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STATE SENATOR • 17TH SENATE DISTRICT

Capitol Update

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Outcomes-Based Funding: Paying For Results

Our state government frequently benefits from applying private-sector techniques to public sector operations. Too often, government systems become cumbersome, slow-moving and inefficient because they lack a reason to be efficient. They can start out focused but lose effectiveness over time. Without the urgency created by economic factors, supply-and-demand and competition, government structure can grind along, becoming more complex and less effective as it grows from year-to-year.

Each session, the legislature seeks ways to combat public sector lethargy. We look for ways to make our government operations more efficient, effective and financially responsible. We pursue ways to apply proven private-sector practices to government operations in an effort to be responsible stewards of taxpayer dollars while continuing to provide the services taxpayers rely on every day.

One great example of applying private-sector techniques to public-sector operations is outcomes-based funding which has been incorporated into the funding model for the Wisconsin Technical College System (WTCS). The WTCS, the Governor and the legislature designed a funding model that financially rewards technical colleges for achieving goals directly related to the mission of our technical college system.

The WTCS recently released their Graduate Outcomes report for 2015 and provided an annual Outcomes-Based Funding report to the Joint Finance Committee (JFC). These reports summarize the efforts and successes in our technical college system to measure and achieve mission-based goals in exchange for taxpayer dollars. Follow these links to view [the full Graduate Outcomes report](#) here and the [Annual Outcomes-Based Funding report to the JFC](#).

Overall, WTCS reports a 93% job placement rate for 2015 graduates with 78% being employed in a job related to their training. For the 7% who are not employed, 86% are continuing their education. This is good news for communities in Wisconsin because 62% of technical college graduates stay in their college district after graduation and 19% move within the state of Wisconsin. This means that 81% of the people trained at a Wisconsin technical college stay and live in Wisconsin.

Wisconsin's technical colleges are doing good things. In order to financially reward their efforts and tie funding to results, the 2013-15 biennial budget established a new funding model for allocating 10% of appropriated general state aid to technical colleges based on nine criteria:

1. job placement rates,
2. degrees and certificates awarded in high demand fields,
3. 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, and
9. training provided to special populations or demographic groups unique to the district.

The criteria were designed by the WTCS in collaboration with the Governor and legislature to create a funding model that financially rewards colleges for meeting mission-based goals and the needs of their customers – students. The criteria also help the colleges to identify areas they can develop to gain additional funding, which in turn, enables them to make an even greater impact on those they serve.

Four technical colleges serve residents of the 17th Senate District; Southwestern Wisconsin Technical College (SWTC) headquartered in Fennimore, Western Technical College (WTC) headquartered in LaCrosse, Madison Area Technical College (MATC or Madison College) headquartered in Madison and Blackhawk Technical College (BTC) headquartered in Janesville. Each college has a unique identity and serves their students and communities in different ways. The outcomes at which they excel also differ, but illustrate the reasons why outcomes-based funding are effective.

Overall, WTCS campuses received \$17,706,980 in Outcomes-Based Funding in 2015-16. The four campuses in the 17th Senate District received 22% of the funding with SWTC receiving \$743,718 (4%), WTC receiving \$893,994 (5%), MATC receiving \$1,637,683 (9%) and BTC receiving \$725,684 (4%). The following table illustrates each campuses funding for each area of criteria. Please note that each college chose seven out of the nine criteria for evaluation and funding.

Criteria	SWTC	WTC	MATC	BTC	System Total
Job Placement	\$118,623	\$145,708	\$208,602	\$117,592	\$2,270,463
High Demand Fields	\$72,646	\$129,995	\$277,545	\$74,776	\$2,151,890
Industry Validated Curriculum	\$85,635	\$139,780	\$ -	\$103,800	\$2,151,890
Adult Basic Education Transition	\$ -	\$96,701	\$287,092	\$69,752	\$1,321,875
Adult Basic Education Success	\$86,038	\$ -	\$225,712	\$116,257	\$2,033,316
Dual Enrollment	\$ -	\$ -	\$ -	\$ -	\$1,559,022
Workforce Training	\$175,197	\$100,901	\$159,676	\$ -	\$1,796,169
Collaboration	\$103,889	\$136,306	\$247,765	\$114,178	\$2,151,890
Special Populations	\$101,691	\$144,601	\$231,291	\$129,329	\$2,270,463
Total Outcomes-Based Funding	\$743,718	\$893,994	\$1,637,683	\$725,684	\$17,706,980

The Outcomes-Based Funding model shows us where our colleges are focused and rewards their efforts to serve students and our communities. I am proud of the efforts of our local technical colleges to meet workforce needs and look forward to continuing our work to serve the residents of the 17th Senate District.

For more information and to connect with me, visit my website <http://legis.wisconsin.gov/senate/17/marklein> and subscribe to my weekly E-Update by sending an email to Sen.Marklein@legis.wisconsin.gov. Do not hesitate to call 800-978-8008 if you have input, ideas or need assistance with any state-related matters.

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