

**WTCS Initial Analysis of Impact
Of the
Governor's Budget Reform Bill
January 22, 2002**

❖ **Reductions in WTCS General and Categorical Aids for Fiscal Year 2002-03**

The bill would reduce each general and categorical aid appropriation by 4.5% in 2002-03. For example, the general aid appropriation of \$118,415,000 would be reduced by \$5,328,700 (4.5%) to \$113,086,300; and the incentive grant appropriation of \$7,888,100 would be reduced by \$355,000 (4.5%) to \$7,533,100. All other GPR-funded categorical aid appropriations (such as capacity building grants, additional course section grants, minority participation and retention grants, etc.) would also be reduced by 4.5%. In total, the bill would reduce state aids to WTCS districts by nearly \$6.2 million in 2002-03.

❖ **Levy Limits Imposed on WTCS Districts**

Beginning in 2002-03, WTCS districts would be subject to a levy limit. Specifically, a district's tax levy (the amount collected and not the rate) would be allowed to increase only by the rate of inflation (as measured by the change in the CPI-U between March, 2001 and March, 2002). This limitation would not apply to taxes levied for debt service. Districts would be permitted to exceed the limit through a voter referendum.

❖ **WTCS Tuition and State Financial Aid**

The WTCS Board would be directed to ensure that the increase in tuition and material fees charged to students in 2002-03 does not exceed 10% above 2001-02 levels. In addition, WHEG funding for WTCS students would be increased by \$800,000 GPR in 2002-03, resulting in a 9.1% increase over the 2001-02 funding level (rather than the 3.25% increase included in the current budget).

❖ **Change in TOP Grant Program**

As we already have learned, the bill would repeal the current TOP grant program beginning in 2002-03, and replace it with an educational assistance program for dislocated workers to attend the WTCS. To be eligible for tuition and material fee reimbursement, the student must be referred to the college by a local workforce development board, enroll in an associate degree or technical diploma program, and maintain a 2.0 GPA. The appropriation amount would remain at the same level currently budgeted for TOP grants in 2002-03 (\$4.2 million) and if this amount is not sufficient to pay tuition and fees for all eligible students, requests for payments would be paid in the order in which they were received.