaukee Area	81,786	22,720	45,798	1,225	700	42	1,581
Moraine Park	40,142	3,305	7,343	685	4,083	68	2,187
Nicolet Area	10,840	1,372	1,390	203	78	71	350
Northcentral	53,915	4,052	7,097	461	1,097	128	1,254
Northeast Wisconsin	74,206	6,795	14,391	1,597	284	166	1,885
Northwood	42,361	3,201	3,635	1,485	332	53	830
Southwest Wisconsin	20,352	1,577	2,308	557	539	48	484
Waukesha County	51,195	3,090	10,609	447	167	69	1,485
Western	39,560	4,418	6,724	774	1,105	55	1,647
Statewide	810,688	84,867	188,284	16,673	12,895	2,363	21,657

Three-year total includes fiscal years 2020-21, 2021-22 and 2022-23

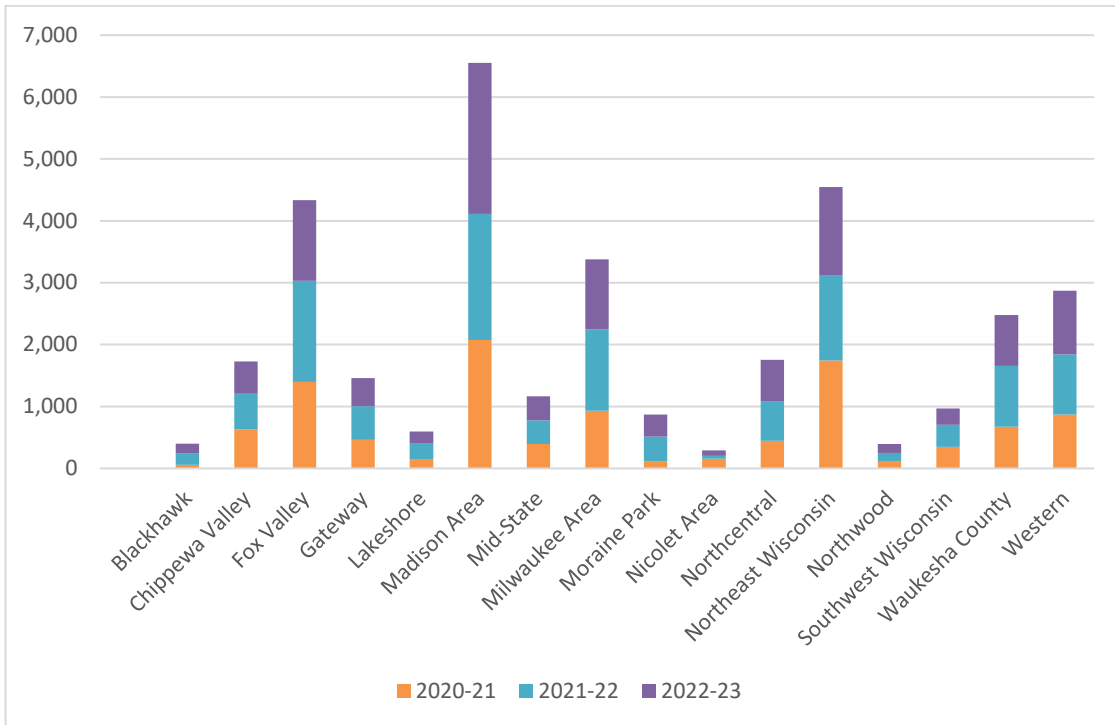
Half of available funds for these criteria are distributed based on each college’s proportionate share of the six special populations: students of color, Pell Grant recipients, military veterans, incarcerated individuals, dislocated workers and persons with disabilities. The remainder is distributed 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. Technical colleges awarded more than 33,700 credits during the most recent 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.

