

matc

Milwaukee Area Technical College

2004-05

Activity Plan and Budget

*Milwaukee
Area
Technical
College
District*



*Milwaukee,
Wisconsin*

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMMITMENT

MATC's commitment to equal opportunity in admissions, educational programs, and employment policies assures that all individuals are included in the diversity that makes the college an exciting institution. MATC does not discriminate against qualified individuals in employment or access to courses, programs, or extracurricular activities on the basis of race, color, national origin, ancestry, religion, creed, sex, sexual orientation, age, disability, pregnancy, marital status, parental status, or other protected class status. The lack of English skills shall not be a barrier to admission or participation in any MATC program or service.

MATC will comply fully with state and federal Equal Opportunity and Affirmative Action laws, executive orders, and regulations. Direct questions concerning application of this policy to the Affirmative Action office, 700 West State Street, Milwaukee, Wisconsin 53233-1443, telephone 297-6528.

MATC also complies with all Americans With Disabilities Act provisions and makes reasonable accommodations upon request. Further information may be obtained by calling 297-6874.

MILWAUKEE AREA TECHNICAL COLLEGE

2004-05 ACTIVITY PLAN AND BUDGET

Fiscal Year 2004-05

Members of the Board

Mark S. Maierle	Chairperson
Lauren Baker	Vice-Chairperson
Bobbie R. Webber	Secretary
Peter G. Earle	Treasurer
Jeannette Bell	
Linda S. Sowell	
Carl A. Gobel	
William H. Hughes	
Keith B. Terry	

Administrators

Darnell E. Cole, Ph.D.	President
Luis "Tony" Baez, Ph.D.	Provost
Ellis Bromberg	General Manager, Public Television
Christy L. Brown	Vice President, General Counsel
Theresa Barry	Vice President, Student Services
Robert S. Hartung	Vice President, College Advancement
Richard L. Kettner, Ph.D.	Vice President, West Campus
Nina Jo Look, Ph.D.	Vice President, North Campus
Vacant	Vice President, Finance
James R. Walsh	Vice President, South Campus

Official Issuing Report

Craig Piotrowski, Interim Vice President, Finance

Assisted by:

Renee M. Dudley, CPA, Controller
Kathleen A. Brehmer, Budget Manager
Teresa R. Sartin, Assistant, Finance

MILWAUKEE AREA TECHNICAL COLLEGE

2004-05 ACTIVITY PLAN AND BUDGET

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SECTION I
INTRODUCTION AND POLICY

June 22, 2004

To the Citizens of the Milwaukee Area
Technical College District

This document sets forth the activity plans and supporting budget of the Milwaukee Area Technical College District (MATC) for the 2004-05 fiscal year (FY). With teaching and learning as its priority, MATC's Board of Directors, administration, staff, and faculty are committed to meeting the technical and vocational training needs of our citizens and businesses. MATC understands that without a trained, high-skilled workforce, the economic and social strength of the district and surrounding communities will suffer. MATC's activity plans and budget for FY 2004-05 will continue MATC's long history of providing high-quality training that meets the needs of business and industry.

Before sharing the details of our plans for FY 2004-05, it is important to acknowledge the accomplishments and results from a successful year. A year where successes reflect MATC's competent and highly-motivated employees; exemplary planning processes; continuous improvement; shared decision making; and commitment to teaching and learning. A year of successes that include, but are not limited to:

- ◆ Increased admission applications for the 2003-2004 academic year by 24.7%.
- ◆ Continued donations from business industry with equipment contributions increasing 339% over the same period last fiscal year.
- ◆ Remodeled and equipped two new Nursing labs at the Mequon and West Allis campuses to offer both Associate Degree Nursing and Nursing Assistant courses.
- ◆ Offered Bilingual Medical Terminology in Spanish and Hmong. Added Bilingual Phlebotomy and Bilingual Management Development programs in cooperation with the Hispanic Chamber of Commerce. Will expand Bilingual Nursing Assistant Program and offer sections as a precursor to summer Bilingual Academy.
- ◆ Meeting the demand of apprentice program with Spanish instruction by hiring a part-time Spanish instructor. The college is currently searching for a full-time bilingual instructor.
- ◆ Developed a plan for offering community programs and MATC courses for the citizens of the Germantown area. Three MATC classes were offered during spring 2004.

- ◆ Expanded partnerships with Community and Faith-based organization by providing the Office Technology Certificate (Community Justice Center and Interfaith). The first cohort of students completed the Certificate in Spring 2003.
- ◆ Increased online and blended courses with student use of online courses up 25%.
- ◆ Improved curriculum alignment with MATC and UWM entry level college courses to facilitate student transitioning and articulation. One hundred pre-college students per year will transition into degree/diploma programs at MATC and/or UWM.
- ◆ MPTV close captioned all distributed programs. Developed two new production partnerships – MPS wrestling special and MPTV/ECB presidential candidate interviews in 2004.
- ◆ Enhanced business partnerships by moving the State Apprenticeship field agent's office to the South Campus.
- ◆ Increased federal grant funding for health occupations.

As successful as the year was, 2003-04 presented continuing financial challenges. Modest property tax growth, coupled with the operational mill rate limitations and reduced general state aid, resulted in support services reductions. As a result of these funding limitations, student and business service demands continued to exceed capacity. Our commitment to teaching and learning through the provision of quality programs and services will continue to be our primary focus while ensuring our resources are used efficiently and effectively.

In 2004-05, we will continue to face financial challenges due to funding constraints and double-digit increases in health care. We will continue to seek innovative ways to reduce expenses and find alternative funding sources while growing our core efforts in teaching and learning. The funding constraints are primarily the result of decreasing state and federal support and limited taxing authority. State aid for MATC and the Wisconsin Technical College System (WTCS) has steadily declined from 35 percent (in 1980) to less than 20 percent (in 2003-04).

The proposed 2004-05 budget includes total expenditures of \$285 million, a 8.6 percent increase over the current year budget of \$266 million. The proposed property tax levy of \$117 million represents an increase of \$5.481 million or 4.9 percent over last year. The proposed tax rate of 1.94 is a decrease of 1.5 percent when compared to last year's rate.

Despite limited resource growth potential, the MATC Board of Directors, administration, staff, and faculty remain committed to MATC's focus on teaching and learning. In 2004-05, resource reallocations will be used to focus on the following strategic goals:

- ◆ Reduce student financial burden with a 30% increase in educational scholarships.
- ◆ Continue to develop, update, and implement the college's new website. Phase I of this initiative is complete and live.

- ◆ Improve MATC Foundation involvement in the community with increased participation with outside businesses and organizations.
- ◆ Develop a Biotechnology Program at MATC by offering Introduction to Biotechnology in Fall 2005. Initiatives will include conducting market surveys of biotech needs in southeastern Wisconsin along with preparing and submitting program paperwork to WTCS.
- ◆ Develop a Nanotechnology Program in FY05 to include dedicating a full-time instructor to initiate program development, create courses, and conduct market surveys of nanotech needs in MATC programs and southeastern Wisconsin.
- ◆ Present new and high-quality programming by producing and marketing local student programs in HDTV.
- ◆ New Customer Information Specialist Program and Advanced Mobile Commerce Certificate to be offered at the Oak Creek Campus.
- ◆ Develop short-term Multicultural program for Carpentry and Cabinetmaking.
- ◆ Create online courses for all Fire and Police Science Associate degree offerings.
- ◆ Work with International Education representatives to provide opportunities for students, faculty, and administrators to participate in foreign exchange activities.
- ◆ Exploration of a Renewable Energy Technology Center at the Mequon Campus.

We firmly believe the goals, strategies, and financial plan summarized on the following pages fulfill the needs, priorities, and commitment to providing high-quality technical education and services. Your participation in our planning processes and suggestions for improving MATC's programs and services is critical to our success.

Respectfully submitted,

Mark S. Maierle
Chairperson

Darnell E. Cole, Ph.D.
President

MILWAUKEE AREA TECHNICAL COLLEGE

The Planning and Budgeting Process

The annual budget is a key element of MATC's planning and control system. The Three-Year Plan document that each division completes is the cornerstone of this process. While the planning document is updated each year, the basic focus of the plan is to ensure each division's goals are in alignment with the strategic goals of the college.

In this plan, the budget managers were asked to form a planning team, which included a broad representation of members with an emphasis on those impacted by the plan. In addition, the teams were asked to identify what other divisions or departments would be impacted by their plan and to include them in the planning process. The operational three-year planning documents demonstrate how the department's/division's planning and budget processes are linked. These forms were completed by all division/department leaders.

As part of this planning process, each area was required to complete a self-assessment of past performance, as well as to identify annual plans with measurable objectives. The monitoring of these measurable objectives and reporting will help the division/department move in tandem with the strategic goals and provide valuable input for next year's planning process.

The President's Budget Council, comprised of the president of the college, the presidents of Local 212, 587, and 715, vice presidents of the campuses, and the champions for the strategic planning goals, reviewed the budget assumptions for FY 2004-05. The council held FY 2004-05 budget hearings with division/department leaders and also reviewed budget balancing strategies and progress on the strategic planning goals, objectives, and strategies.

Another program planning and evaluation system for MATC exists in the citizen advisory committees that support each vocational and technical education program. The advisory committees are composed of business, industry, and labor representatives, as well as past and present students. Each committee provides the district with a review of its curriculum, instructional methods, facilities and staff, and feedback as to how well the program meets the needs and expectations of business and industry.

At the present time, the district has 93 separate advisory committees with 927 citizen representatives in membership. MATC is unique as a public institution in the large number of citizens who are involved on a regular and systematic basis in the planning, development, and review of its educational programs. The input and advice from these committees are an integral part of the strategic planning and budgeting process.

MILWAUKEE AREA TECHNICAL COLLEGE

2004-05 Assumptions

In preparing the FY 2004-05 budget, a number of planning assumptions and guidelines were developed so that all managers were operating from a common base of understanding. These assumptions and guidelines included:

◆ *Enrollment Assumptions*

- Full-time equivalent enrollment (FTE) of 13,300 for FY 2004-05; this is an increase of 100 FTEs from the FY 2003-04 level.
- Programs and services will be offered at the four primary campuses, at eleven satellite locations, online and via MATC's two public television stations—WMVS/WMVT.

◆ *Fiscal Assumptions*

- Revenue:
 - 1) The total equalized value of District property will increase 6.5 percent.
 - 2) Total state revenue will decrease about 0.5 percent due to no increase in the state aid appropriation and the characteristics of the state aid distribution formula.
 - 3) Tuition and fee rates will increase about 8.24 percent based on tuition and fee rates established by the WTCS Board and other student fee rates established by MATC.
 - 4) Federal revenues (exclusive of financial aid) are anticipated to remain flat with no significant changes.
- Expenditure levels will emphasize resource reallocation to fund the following:
 - 1) Compensation and benefit increases for employees.
 - 2) Marketing, parking, and insurances.
 - 3) Capital acquisitions are budgeted at \$30.8 million, as the MATC continues to finance needed new technologies for education and support services as well as a new Applied Technology Center.

MILWAUKEE AREA TECHNICAL COLLEGE

2004-05 Assumptions (Cont.)

◆ **Programming Assumptions**

- Priority consideration will be given to the maintenance and/or expansion of programs and services supporting the highest priority mission objectives of MATC. These include:
 - 1) Programs/services with high student demand and job placement potential;
 - 2) Programs/services related to emerging growth occupations in the Milwaukee labor market;
 - 3) Programs/services which support economic development efforts of the Milwaukee area;
 - 4) Programs/services which serve the needs of minorities, handicapped, and others with special educational needs;
 - 5) Programs/services which provide developmental instruction through basic skills and crossover.

- Priority consideration will be given to the reduction or elimination of programs and services not in line with the highest priority mission objectives of MATC. These include:
 - 1) Programs/services with marginal or declining job placement;
 - 2) Programs/services with marginal or declining student interest or enrollments;
 - 3) Programs/services where it is becoming increasingly difficult to maintain high quality standards;
 - 4) Programs/services where the costs appear to outweigh the benefits;
 - 5) Services with a non-educational objective; that is, those of a "social service" nature not related to the educational priorities of the district.

- Priority consideration should be given to achieving more efficiency or productivity through the redefinition, reorganization, and restructuring of administrative and instructional functions.

MILWAUKEE AREA TECHNICAL COLLEGE

Vision, Mission, Purposes and Strategic Goals

MATC Vision

MATC is committed to being a world-class educational institution that empowers students, faculty, and staff to realize their potential.

Mission

MATC is a publicly supported comprehensive higher education institution committed to increasing the potential and productivity of the people in its district through the delivery of high-quality instruction and programs which are consistent with current and emerging educational and labor market needs. General Education is an integral part of MATC programs which provides the knowledge and conceptual abilities that college-educated adults must have to achieve in occupational skills training and to perform more effectively in the demanding, complex world in which they live.

Purposes

- Occupational programs and courses to prepare students for entry or reentry into the job market or to pursue further education.
- Education, training, and retraining which is necessary to maintain employability in a technically changing workplace.
- Liberal Arts and Science courses to complement occupationally specific instruction and to provide a transfer option for those who choose to pursue further education at an upper division college or university.
- Developmental education in basic skills where necessary for effective participation in occupational training, in employment, and in further higher education.
- Coordination, cooperation, and contracting with business, industry, labor; elementary, secondary, and higher education; and governmental agencies to provide educational opportunities to residents of the district.
- Education programs and technical assistance to support the economic development efforts within the district.
- Opportunities for personal, civic, and multicultural enrichment through courses and activities to improve the quality of life for residents of the district.

MILWAUKEE AREA TECHNICAL COLLEGE

Vision, Mission, Purposes and Strategic Goals (Cont.)

- Flexible instructional deliver systems designed to meet the unique and changing needs of the learner.
- Programs focused on creating an understanding of the global economy and enhancing the international competitiveness of the district's business and industry.

Strategic Planning Goals

MATC's activity plan for FY 2004-05 links operational activity plans with MATC's strategic planning goals. Strategic planning is a long-range planning process for reaching agreement on the goals, resources and strategies required to move towards the realization of the MATC vision and accomplishment of the MATC mission. The strategic planning goals are:

Goal: *Learner Driven*

Improve processes to align instruction and curriculum to meet the changing needs of the workforce in high demand areas.

Goal: *Innovative Enrollment Management & Student Support*

Maximize the recruitment and success of a well prepared and diverse student body in a supportive campus climate.

Goal: *Strong Partnerships*

Be recognized as an essential and effective educational partner in the community.

Goal: *An Essential Communications Resource*

Present new, high-quality programming and educational opportunities to citizens of southeastern Wisconsin through the college's public broadcasting service.

Goal: *Optimized Human Resources*

Improve college's human resource activities to maintain a high-performance workplace.

Goal: *Maximized Financial Resources*

Increase college's financial potential to ensure sustainability and provide a learning environment that is operated efficiently and effectively.

Goal: *Strengthen Physical Resources*

Strengthen the physical assets of the District to accommodate current and future learning needs in an inviting environment that integrates with the Communities' neighborhoods and redevelopment plans.

MILWAUKEE AREA TECHNICAL COLLEGE

Vision, Mission, Purposes and Strategic Goals (Cont.)

Objectives and Strategies

The FY 2003-07 preliminary objectives for each strategic planning goal are listed below. Strategies are reviewed by the college community and finalized by the champion of each goal. Furthermore, objectives and strategies are continuously validated throughout the year. Based on environmental scan data, revisions to the plan are made annually.

Learner Driven:

- Objective 1: Continue efforts to expand faculty and staff capacity to fully implement the student outcomes assessment plan and other features of the learning college.*
- Objective 2: Increase courses/programs that are provided by alternative delivery.*
- Objective 3: Accelerate program repackaging to include laddering from short-term to diploma to associate degree.*
- Objective 4: Develop innovative strategies to address the increased need for pre-college education, ESL, bilingual and basic skills programs.*
- Objective 5: Continue to implement the tenets of the Learning College with a focus on greater student involvement in course/program improvement.*
- Objective 6: Continue to improve program review/evaluation process.*
- Objective 7: Expand articulation agreements with other educational institutions to improve the transfer success rate.*
- Objective 8: Develop and implement the MATC Academic Plan.*

Innovative Enrollment Management & Student Support:

- Objective 1: Implement an integrated marketing communication and enrollment management system based on research analysis.*
- Objective 2: Optimize enrollments in programs/courses through highly responsive recruitment strategies for high school and adult populations.*

MILWAUKEE AREA TECHNICAL COLLEGE

Vision, Mission, Purposes and Strategic Goals (Cont.)

- Objective 3: Strengthen and improve admissions, financial aid, assessment, and registration.*
- Objective 4: Strengthen support processes for student success in conjunction with Student Services, academic units, and other service areas of the college.*
- Objective 5: Implement MATC web portal.*

Strong Partnerships

- Objective 1: Focus on business and partnership relationships that advance the College mission.*
- Objective 2: Stimulate Workforce Development efforts in the community.*
- Objective 3: Advance Southeastern Wisconsin economic development.*

An Essential Communications Resource:

- Objective 1: Identifying funding for and manage the transition of WMVS and WMVT to digital broadcasting.*
- Objective 2: Partner with community resources and seek local input in developing new programs and services that are responsive to diverse needs.*
- Objective 3: Identify new opportunities for students and lifelong learners of the college and community that utilize the facilities and broadcasts, and new media developed by, WMVS and WMVT.*

Optimized Human Resources:

- Objective 1: Focus on supporting quality employee performance.*
- Objective 2: Determine effective and efficient administrative structure and processes for Human Resources and Labor Relations Division.*
- Objective 3: Promote an atmosphere of respect, inclusiveness, and equality.*

MILWAUKEE AREA TECHNICAL COLLEGE

Vision, Mission, Purposes and Strategic Goals (Cont.)

Maximized Financial Resources:

- Objective 1: Increase operational resources to enhance short and long-term financial position.*
- Objective 2: Improve leadership systems through continual realignment of organizational structures that promote managerial accountability and equity among campuses.*
- Objective 3: Improve internal processes to realize efficiencies.*

Strengthen Physical Resources:

- Objective 1: Revise the facilities master plan to align with the Strategic and Academic Plan.*
- Objective 2: Increase utilization and/or explore the expansion of physical resources for increased enrollment and retention initiatives.*
- Objective 3: Create a physical presence that is welcoming at all campuses and enhances the image of the college.*
- Objective 4: Partner with the community in developing neighborhoods that are adjacent to the college.*
- Objective 5: Create a facilities and transportation access plan that accommodates students, staff and the community.*

MILWAUKEE AREA TECHNICAL COLLEGE

Key Performance Indicators

To determine if we are meeting the mission and purposes of the college, key performance indicators (KPI) were identified to measure our effectiveness. KPIs are defined as a measure of an essential outcome of a particular institutional performance activity, or an important indicator of a precise health condition of an environment. The KPIs developed for this plan are determined by internal data gathered as well as benchmarking against various performance indicators from the WTCS and other comparable national models. By defining measures for these KPIs and finding the gap between our mission and our performance, strategic goals may be developed. The strategic goals for 2003-07 are included in the plan to demonstrate alignment of mission and purposes of MATC.

The Key Performance Indicators Plan

The KPI plan is based on MATC's mission and purpose statements (Board Policy A0101) which have been adopted in accordance with Wisconsin State Statute 38.001. The plan includes KPIs to measure if we are meeting our purposes are also included, as well as the 2003-07 Strategic Planning Goals. The KPI plan is currently being revised and will be available for use during the 2004-05 fiscal year.

MILWAUKEE AREA TECHNICAL COLLEGE

Budget Analysis

The consolidated budget for MATC consists of seven separate fund budgets. Given that a number of funds—i.e., Debt Service, Internal Service and Enterprise—are related to functions quite independent from the general operating activities of MATC, a single consolidated budget encompassing all funds does not provide a totally adequate tool for the review and evaluation of the financial status of MATC. For that reason, Section II of this budget document focuses on a fund-by-fund presentation and analysis.

The FY 2004-05 budget shows anticipated total operating revenues (General and Special Revenue – Operational Funds) of approximately \$161.7 million, representing a 6.0 percent increase when compared to FY 2003-04 projected revenues of \$152.5 million.

Revenue Projections

In building the FY 2004-05 budget, the most probable revenue projections were used. A discussion of each projected revenue source follows.

◆ *Tax Levy*

- The proposed FY 2004-05 budget includes a total tax rate of \$1.9449 per \$1,000 of equalized property value. This is a decrease of 1.5 percent from prior year's tax rate of 1.9746. The total tax rate includes \$1.50 for operations and \$0.4449 for debt service. The tax rate for operations may not exceed \$1.50 per state statute.
- The tax levies provided by the rates noted above are \$90,532,000 for operations and \$26,854,000 for debt service, an increase over prior year's budget of 8.2 percent for operations and a decrease of 4.8 percent for debt service. In total, the tax levy is projected to increase 4.9 percent.

◆ *State*

- General state aid for operating purposes is projected to be \$25.8 million, a 0.5 percent reduction from state aid expected for FY 2003-04 of \$25.9 million. The decline in state aid is due to no increase in the aid appropriation and characteristics of the state aid distribution formula. State aid is distributed through a complex equalized formula that is affected by relative conditions in the other 15 WTCS districts. This projection appears most probable but could vary from the projection depending on changes in conditions in the other districts during the budget year.
- MATC continues to aggressively seek funding from various state sources.

MILWAUKEE AREA TECHNICAL COLLEGE

Budget Analysis (Cont.)

◆ *Fees and Tuition*

- The fees and tuition revenue in the General Fund of \$30.6 million compares to the current year projection of \$28.4 million based on a projected increase in tuition rates and an increase in college enrollments. College parallel will increase by 6.2 percent and vocational tuition will increase by 8.6 percent as determined by state statute.

◆ *Interest, Contracts, and Other Income*

- These sources of income within the General Fund are projected to decrease due to low interest rates and drops in contract and parking revenue.

◆ *Federal*

- Federal revenues are expected to remain flat for FY 2004-05 with no significant increases.

◆ *Note Borrowing*

- The proposed FY 2004-05 budget anticipates borrowing of \$28,500,000. This includes \$7,000,000 for annual renovation and remodeling projects, \$13,200,000 for capital equipment, \$3,300,000 for public television activities, and \$5,000,000 for an applied technology center.

Expenditures

- ◆ The consolidated budget displays institutional expenditures within seven functional categories. This is a uniform classification required by the State Board and is part of the Federal IPEDS (Integrated Postsecondary Education Data System) reporting system.
- ◆ The operating subtotal for FY 2004-05 (General and Special Revenue – Operational Funds) is projected at \$160.3 million compared to the current FY 2003-04 estimated of \$154.6 million.

The goal of the financial information section of this document is to present what is essentially a very complex set of governmental accounting statements in a simplified format to facilitate public review.

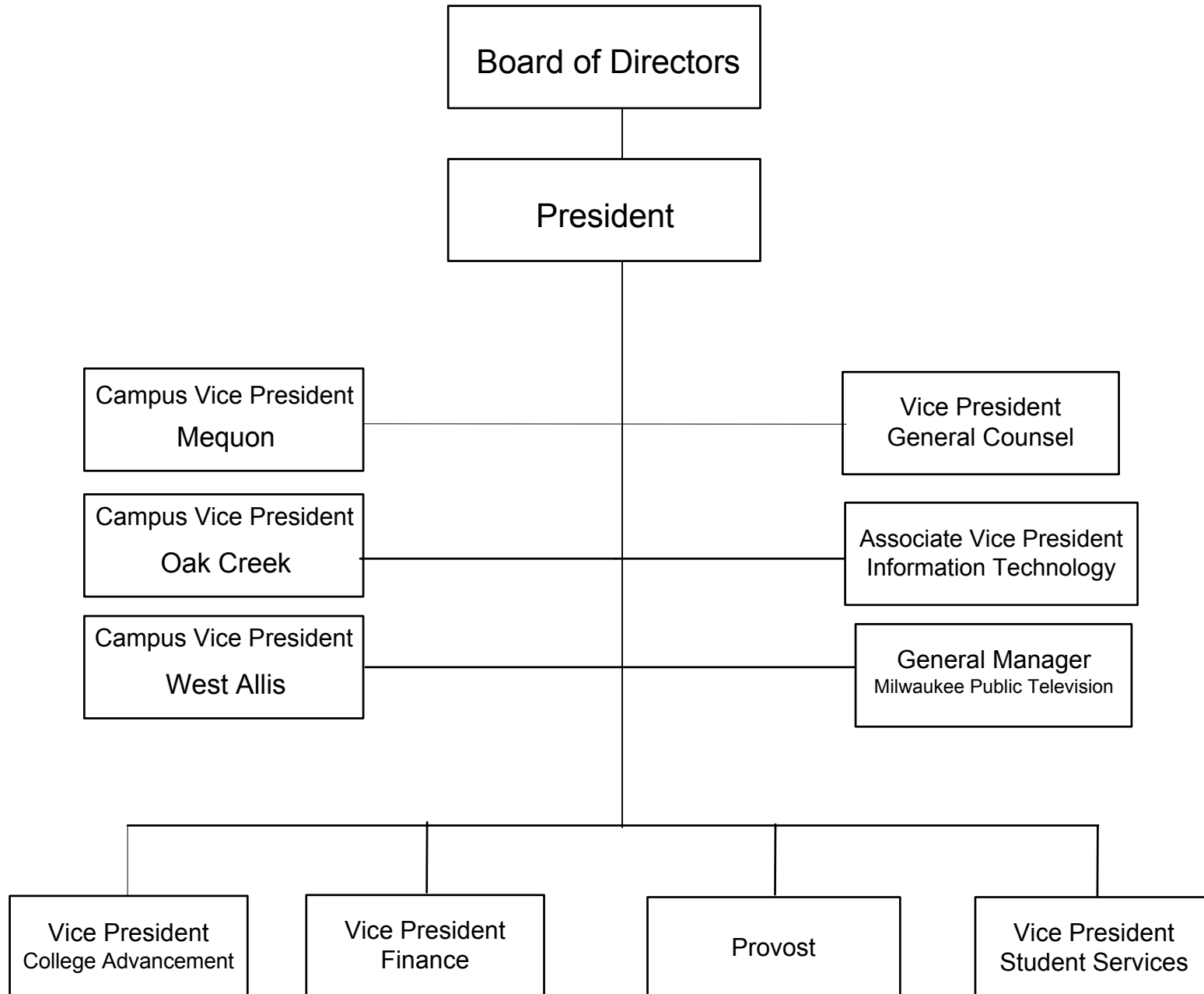
MILWAUKEE AREA TECHNICAL COLLEGE
Position Summary - FTE Basis (1)

Category	2002-03 Actual	2003-04 Estimated	2004-05			TOTAL
			General Fund	Special Revenue Funds	Proprietary Fund	
Administrator/ Supervisors	80	80	68	3	7	78
Teachers	574	593	574	19		593
Specialists	21	21	20	1		21
Sub-Total Educational	675	694	662	23	7	692
Other Staff	773	734	525	75	138	738
Total	1,448	1,428	1,187	98	145	1,430

(1) Based on authorized full-time positions.

Milwaukee Area Technical College

Organizational Chart



MILWAUKEE AREA TECHNICAL COLLEGE

Board Members

<u>Name</u>	<u>Board Officer</u>	<u>Membership Type</u>	<u>Term Expires</u>	<u>Employer and Position</u>
Mark S. Maierle*	Chairperson	Employee	6/30/04	International Union of Operating Engineers Local 317 Business Manager
Lauren Baker	Vice-Chairperson	Additional Member	6/30/05	Trade and Technical Education – MPS Program Coordinator
Bobbie R. Webber	Secretary	Employee	6/30/06	Milwaukee Fire Department Captain
Peter G. Earle*	Treasurer	Employer	6/30/04	Law Offices of Peter Earle
Jeannette Bell		Elected Official	6/30/05	City of West Allis Mayor
Linda S. Sowell		Employer	6/30/06	Potawatomi Bingo Casino Public Relations Director
Carl A. Gobel		Additional Member	6/30/05	Semi-retired, independent consultant
William H. Hughes		Additional Member	6/30/06	Greendale School District Superintendent
Keith B. Terry*		Additional Member	6/30/04	Keith B. Terry Construction Services, Inc. Chairman

NOTE: The composition and number of MATC District Board members are stipulated by Wisconsin law. The membership must have representatives of employers, employees, elected officials, and a school district administrator.

*Mr. Maierle's, Mr. Earle's, and Mr. Terry's term expires June 30, 2004. Mr. Maierle and Mr. Earle have received reappointments, expiring June 30, 2007; Mr. Terry will be replaced by Mr. Lenard Wells, effective July 1, 2004.

MILWAUKEE AREA TECHNICAL COLLEGE

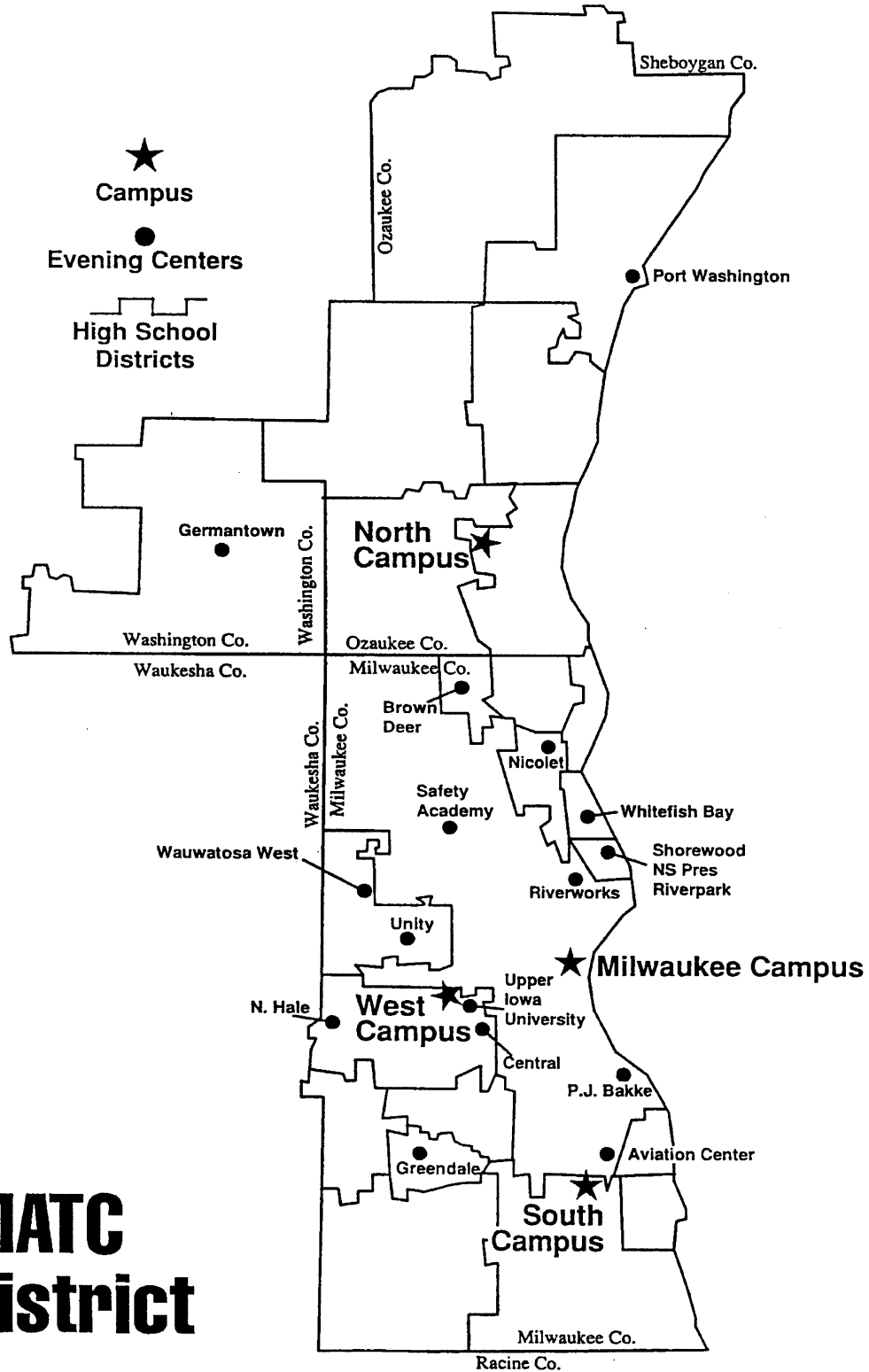
Administration

Darnell E. Cole, Ph.D.	President
Luis “Tony” Baez, Ph.D.	Provost
Ellis Bromberg	General Manager, Public Television
Christy L. Brown	Vice President, General Counsel
Theresa Barry	Vice President, Student Services
Robert S. Hartung	Vice President, College Advancement
Richard L. Kettner, Ph.D.	Vice President, West Campus
Nina Jo Look, Ph.D.	Vice President, North Campus
Vacant	Vice President, Finance
James R. Walsh	Vice President, South Campus



Wisconsin
 Technical College System

Milwaukee Area Technical College District



MATC District

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Student and Campus Statistics

District Students

The average age of our students is 28 years, and they come from all backgrounds. Approximately 98 percent of our students work in Wisconsin after graduation. Our students have about an 86 percent employment rate, and 76 percent of our students are employed within the program area from which they graduated.

District Campuses

In addition to the main campus in Milwaukee, the District also operates three other campuses as well. These locations and square footages are summarized as follows:

(Unaudited)		
Campus	Location	Under Roof Square Footage
Milwaukee Campus	700 West State Street Milwaukee, WI 53233	2,247,563
North Campus	5555 West Highland Road Mequon, WI 53092	202,674
South Campus	6665 South Howell Avenue Oak Creek, WI 53154	318,503
West Campus	1200 South 71st Street West Allis, WI 53214	<u>177,065</u>
	Total for District	<u><u>2,945,805</u></u>

Prepared by District Staff from information supplied by departments of Finance, Construction Services, and Employment Development Center.

MILWAUKEE AREA TECHNICAL COLLEGE

Summary of Financial Policies

Cash Management

- The MATC Board has established a goal of maintaining a fund balance designated for operations between 10 and 15 percent of budgeted general fund revenue. At June 30, 2005, the fund balance designated for operations is projected to be at 10 percent. Strategies are being developed to return the fund balance to the level targeted by the Board.
- MATC and its financial advisor, Robert W. Baird & Company, and its investment manager, M&I Investment Management Corporation, continue their comprehensive approach to investment strategies. Cash management and investment strategies have been developed to limit risk while receiving a competitive yield. The portfolio, which is held by MATC's agent, includes the highest and second highest rated commercial paper, the Financial Square Government Obligations Fund managed by Goldman Sachs Asset Management and U. S. Treasury notes and bills. We believe that this diversified approach enhances the security of MATC's deposits and investments.

Fixed Assets

- The fixed assets are accounted for in either the general fixed assets account group or the Enterprise Fund. The assets related to activities accounted for in the General, Special Revenue, Debt Service and Capital Projects Funds are all part of the general fixed asset account group. The fixed assets of the Enterprise Fund, which includes such activities as public television, bookstore, child care, and food service, are accounted for in that fund.
- Fixed assets are classified in four categories: land and land improvements; building and building improvements; fixed equipment; or moveable equipment. In the Enterprise Fund, building improvements, equipment and furniture are depreciated on a straight-line basis. All other fixed assets of the general fixed assets account group are accounted for at their original cost (or fair market value at the time of donation) until disposed of.
- Costs for any item, unit or set are purchased through the Capital Projects Fund if they are valued at \$500 or more and have a useful life of two years or more. Also capitalized are items that add value to a fixed asset, prolong the useful life of a fixed asset for more than one year, or adapt a fixed asset to a new or different use. Any of these items that cost \$5,000 or more are transferred to fixed assets and depreciated.

MILWAUKEE AREA TECHNICAL COLLEGE

Summary of Financial Policies (Cont.)

Annual District Audit

- Annually, MATC is required to undergo an audit of its accounting records and financial statements. Upon completion, the auditors present the audit report and management letter to the MATC Board for examination and appropriate action. The last audit of MATC was completed on September 25, 2003, for the fiscal year July 1, 2002, to June 30, 2003. The result was an unqualified opinion; that is, the auditors found the financial statements fairly represented the financial position of MATC.
- In addition, an audit of all federal and state financial assistance is performed in accordance with the Single Audit Act of 1996. The single audit of federal and state financial assistance for the year ended June 30, 2003, also received an unqualified opinion. MATC is designated as a low-risk auditee. The auditors found no instances of noncompliance and no reportable conditions nor material weaknesses in internal controls over major programs.

MILWAUKEE AREA TECHNICAL COLLEGE

FY 2004-05 Plan and Budget Development Calendar

December 2003	<ul style="list-style-type: none">• Develop budget/planning assumptions• Review planning process
January 2004	<ul style="list-style-type: none">• Develop initial budget allocations• Finalize integrated three-year planning/budget document• Distribute FY05 three-year planning/budget document and initial operating allocations to divisions• Distribute FY05 budget instructions to divisions
February	<ul style="list-style-type: none">• Budget/planning assumptions to board
March	<ul style="list-style-type: none">• Three-year plans due to strategic planning and budget offices• Completed FY05 budgets due in budget office
April	<ul style="list-style-type: none">• Board—present results of planning assumptions and any known adjustments• Division vice presidents' meetings with district administration
May	<ul style="list-style-type: none">• Publish legal notice• Board—finalize preliminary (pre-public hearing) budget and strategies
June	<ul style="list-style-type: none">• Receive feedback from public hearing and incorporate into budget as appropriate• Board adopts FY05 budget subject to change based on final equalized valuation
October 2004	<ul style="list-style-type: none">• After final equalized valuation is received, board adopts final tax levy and approves budget adjustments as necessary

Budget Modifications

Budgets are approved by the MATC Board by fund and function. Modifications to the approved budget requiring Board action are generally considered at the Board's October, January, March, and June meetings. Management has the ability to make budget adjustments within functional categories.

These budget modifications are published in the Milwaukee Journal/Sentinel in a Class I Legal Notice 10 days after the Board meeting. Under Wisconsin statutes, the Board must approve the budget modifications by a two-thirds majority.

Milwaukee Area Technical College District
 Class I Legal Notice
 NOTICE OF PUBLIC HEARING
 For The Budget Year Ended June 30, 2005

A public hearing on the proposed 2004-05 budget for the Milwaukee Area Technical College District will be held on June 1, 2004, at 5:00 p.m. in Board Room M210 at the Milwaukee Campus, 700 West State Street, Milwaukee, Wisconsin. The detailed budget will be made available for public inspection at the district budget office, 700 West State Street. For more information, contact Craig Piotrowski, CPA, Interim Vice-President, Finance, at (414) 297-6492 (via e-mail at piotrowc@matc.edu) or Renee Dudley, CPA, Controller, at (414) 297-6663 (via e-mail at dudleyr@matc.edu).

PROPERTY TAX AND EXPENDITURE HISTORY

Year	Equalized Valuation	Mill Rates		Total Mill Rate	Percent Inc./(Dec.)
		Operational(2)	Debt Service		
2001	\$ 45,957,548,000	1.50000	0.52840	2.02840	
2002	49,963,299,000	1.50000	0.52640	2.02640	-0.10%
2003	53,150,104,000	1.50000	0.50710	2.00710	-0.95%
2004	56,671,147,000	1.47700	0.49760	1.97460	-1.62%
2005 (1)	60,354,772,000	1.50000	0.44494	1.94494	-1.50%

Year	Total Expenditures All Funds (3)	Percent Inc./(Dec.)	Tax Levy (4)	Percent Inc./(Dec.)	Tax on \$100,000 House
2002	245,063,000	4.98%	101,246,000	8.61%	202.64
2003	252,411,000	3.00%	106,678,000	5.37%	200.71
2004	266,279,000	5.49%	111,905,000	4.90%	197.46
2005	289,179,000	8.60%	117,386,000	4.90%	194.49

BUDGET/FUND BALANCE SUMMARY - ALL FUNDS

	General Fund	Special Revenue Fund - Operational	Special Revenue Fund - Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Total
Tax Levy	\$ 88,791,000	\$ 1,041,000	\$ -	\$ -	\$ 23,260,000	\$ 4,294,000	\$ -	\$ 117,386,000
Other Budgeted Revenues	61,445,000	10,459,000	20,977,000	2,257,000	343,000	18,677,000	27,382,000	141,540,000
Subtotal	150,236,000	11,500,000	20,977,000	2,257,000	23,603,000	22,971,000	27,382,000	258,926,000
Budgeted Expenditures	152,354,000	11,500,000	20,977,000	27,457,000	21,423,000	28,637,000	26,831,000	289,179,000
Excess of Revenues Over Expenditures	(2,118,000)	-	-	(25,200,000)	2,180,000	(5,666,000)	551,000	(30,253,000)
Proceeds from Debt	-	-	-	25,200,000	-	3,300,000	-	28,500,000
Other Sources(Uses)	(579,000)	-	-	-	-	579,000	-	-
Est. Fund Balance 7/1/04	\$ 15,529,000	\$ 1,255,000	\$ 1,675,000	\$ 1,380,000	\$ 16,191,000	\$ 3,338,000	\$ 1,527,000	\$ 40,895,000
Est. Fund Balance 6/30/05	\$ 12,832,000	\$ 1,255,000	\$ 1,675,000	\$ 1,380,000	\$ 18,371,000	\$ 1,551,000	\$ 2,078,000	\$ 39,142,000

- (1) Based on projected valuation increase of 6.5%.
- (2) The operational mill rate may not exceed 1.500 per s. 38.16 of the Wisconsin Statutes.
- (3) Years 2001 through 2003 represent actual amounts on a budgetary basis, 2004 is estimated based on 9 months actual and 3 months estimated, and 2005 is the proposed budget.
- (4) The final tax levy will be set in October, 2004.

(Continued)

Milwaukee Area Technical College District
 Class I Legal Notice of Public Hearing
 BUDGET SUMMARY
 Budget Fiscal Year 2004-05

	GENERAL FUND			
	<u>2002-03</u> <u>Actual(5)</u>	<u>2003-04</u> <u>Budget</u>	<u>2003-04</u> <u>Estimated(6)</u>	<u>2004-05</u> <u>Budget</u>
REVENUES:				
Local Government	\$ 76,275,000	\$ 79,747,000	\$ 82,189,000	\$ 88,686,000
State Aids	27,128,000	26,417,000	25,954,000	25,824,000
Program Fees	23,021,000	25,260,000	24,404,000	26,550,000
Material Fees	1,662,000	1,908,000	1,824,000	1,839,000
Other Student Fees	1,791,000	2,048,000	2,123,000	2,246,000
Institutional	4,927,000	6,007,000	5,006,000	5,006,000
Federal	85,000	75,000	85,000	85,000
Total Revenue	<u>134,889,000</u>	<u>141,462,000</u>	<u>141,585,000</u>	<u>150,236,000</u>
EXPENDITURES:				
Instruction	92,554,000	96,024,000	98,496,000	104,563,000
Instructional Resources	3,493,000	3,842,000	3,718,000	3,947,000
Student Services	13,285,000	13,271,000	14,138,000	15,009,000
General Institutional	12,404,000	14,511,000	13,200,000	14,013,000
Physical Plant	13,120,000	13,814,000	13,962,000	14,822,000
Total Expenditures	<u>134,856,000</u>	<u>141,462,000</u>	<u>143,514,000</u>	<u>152,354,000</u>
Net Revenue (Expenditures)	33,000	-	(1,929,000)	(2,118,000)
OTHER SOURCES (USES)				
Operating Transfer In (Out)	-	-	-	(579,000)
Total Other Sources (Uses)	<u>\$ 33,000</u>	<u>\$ -</u>	<u>\$ (1,929,000)</u>	<u>\$ (2,697,000)</u>
TRANSFERS TO (FROM) FUND BALANCE:				
Designated for Operations	33,000	-	(1,929,000)	(2,697,000)
Total Transfers To (From) Fund Balance	<u>\$ 33,000</u>	<u>\$ -</u>	<u>\$ (1,929,000)</u>	<u>\$ (2,697,000)</u>
Beginning Fund Balance	\$ 17,425,000	\$ 17,458,000	\$ 17,458,000	\$ 15,529,000
Ending Fund Balance	<u>\$ 17,458,000</u>	<u>\$ 17,458,000</u>	<u>\$ 15,529,000</u>	<u>\$ 12,832,000</u>

% Change
2004-05
Budget to
2003-04
Budget

	ALL FUNDS				
	<u>2002-03</u> <u>Actual(5)</u>	<u>2003-04</u> <u>Budget</u>	<u>2003-04</u> <u>Estimated(6)</u>	<u>2004-05</u> <u>Budget</u>	
REVENUES BY FUND:					
General Fund	\$ 134,889,000	\$ 141,462,000	\$ 141,585,000	\$ 150,236,000	6.20%
Special Revenue Fund - Operational	11,741,000	12,200,000	10,942,000	11,500,000	-5.74%
Special Revenue Fund - Non-Aidable	21,526,000	20,114,000	20,952,000	20,977,000	4.29%
Capital Projects Fund	195,000	250,000	130,000	2,257,000	802.80%
Debt Service Fund	25,243,000	25,679,000	25,987,000	23,603,000	-8.08%
Enterprise Fund	21,285,000	23,635,000	20,558,000	22,971,000	-2.81%
Internal Service Fund	20,954,000	24,000,000	23,330,000	27,382,000	14.09%
Total Revenues by Fund	<u>\$ 235,833,000</u>	<u>\$ 247,340,000</u>	<u>\$ 243,484,000</u>	<u>\$ 258,926,000</u>	<u>4.68%</u>
EXPENDITURES BY FUND:					
General Fund	\$ 134,856,000	\$ 141,462,000	\$ 143,514,000	\$ 152,354,000	7.70%
Special Revenue Fund - Operational	11,658,000	12,200,000	11,042,000	11,500,000	-5.74%
Special Revenue Fund - Non-Aidable	21,438,000	20,114,000	20,952,000	20,977,000	4.29%
Capital Projects Fund	18,591,000	19,583,000	19,463,000	27,457,000	40.21%
Debt Service Fund	21,864,000	20,820,000	20,464,000	21,423,000	2.90%
Enterprise Fund	24,410,000	27,514,000	26,671,000	28,637,000	4.08%
Internal Service Fund	21,644,000	24,000,000	24,173,000	26,831,000	11.80%
Total Expenditures by Fund	<u>\$ 254,461,000</u>	<u>\$ 265,693,000</u>	<u>\$ 266,279,000</u>	<u>\$ 289,179,000</u>	<u>8.84%</u>

(5) Actual is on a budgetary basis.

(6) Estimate based on 9 months actual and 3 months projected.

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MILWAUKEE AREA TECHNICAL COLLEGE

Combined Budget Summary

July 1, 2004 - June 30, 2005

	<u>2002-03</u>	<u>2003-04</u>	<u>2003-04**</u>	<u>2004-05</u>
<u>REVENUES:</u>	<u>Actual*</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
Local Government	\$ 106,569,000	\$ 111,830,000	\$ 111,847,000	\$ 117,246,000
State	35,412,000	34,147,000	33,517,000	33,913,000
Statutory Program Fees	23,040,000	25,290,000	24,432,000	26,580,000
Material Fees	1,678,000	1,938,000	1,834,000	1,869,000
Other Student Fees	3,141,000	3,398,000	3,529,000	3,666,000
Institutional	44,024,000	48,894,000	46,626,000	54,521,000
Federal	21,969,000	21,843,000	21,719,000	21,587,000
Total Revenue	\$ 235,833,000	\$ 247,340,000	\$ 243,504,000	\$ 259,382,000
<u>EXPENDITURES BY FUNCTION:</u>				
Instruction	\$ 98,508,000	\$ 103,658,922	\$ 103,747,000	\$ 107,919,000
Instructional Resources	3,493,000	3,789,179	3,718,000	3,854,000
Student Services	39,703,000	38,789,243	40,094,000	40,495,000
General Institutional	13,128,000	15,627,000	13,987,000	14,526,000
Physical Plant	55,742,000	57,196,656	56,669,000	66,949,000
Auxiliary Services	34,640,000	37,700,000	37,489,000	41,567,000
Public Service	9,247,000	10,984,000	10,575,000	10,055,000
Total Expenditures	\$ 254,461,000	\$ 267,745,000	\$ 266,279,000	\$ 285,365,000
Net Revenue (Expenditures)	\$ (18,628,000)	\$ (20,405,000)	\$ (22,775,000)	\$ (25,983,000)
<u>OTHER SOURCES (USES):</u>				
Proceeds From Borrowing	\$ 20,100,000	\$ 23,100,000	\$ 23,800,000	\$ 28,500,000
Total Resources (Uses)	\$ 1,472,000	\$ 2,695,000	\$ 1,025,000	\$ 2,517,000
<u>TRANSFERS TO (FROM) FUND BALANCE:</u>				
Reserved for Prepays	\$ -	\$ -	\$ -	\$ -
Reserved for Post-Employment Benefits	-	-	-	-
Reserved for Capital Projects	(1,363,000)	-	-	-
Reserved for Debt Service	3,379,000	4,859,000	5,523,000	2,180,000
Retained Earnings	88,000	(2,380,000)	(1,626,000)	(1,714,000)
Reserved for Student Financial Assistance	3,000	-	-	-
Reserved for Student Organizations	85,000	-	-	-
Designated for Self Insurance	(690,000)	-	(843,000)	551,000
Designated for Operations	116,000	216,000	(2,029,000)	1,500,000
Total Transfers To (From) Fund Balance	\$ 1,618,000	\$ 2,695,000	\$ 1,025,000	\$ 2,517,000
Beginning Fund Balance	\$ 38,252,000	\$ 39,870,000	\$ 39,870,000	\$ 40,895,000
Ending Fund Balance	\$ 39,870,000	\$ 42,565,000	\$ 40,895,000	\$ 43,412,000
<u>EXPENDITURES BY FUND</u>				
General Fund	\$ 134,856,000	\$ 143,514,000	\$ 143,514,000	\$ 148,792,000
Special Revenue Fund - Operational	11,658,000	12,200,000	11,042,000	11,500,000
Special Revenue Fund - Non-Aidable	21,438,000	20,114,000	20,952,000	20,977,000
Capital Projects Fund	18,591,000	19,583,000	19,463,000	27,457,000
Debt Service Fund	21,864,000	20,820,000	20,464,000	21,423,000
Enterprise Fund	24,410,000	27,514,000	26,671,000	28,385,000
Internal Service Fund	21,644,000	24,000,000	24,173,000	26,831,000
Total Expenditures by Fund	\$ 254,461,000	\$ 267,745,000	\$ 266,279,000	\$ 285,365,000

The 2003-04 budget contains the current revised budget.

* Rounded to the nearest thousand.

** Estimated 2003-04 revenues and expenditures are based on 9 months of actual plus an estimate for the last 3 months of 2002-03.