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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2003-04

(session year)

Joint

(Assembly, Senate or Joint)

Committee on Audit...

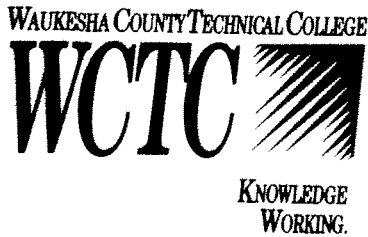
COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (September 2012)



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President Carol Brown

April 21, 2003

Ms. Erin Bilot
c/o State Representative Suzanne Jeskewitz
Room 314 North
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Ms. Bilot:

Thank you for the opportunity to meet with you on Thursday, April 3. We appreciate you taking the time to discuss pertinent issues related to Waukesha County Technical College and the Wisconsin Technical System. We know this is a busy time for state legislators. We look forward to continuing to work with you and appreciate your continued support of the college.

Sincerely,

Carol Brown, President

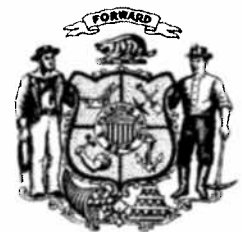
Joan Jenstead, Board Chair

CB/jjh





WISCONSIN STATE LEGISLATURE



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matc

Milwaukee Area Technical College

Robert S. Hartung
Vice President
College Advancement

May 2, 2003

VIA FACSIMILE 608-282-3624

Mr. Erin Bilot
Policy Advisor
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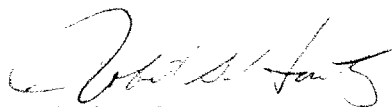
Dear Erin:

I enjoyed meeting you this morning.

The Public Policy Research Brief dealing with MATC follows. We are also putting together the other statistics relative to student completion and Liberal Arts courses. We expect to have that put together for you early next week.

Let me know if there is any other information that would be helpful to you. Thank you.

Sincerely,



Robert S. Hartung
Vice President
College Advancement

Attachment

Mr. Timothy Elverman

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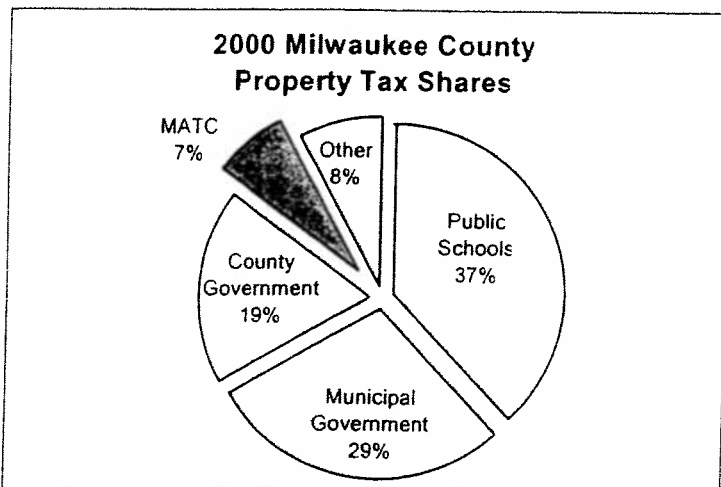
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Research Brief

MATC Challenged to Boost Economy

Milwaukee Area Technical College is a \$200 million public institution that is linked in important ways to the metro area's economic future; yet, for many reasons, MATC attracts little public attention. One reason is that the school consumes a relatively small proportion of local taxes, especially when compared to municipal government or public schools. Another is that other levels of public education dominate the headlines, especially Milwaukee Public Schools. A third factor explaining why MATC seems out of sight, out of mind is its arcane governing structure — a blend of state and local oversight that tends to be removed from the electorate.

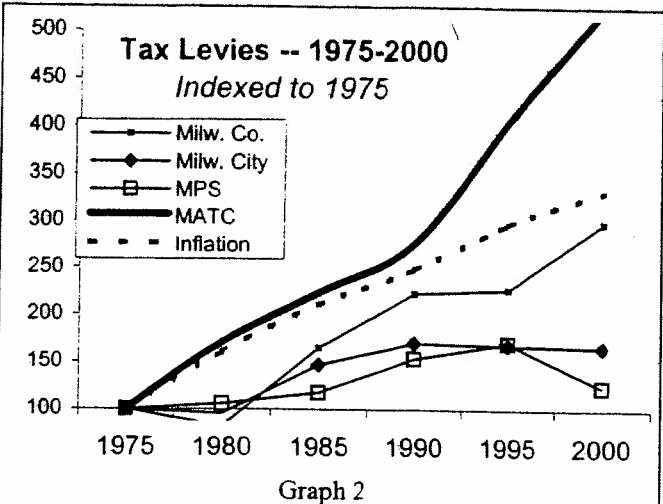
Even so, MATC plays a key role in the metro area economy. Its four campuses offer more than 120 vocational programs and a post-secondary entry point for a widely diverse student body, one reflective of the metro population. With sound decision-making, MATC's strength can be a potential answer to two contradictory economic problems — the evolving labor shortage and high unemployment in the central city.



Graph 1

Volume 88, Number 6

May 10, 2000



Graph 2

Highlights

- Property Taxes** — Over the long term, MATC tax increases have outpaced inflation while the city, county and school districts have been able to capture other forms of revenue, such as the county sales tax and increased state aid. Even so, MATC's \$89 million levy for 2000 was a small portion of the overall local tax burden.
- Enrollment** — A diverse full-time equivalent of 12,202 students enrolled in MATC last year, a 7% decline over six years. The sharp drop was accompanied by a steep increase in tuition and welfare reform legislation that forced many welfare recipients to leave the institution.
- Spending** — Despite offering Wisconsin's most diverse array of classes, MATC's average cost per student ranks in the middle range (11th) among the state's 16 technical colleges. Even so, salaries rank near the top. MATC is part of a state system of state aid that encourages high spending: the more you spend, the more you get.



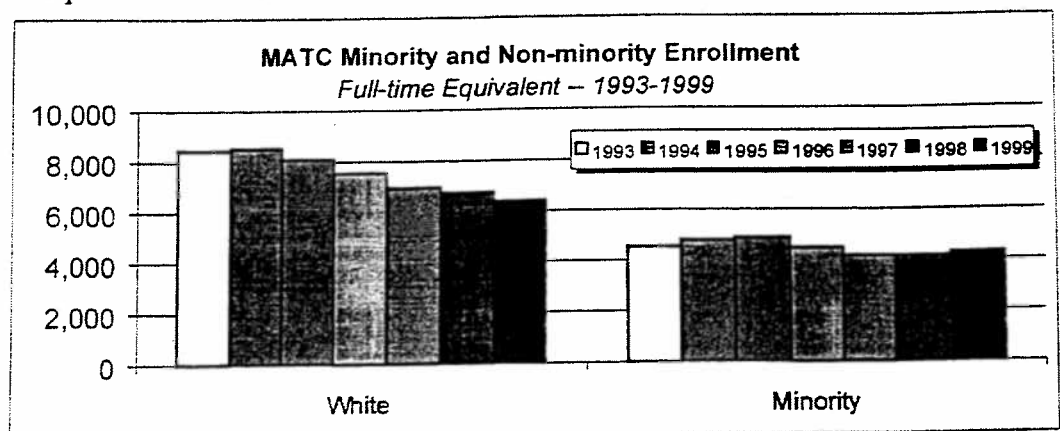
MATC in a National Context

A new study by the US Department of Education describes a transition taking place across the nation in vocational education. Traditionally, the purpose of vocational education was to prepare students for entry-level jobs requiring less than a college education. Now vocational schools are looking more like a merger of community colleges and technical institutes: the purpose has shifted toward developing the academic, vocational and technical skills of students. As a result, the vocational school graduate is more likely to be prepared for what has become inevitable: a lifetime of career changes.

Milwaukee Area Technical College is a prime example of that transition. The metropolitan area's venerable institution that trained generations of skilled workers has evolved into a multi-purpose post-secondary school that serves as an entry point for people seeking further education as well as productive careers. Further education often means transferring to a four-year college. The careers usually are those that form the underpinning of the middle class — jobs with entry level salaries in the \$25,000-a-year range.

MATC now faces a number of challenges. One of them is keeping up with technology, typically the most expensive educational offering. Another challenge is competing successfully for public funds with other levels of education and other Wisconsin technical colleges. A third challenge is maintaining its focus now that its vision and mission are similar in ways to those of many universities. A fourth challenge is avoiding isolation from the public and other institutions, an apparent consequence of MATC's hybrid governance — with two boards, one state and one local, neither chosen in a general election.

Finally, MATC is faced with the challenge of maintaining its rich diversity and enrollment. The chart below shows that MATC may be the most ethnically diverse educational institution in Wisconsin, with an enrollment that reflects the population in Milwaukee and parts of the two other counties it serves. But the chart also shows a dropoff in enrollment in recent years, partly because of the welfare reform requirement that students who were on welfare must work. Enrollment is tremendously important to MATC because it is a fundamental component of the formula for financial assistance from the state.



Graph 3



MATC Then and Now

Over the past 25 years, MATC's budget has increased to the point that it is now about seven times what it was in 1975. Not counting capital projects and debt service, the institution anticipates spending \$168 million this year, up from \$32 million in 1975. The fastest-rising costs have been in instruction and student services (Graph 4).

With the additional money, MATC has been able to provide a wide variety of classes; 1997-1998 figures show that MATC

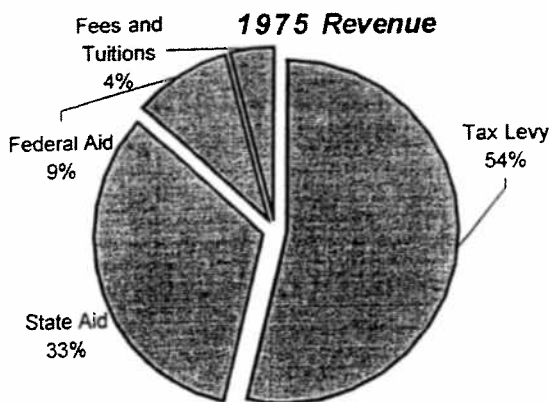
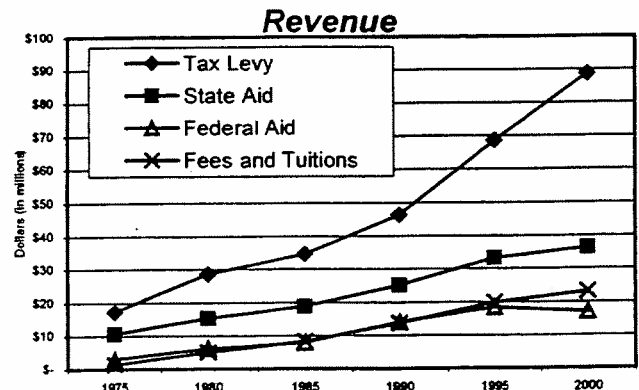
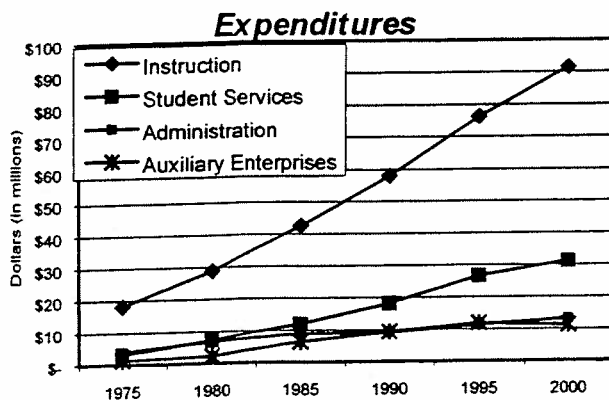
had 125 approved programs compared to Madison, the next closest technical college in Wisconsin, with only 95.

On the revenue side, graph 5 shows that the tax levy has been the area that has increased the most over this time period while state and federal aid have increased relatively little.

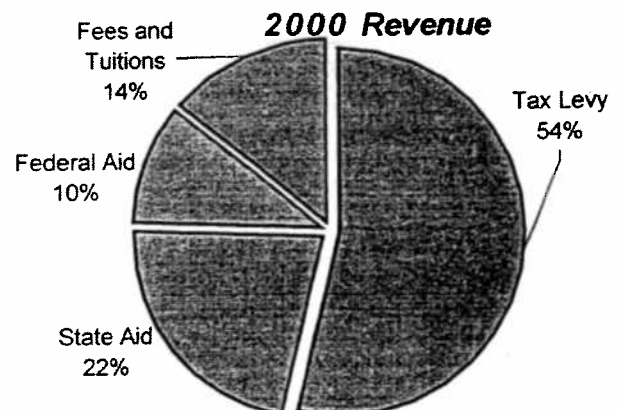
The consequences of those trends are revealed in graphs 6 and 7, which show that fees and tuition now contribute a greater portion of the revenue than they did a generation ago. Tuition

revenue for 1999-00 is estimated at more than \$23 million compared to \$1.3 million in 1975.

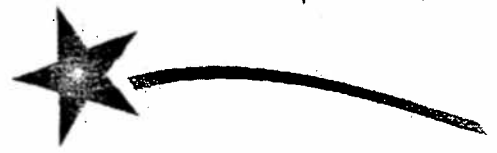
The dwindling role of state aid also is evident. In 1975, the state contributed a minority of the cost both technical education and public school districts. In the 1990s, the legislature committed to absorbing two thirds of the cost of public schools and, perhaps, as an indirect consequence, now pays for less than 22% of MATC's revenue.



Graph 6



Graph 7



MATC's Rank in State System

Table 1. Cost Summary of Full Time Equivalent Students and Number of Programs in 1998-1999

College District	Cost/Student	Rank	Programs
Nicolet	\$14,154	1	31
Waukesha	\$14,113	2	72
Gateway	\$12,231	3	79
Northcentral	\$11,461	4	41
Fox Valley	\$10,783	5	72
Blackhawk	\$10,676	6	56
Lakeshore	\$10,676	7	49
Southwest	\$10,614	8	42
Indianhead	\$10,596	9	58
Moraine Park	\$10,382	10	70
Milwaukee	\$10,300	11	125
Chippewa	\$9,962	12	59
Northeast	\$9,299	13	75
Western	\$9,231	14	63
Mid-State	\$9,228	15	54
Madison	\$9,123	16	95

The table above shows the cost per student (full-time equivalent) for each of the 16 technical college districts in the state. A look at the ranking, computed by the Wisconsin Technical College System (WTCS), shows that Milwaukee is in the middle range with spending of \$10,300 per FTE student. This may not seem significant; however Milwaukee also has far more programs than any of the other colleges. One way MATC is able to accomplish a high number of programs while maintaining average spending levels is by having larger classes. Of all the technical colleges, MATC has one of the highest number of students per class. While this is an efficient way of dealing with the burden of high-cost programs, it may have a negative impact on the learning. Higher class sizes mean that the instructor gets less time per student for teaching and tutoring.

Table 2 lists the tax levy imposed by each

Table 2. Revenue Summary of Full Time Equivalent Students 1998-1999

College District	Tax Levy (in Millions)	Enrollment*	Tax Levy/Student	Rank
Nicolet	\$11.66	993	\$11,742	1
Waukesha	\$33.79	3,262	\$10,359	2
Gateway	\$32.38	3,469	\$9,334	3
Indianhead	\$18.96	2,444	\$7,758	4
Moraine Park	\$18.95	2,629	\$7,208	5
Milwaukee	\$83.14	12,203	\$6,813	6
Lakeshore	\$13.03	1,925	\$6,769	7
Fox Valley	\$32.77	4,962	\$6,604	8
Northcentral	\$14.86	2,300	\$6,461	9
Blackhawk	\$10.69	1,656	\$6,455	10
Southwest	\$7.13	1,149	\$6,205	11
Madison	\$49.29	8,255	\$5,971	12
Mid-State	\$10.97	1,850	\$5,930	13
Chippewa Valley	\$17.25	2,942	\$5,863	14
Northeast	\$24.71	4,335	\$5,700	15
Western	\$16.66	3,294	\$5,058	16

* Enrollment is the full-time equivalent (FTE) calculation based on enrollment for a minimum of 15 credits per semester
Source: Wisconsin Technical College System

college district and the number of students (converted to full-time equivalent) that attend each school. It may be misleading to look at the total tax levy because technical districts range in size. Milwaukee levies more taxes than any other technical district in the state because it accounts for about 20% of the statewide technical college enrollment.

A computation of tax levy per student reveals that MATC ranks near the state average (6th) with an average property tax levy of \$6,813. The property tax levy per student ranges throughout the entire system from just over \$5,000 to nearly \$12,000. State policy indirectly attempts to take this disparity into account when it comes to computing state aid for each technical college district.



How State Finance Policies Penalize MATC

State funding for MATC and Wisconsin's 15 other technical college districts is based on a formula that rewards high spending. State aid to MATC is based on four factors: how much money MATC spends (so-called "aidable cost"), how many students are enrolled (full-time equivalent enrollment), the value of property in the district (equalized valuation) and the state money available for technical colleges.

Step-by-step, here's how the formula works, using the 1997-1998 year as an example:

1. Milwaukee's spending — the "aidable cost" that includes operations and debt service — was \$109,226,688.

2. MATC's property value per full-time-equivalent student

District College	State Aid
Blackhawk	3,095,900
Chippewa	6,608,000
Fox Valley	11,137,200
Gateway	5,972,700
Lakeshore	3,809,400
Madison	14,007,000
Mid-State	4,072,200
Milwaukee	28,378,500
Moraine Park	4,223,500
Nicolet	1,012,700
Northcentral	5,110,700
Northeast	7,006,100
Southwest	2,451,600
Waukesha	4,898,300
Western	10,150,800
Indianhead	4,010,400

Slow Growth Hurts Revenue Picture

An MATC analysis shows that the college is hampered because its tax base has not grown as much as the tax base elsewhere in the state (Table 4). If the value of all taxable property in the MATC district had increased as much as that of the state as a whole, the college would have been able to levy \$10.3 million more in property taxes for the current year alone.

Table 4 assumes a tax rate of \$1.50 per \$1,000 equalized valuation, the legal limit for technical college districts. Table 5 shows what would have happened if the MATC tax base had kept pace with the state and if MATC had imposed a levy increase proportionate to the state average for technical college districts. That scenario would have added \$5.1 million in revenue for the current year and resulted in a tax rate cut.

(\$3,430,401) was divided into the state average (\$4,087,115) to yield a ratio of 1.19144.

3. The 1.19144 was multiplied by MATC's "aidable cost" to reach \$130,137,045.

4. The total amount of state aid available (\$111,852,200) was divided into the statewide "aidable cost" for all districts (\$498,153,122) to yield 22.45%.

5. The 22.45% was

Table 4. Added Tax Levy Capacity if MATC Tax Base Kept pace with State

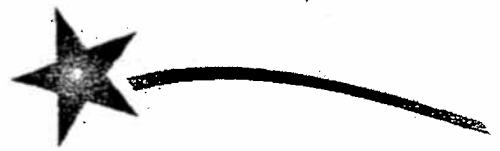
Year	Added Revenue
1996-97	\$2,167,000
1997-98	\$5,258,000
1998-99	\$7,949,907
1999-00	\$10,370,000
2000-01	\$13,165,000
Total	\$38,909,907

Table 5. Added Tax Revenue if MATC Tax Base, Levy Increase Kept Pace

Year	Added Revenue	Tax Rate
1996-97	\$712,000	\$1.46
1997-98	\$2,441,000	\$1.43
1998-99	\$3,531,000	\$1.40
1999-00	\$5,115,000	\$1.39
2000-01	\$7,237,000	\$1.39
Total	\$19,036,000	—

multiplied by the \$130 million in Step 3 to get \$29,220,200 in state aid for MATC.

The formula punishes efficient management. There is no incentive to save money. If MATC had spent more money, it would have received more state aid.



Serving a Diverse Enrollment

MATC serves by far the most diverse student population in Wisconsin. Table 6 lists headcount enrollment for the 16 different technical colleges throughout the Wisconsin Technical College System (WTCS) and breaks the numbers down by race and ethnicity.

Enrollment in the WTCS is counted in two ways: head count and full-time equivalencies. Head count is the actual number of individuals who enroll in at least one class — 64,163 in 1998-99. Most of those counted, however, are not full-time students; therefore, an artificial count is calculated based on the number of students who would be enrolled if all were enrolled on a full-time basis (12,202 for 1998-99). These so-called FTEs (full-time equivalents) are needed to determine state aid allotments.

Table 6 refers to head count enrollment and full-time and part-time students. Subgroup totals do not equal 100% because the race of the student is not always reported.

The table shows that MATC has a much higher representation of African-Americans than any other district, more than doubling the second highest. However, MATC ranks second in percentage of students who are Hispanic, behind Gateway Technical College that serves the extreme southeastern part of the state.

The table also shows that

Table 6. Headcount Enrollment by Race for Technical Colleges

College District	1998-99					
	Enrollment*	Native American	Asian	African American	Hispanic	White
Chippewa Valley	24,106	0.8%	1.5%	0.9%	0.7%	92.7%
Western	19,700	1.4%	1.5%	0.7%	0.8%	76.6%
Southwest	10,619	0.2%	0.3%	0.3%	0.2%	98.7%
Madison	48,779	0.7%	1.8%	2.7%	2.9%	73.1%
Blackhawk	16,835	1.7%	0.8%	4.1%	3.6%	75.9%
Gateway	26,153	0.5%	0.8%	8.9%	8.4%	77.7%
Waukesha	33,094	0.6%	1.0%	1.7%	3.2%	89.3%
Milwaukee	64,163	0.7%	2.4%	19.5%	6.5%	51.8%
Moraine Park	21,467	0.7%	0.6%	2.1%	2.0%	74.2%
Lakeshore	18,858	0.7%	2.8%	0.8%	3.1%	79.1%
Fox Valley	50,829	1.5%	1.4%	1.0%	1.5%	88.0%
Northeast	40,810	1.8%	1.2%	0.4%	1.2%	94.4%
Mid-state	13,407	1.0%	1.6%	0.5%	1.0%	94.1%
Northcentral	17,681	2.2%	3.4%	0.3%	0.7%	93.0%
Nicolet	10,308	3.5%	0.2%	0.8%	0.3%	90.1%
Indianhead	25,465	2.1%	0.2%	0.1%	0.2%	93.7%

*Sum of all subgroups does not equal total due to unreported race statistics

MATC has a relatively strong representation from the Asian population when compared to most of the other campuses. However, Northcentral and Lakeshore technical colleges have a higher percentage.

MATC's diversity presents a significant challenge for the new president of MATC. The incoming president must know how to deal with the variety of viewpoints and cultures represented in the institution. The diversity demands

sensitivity in providing student and academic services.

One area of particular concern will be the Hispanic population, which is increasing at a rate faster than any other minority group. This population is projected to grow rapidly and ultimately become the largest minority in the nation by 2015. Therefore, a need can be expected for increased services for Hispanics, such as bilingual education.



Follow-up Studies Suggest MATC Pays Off

Table 7 shows the success of technical college graduates in finding jobs for each of the 16 technical colleges in the WTCS. This table lists the number of graduates that each college had for the 1996-1997 college year. That number may differ from the number in the labor force because, for one reason or another, some graduates choose not to look for jobs. The "number employed" column represents graduates who at the time of the study had obtained a job. The following column indicates whether the job was related to the field that each graduate had studied at the technical college. This figure is obtained by using the

employment numbers, not the total numbers in the labor force. By looking at the table, and comparing it to other tables, it is obvious that Milwaukee could be expected to have far more graduates than it does. One reason that it does not is because some students are offered jobs while attending MATC and do not end up graduating.

The table shows that 92% of MATC graduates had found employment, a percentage that is lower than every other district except one. Among graduates employed in related fields to their areas of study, however, Milwaukee ranks close to the middle in the comparison.

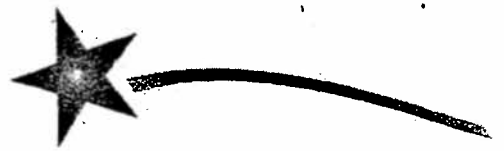
The next column — percent

employed in Wisconsin — shows that 14% of MATC graduates found employment out of state, which appears about typical for the WTCS.

Milwaukee graduates reported the second highest median annual salary, which shows that MATC graduates are relatively successful in finding jobs that pay well. The median annual salary for a 1996-97 MATC graduate was reported at just over \$24,000, about \$330 below the average for Blackhawk Technical College but more than \$2,000 above the median for the majority of the colleges in the state system.

Table 7. Reported Employment of 1996-97 MATC Graduates

Technical College	Graduates (1996-97)	No. in Labor Force	No. and % Employed	Employed in Field Studied	% Employed in Wisconsin	Median Salary
Chippewa Valley	837	646	618 (96%)	518 (84%)	83%	\$21,838
Western	1,098	1,005	899 (89%)	675 (75%)	83%	\$18,719
Southwest	457	363	345 (95%)	292 (85%)	83%	\$17,679
Madison	2,283	1,432	1,342 (94%)	1,042 (78%)	92%	\$21,838
Blackhawk	496	394	377 (96%)	306 (81%)	85%	\$24,438
Gateway	1,124	810	762 (94%)	584 (77%)	64%	\$22,878
Waukesha	960	793	770 (97%)	605 (79%)	89%	\$23,000
Milwaukee	1,899	1,448	1,325 (92%)	1,064 (80%)	86%	\$24,107
Moraine Park	746	550	541 (98%)	486 (90%)	96%	\$22,878
Lakeshore	624	458	442 (97%)	355 (80%)	97%	\$19,452
Fox Valley	1,183	1,038	966 (93%)	775 (80%)	93%	\$20,796
Northeast	1,306	1,217	1,142 (94%)	960 (84%)	97%	\$20,904
Mid-state	676	536	493 (92%)	388 (79%)	96%	\$18,919
Northcentral	936	547	531 (97%)	476 (90%)	97%	\$21,318
Nicolet	250	187	173 (93%)	121 (70%)	95%	\$19,927
Indianhead	1,076	800	752 (94%)	631 (84%)	77%	\$20,798



Minorities in Programs Leading to Good Jobs

Table 8. Enrollment in the 25 Highest Paying Fields for Which MATC Offers Technical Training

Program	Entry Salary*	Enrollment	Percent Black	Percent Minority
Dental Hygiene	\$3,432	212	8.0%	18.4%
Management Development	\$3,420	219	10.0%	13.2%
CNC Machine Op/Prog	\$3,041	15	33.3%	46.7%
Welding Technician	\$2,954	53	17.0%	28.3%
Mechanical Design Tech	\$2,609	112	8.0%	19.6%
Registered Nursing	\$2,605	807	34.2%	42.6%
Elect Tech-Communications	\$2,490	39	28.2%	33.3%
Industrial Engineering Tech	\$2,462	49	20.4%	36.7%
Computer Electronics Tech	\$2,458	155	32.3%	47.1%
Automotive Technology	\$2,430	45	2.2%	11.1%
CIS-Programmer/Analyst	\$2,402	569	27.4%	39.2%
Bio/Med Electronics Tech	\$2,348	49	26.5%	40.8%
Respiratory Care	\$2,317	118	20.3%	23.7%
Police Science	\$2,313	664	21.1%	33.1%
Marketing Management	\$2,244	215	14.4%	22.8%
Fire Science	\$2,240	281	4.3%	9.6%
Materials Management	\$2,234	39	5.1%	7.7%
Chemical Technology	\$2,232	45	20.0%	33.3%
Civil Technology-Structural	\$2,191	31	12.9%	22.6%
CIS-Microcomputer Specialist	\$2,174	530	15.5%	24.3%
Electronic Design Technician	\$2,165	12	16.7%	33.3%
Practical Nursing	\$2,156	332	48.5%	56.9%
Occupational Therapy Assist.	\$2,143	190	17.9%	22.1%
Physical Therapist Assistant	\$2,107	172	21.5%	25.0%
Transportation Logistics	\$2,083	2	0.0%	50.0%

*Entry salary is based on monthly average from 1996-1997 graduates

Table 8 is based on a study by the MATC administration as part of its Minority Student Participation and Retention Five-Year Plan. It shows the top 25 programs in terms of the salary that an employee will receive upon entering a particular field. It also shows that MATC does a fairly good job of promoting these programs to minorities. Even in programs where there is a large enrollment, such as registered nursing, the minority representation is often above the representation shown by the entire school.

One area especially where recruitment is needed for minorities is fire science. This would be a great opportunity for minority students because many fire departments are currently showing a strong interest in hiring minorities. As the table shows, very few are enrolled in this field, far below the proportion of minorities in either the MATC overall enrollment or the metro Milwaukee population.

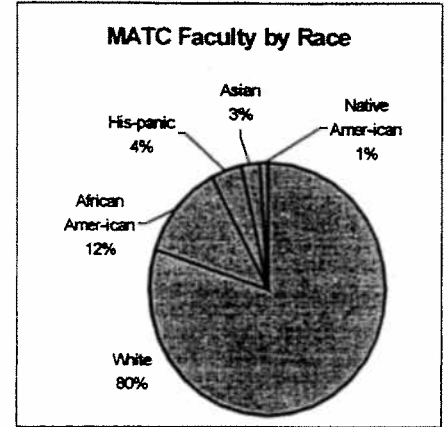
There are other relatively high-paying technical fields for which MATC has training programs with few enrolled minorities. Among them are materials management, automotive technology, management development and dental hygiene. Technical fields with large percentages of minority students include practical nursing, biomedical electronics technician, computer programmer/analyst and computer electronics technician.



Faculty Well Paid but Not Racially Balanced

Table 9. Faculty Pay Scale for MATC

Year	Bachelor's	Master's	Master's +32
0	\$37,654	\$41,186	\$44,718
5	\$46,484	\$50,016	\$53,548
10	\$55,314	\$58,846	\$62,378
14	\$62,378	\$65,910	\$69,442



Graph 8

Table 9 shows the MATC's teacher's salary schedule for the year of 1999-2000. The numbers on the left indicate how many years the teacher has been working at MATC. The breakdown on top is the education level the teacher has attained. The first column represents a teacher with a bachelor's degree. The second column represents a teacher with either a master's degree or a bachelor's degree with 32 additional credits. The final column represents a teacher with a master's degree plus an additional 32 credits. It should also be noted that an earned Ph. D. or Ed.D. in the appropriate field entitles the teacher to \$937 above master's plus 32, for the 1999-2000 school year. This amount will increase every year thereafter based on the yearly percent salary increase for faculty and staff.

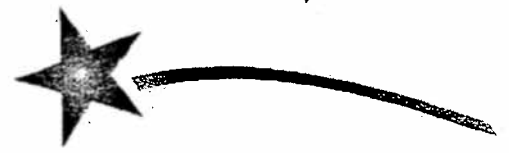
MATC salaries have drawn attention due to the fact that they tend to be high in comparison to other educational institutions, such as public schools and some salary levels in the University of Wisconsin System. Some teachers at

MATC defend the salaries, contending that MATC is often in competition with the private sector to hire good teachers. The argument is that there is a greater fiscal incentive for someone coming out of college to seek employment in the private sector instead of going into teaching and that MATC must be able to offer a competitive salary. This may not be as much of an issue in public universities where teachers may be less likely to be attracted by the private sector.

Graph 8 shows the racial makeup of the faculty at MATC. This chart shows that the minorities are underrepresented, particularly in light of the diverse student population served. MATC has been making some progress in recent years in diversifying its faculty. Even so, MATC's new president must face the challenge of trying to increase diversity in the faculty. The private sector recruits and provides incentives for qualified graduates, especially top-notch minority graduates. With enticements offered by private employers, public institutions face a special challenge in attracting the brightest and best to choose

teaching as a career. However, recruiting these graduates is especially important for an institution of higher learning. Because MATC has the most diverse campus when compared to other WTCS schools, the importance of having a racially proportional faculty is amplified. Other things being equal, minorities are likely to achieve at greater success levels when their teachers are also minorities.

Another challenge MATC has looking toward the future, along with every other technical college, is the ever-increasing pace of change. Two of the yearly tasks of MATC are to weed out programs that need to be dropped and to add programs that are needed to keep up with the changing demands of the labor market. Though MATC adds and subtracts many programs, the minimum two-year lag time between recognition that a program is needed and its implementation may be too long in today's economy.



Key Policy Considerations for MATC's Future

As MATC plans for the future, the college's ability to meet its challenges depends on policy decisions that will be made in several arenas: the state legislature, the Wisconsin Technical College System Board, the local MATC board, the MATC administration and, in some cases, entities that are independent of MATC, such as Milwaukee Public Schools and the City of Milwaukee. In their deliberations, policymakers at all levels need to be aware of the issues raised on this and the following pages.

Enrollment Impediments

Because MATC serves a diverse enrollment that includes many low-income students, its effectiveness in preparing future workers is sensitive to policy decisions that affect low income people. MATC enrollment dropped when the welfare reform rules prohibited welfare recipients from continuing as MATC students.

In addition, MATC increasingly has relied on tuition as a revenue source over the past generation. Since 1975, tuition revenue is up 1,615%, compared to an inflation rate of 232%. A vocational education student is paying \$1,777.50 this year in tuition and fees, nearly double the

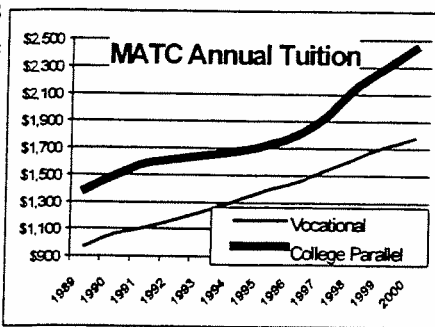
amount in 1988. Because these trends discourage high school graduates at the bottom of the economic scale, they may contradict economic development objectives that promote a skilled workforce and seek to avoid labor shortages. At the same time, MATC's growth has been in suburban areas where students attend classes in the Mequon, West Allis and Oak Creek campuses.

Policymakers will need to balance the pressure keep tuition affordable to low-income future workers against the temptation to grow by expanding programs in the suburbs.

Spending and Finance Considerations

Like most forms of government, MATC has increased spending well beyond the rate of inflation over the past generation. Operations spending (not including capital projects and debt service) increased from \$32 million in 1975 to \$168 million this year, a 425% increase compared to an inflation rate of 232%. However, MATC's spending pattern is in sync with Wisconsin's 15 other technical college districts, with instruction accounting for two-thirds of operational spending.

A more vexing concern is the burden MATC has become on local taxpayers. Because state policy-makers concentrated over the years on state aids to local government and then reducing public school property taxes, MATC has emerged as a more prominent participant in annual property tax bills. In 1975, MATC accounted for just 3% of local property taxes in Milwaukee County; now it is 6%. Over that time period, the MATC tax levy increased 366% while the school levy rose 83%,



Graph 9

Table 10. Full-time Equivalent Enrollment at MATC by Race and Ethnicity for the 1998-99 School Year

	Indian	Asian	African-American	Hispanic	White	Unknown	Total
1993	136	993	2,645	750	8,426	205	13,155
1994	118	545	3,325	785	8,501	283	13,557
1995	113	553	3,356	841	8,090	350	13,303
1996	113	491	3,053	795	7,531	325	12,308
1997	107	425	2,836	788	6,937	495	11,588
1998	109	405	2,804	829	6,730	828	11,705
1999	115	422	2,898	838	6,387	1,544	12,204



municipal levy rose 104% and the county levy grew 123%. In short, local residents — through tuition, fees and taxes — are paying a far larger share of the cost of technical education than they did a generation ago.

The shift in technical college financing from state funding to local funding is a consequence of state policy in three important respects:

1. State education dollars in recent years have been directed more toward non-technical endeavors, especially public school districts, than to technical education.
2. Increased reliance on property tax dollars needed to supplement state support for technical education penalizes MATC compared to other districts in the state because MATC has less growth. For example, if MATC property values and tax levies had grown last year at the average rate for Wisconsin, MATC would have \$5.1 million more in property tax revenue this year and a slight cut in the tax rate.

In addition, the formula for distributing state state aid to technical colleges encourages high spending (See page 5). In essence, the more money MATC spends, the more state aid it receives. There is no incentive to eliminate duplicative or unnecessary programs or to reduce costs in other ways.

Policymakers at all levels need to be aware of these serious flaws in the state system of financing technical education and be prepared to make the case for improving the situation.

Academic Rigor

MATC is a multi-purpose college. The question for policy-makers is how many purposes are appropriate for the institution. MATC and its counterpart technical college in Madison are the only two of Wisconsin's 16 technical college districts that have a substantial number of students who are on a college track; that is, more than 20% of those enrolled are using MATC as an entry point to higher education with the intention of going on to a four-year institution. Just under half of MATC's students are seeking a two-year degree in a vocation that is likely to lead directly to employment. There also are

large numbers of students who seek shorter term diplomas in technical field, students who are in adult education programs and students seeking the equivalent of high school credentials.

This diversity of offerings presents a challenge to the college to remain focused on what it does best. Policymakers may need to question what MATC does best in light of the incentives in state policy that promote higher enrollment and higher spending.

Academic Salaries

MATC has a well-established union representing faculty and a strong tradition of employee participation in the governance of the institution. Even so, considering the higher cost of living in metro Milwaukee, professional salaries are in line with MATC's counterpart colleges elsewhere in the state. MATC salaries are considerably higher than average for the state but not the highest. For example, the projected average compensation for MATC teachers is \$74,549 for 1999-2000, compared to \$68,529 statewide; the average for all 1,964 MATC employees is \$64,764 vs. \$60,237 for the state.

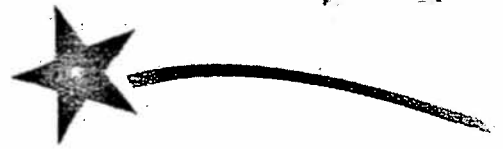
The challenge to policymakers is, in essence, to see that taxpayers are getting their money's worth, that teachers are doing a good job teaching and that managers are working with people to make them better teachers. The questions is whether there are legitimate goals and standards by which management and staff can be held accountable.

Innovative Leadership

Perhaps the most important decision the MATC board will make this decade will be its choice of a new president to replace John Birkholz, who is retiring at the end of the 2000-01 school year. The qualities in a new leader that will matter the most are political and administrative skill, balance and versatility.

The new leader will need to keep MATC up to date, appreciate the changing nature of both the enrollment and the economy, understand what it is to deal with an empowered union, balance the needs of students and employers, protect the interests of taxpayers and bring greater visibility to one of metro Milwaukee's greatest assets.

Transition Time for MATC



Vocational and technical education is in transition nationally as technology, globalism and other factors continue to reshape the economy and its workforce. The forces of transition are even stronger at Milwaukee Area Technical College, the relatively inconspicuous \$200 million public school that serves as the higher education portal for a diverse cross-section of metro area residents.

MATC's small governing board, elected by just 25 people in a process somewhat removed from the public, will choose a new president over the next year. In light of that key decision, this research brief looks at MATC's directions. Some of the questions raised:

- Is MATC prepared to keep up with technology and other changing workforce needs?
- In light of its mission, is MATC adequately financed?
- Do the state and local taxpayers who finance MATC get their money's worth?
- Can MATC meet the needs of an increasingly diverse future workforce?
- Should MATC emphasize academics, technical skills or both?
- What are the attributes needed in MATC's next president?

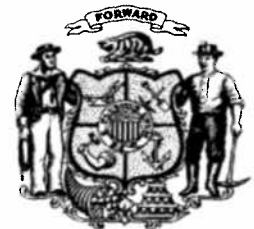
President: **David G. Meissner**
VP/Research Director: **Jeffrey C. Browne**

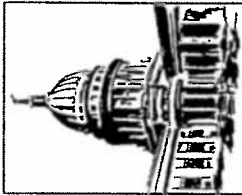
Senior Researcher: **Emily Van Dunk, Ph.D.**
Research Associate: **Anneliese M. Dickman, J.D.**

Research Assistant: **Joshua Beardsley**
Research Intern: **Wayne Wrolstad**



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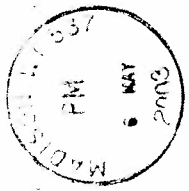




WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz
P.O. Box 7882
Madison, WI 53707-7882



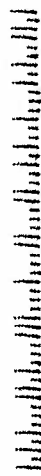
REFUSED

*Return to
Address
no postage
this
address*

Ms. Lauren Baker
Milwaukee Area Technical College
633 South Hawley Road, S
Milwaukee, WI 53214

Refused

537077882



PUBLIC HEARING
Joint Legislative Audit Committee

The committee will hold a public hearing on the following items at the time specified below:

Monday, May 12, 2003
11:00 AM
411 South

Audit Report 03-4 Milwaukee Area Technical College District

Proposed Audit of Eligibility Determination for Medical Assistance and Related Health Care Programs, Requested by Senator Lazich

An Executive Session may be held on any of the above items.



Senator Carol A. Roessler
Co-chairperson



Representative Suzanne Jeskewitz
Co-chairperson

Note: Interested persons may listen to live broadcast of the audio portion of the hearing on the Internet while the Committee is in session. It can be accessed on the Legislature's website by clicking the Senate In-Session link or entering the following URL: <http://www.legis.state.wi.us/insession/senate/>. It can also be accessed at the Legislative Audit Bureau's website by clicking the Legislative Audit Committee link or entering the following URL: <http://www.legis.state.wi.us/lab/JCAHearing.htm>.



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matc

Milwaukee Area Technical College

Darnell E. Cole
President

July 21, 2003

Representative Suzanne Jeskewitz
Assembly District 24
P.O. Box 8952
Madison, WI 53708

Dear Representative Jeskewitz:

Milwaukee Area Technical College (MATC) recently completed its annual planning and budget development process for fiscal year 2003-04. The plan was presented to the public on June 5, 2003, and approved by the MATC District Board on June 24, 2003.

Our board of directors, management, faculty, and staff are committed to the provision of high-quality educational programs and services. The plan reflects our strategies for providing occupational and educational opportunities and services to the individual and business citizens of the district.

To carry out our plan, we have established a budget with a tax rate of \$1.99 per \$1,000 of equalized valuation, a decrease of 1.0 percent. In other words, the owner of a \$100,000 home would pay \$199 for services provided by MATC for fiscal year 2003-04. The total tax levy of \$111 million is a 4.9 percent increase over last year, and the total expenditures of \$265 million represents a 5.3 percent increase over the prior year.

These modest increases are necessary to accommodate a planned 5 percent enrollment growth. Due to continuing uncertainties surrounding the state budget and other unknowns, it is likely that this budget will require significant modifications.

Historically, a copy of the budget document has accompanied this cover letter. To hold down cost and enhance access, the budget document is now available online. I encourage you to access the MATC web site to view the document and to see the multitude of educational opportunities and services MATC offers online. Visit the MATC web site at: www.matc.edu, or you can go directly to our budget document at: www.matc.edu/featur/afin/acti.htm.

Please take a few moments to access and review MATC's budget and forward any questions or comments to Todd J. Poppe, Vice President of Finance, at (414) 297-6492 or poppet@matc.edu.

Sincerely,



Darnell E. Cole
President

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Milwaukee, Wisconsin 53233-1443
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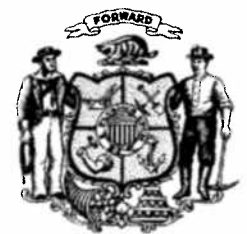
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262-238-2200

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Oak Creek, Wisconsin 53154-1196
414-571-4500

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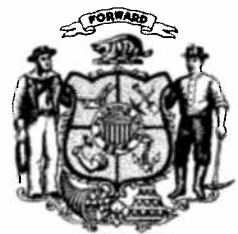


Audit Hearing – MATC
Tuesday, July 29, 2003

1. Welcome
2. Audit Bureau – Jan Mueller, Kate Wade, Kellie Monroe
3. Dr. Darnell Cole, MATC President and Lauren Baker, Immediate Past President of the MATC Board of Directors
4. Dr. Richard Carpenter, President, Wisconsin Technical College District
5. Others



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Milwaukee Area Technical College

Darnell E. Cole
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July 31, 2003

The Honorable Suzanne Jeskewitz
Co-Chairperson
Joint Legislative Audit Committee
PO Box 8952
Madison, WI 53707-8952

Dear Representative Jeskewitz:

Thank you for the opportunity to testify before you and the other members of the Joint Legislative Audit Committee on July 29, 2003.

I appreciate your interest in Milwaukee Area Technical College and the vital role technical higher education plays in the economic growth of Wisconsin.

The audit and testimony allowed MATC to clarify and build upon our many strengths while guiding us toward significant improvements. We will continue to work with Janice Mueller, State Auditor, to ensure that all LAB recommendations and issues raised by your committee are fully addressed.

It is absolutely essential that we continue to strengthen our practices and procedures. MATC adds great value to our community and must be managed well.

If you have any questions regarding my testimony or the submitted written report, please do not hesitate to contact me.

Sincerely,

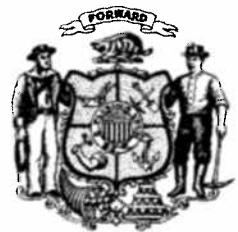


Darnell E. Cole
President





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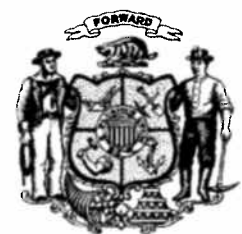


Suggested Questions for Dr. Cole

Audit Committee Hearing

July 29, 2003

- 1) How do you intend to address the administrative and financial shortcomings identified in the audit?
- 2) Why did you agree to forego any health insurance changes with your unions until mid-2007, especially given the current budget climate?
- 3) How can you justify passing along such large increases in health insurance to the District's taxpayers?
- 4) The table on page 13 of the report shows very low graduation rates in comparison with enrollment, and your total number of graduates has declined in each of the past four years. How can you explain these trends?
- 5) Why do so many (64.4 percent) of your instructors earn more than the maximum instructor salary? How many hours a week do these instructors work?
- 6) In light of the audit, and with several new Board members, how do you intend to improve information sharing with the Board?



**WTCS State Board Meeting
November 19, 2003**

**Minutes of Agenda Item M
Status Report on Milwaukee Area Technical College Response
To Legislative Audit Bureau Report 03-4
*An Evaluation: Milwaukee Area Technical College District***

Dr. Darnell Cole:

Thanked the State Board for the opportunity to share the progress MATC has made in responding to the LAB's recommendations. Also, thanked Kate Wade of the LAB, stating that the LAB staff was very thorough and professional. The LAB recommendations will enhance MATC's effectiveness and the State Board may wish to direct some of their questions to Ms. Wade. Further, thanked System Office staff, noting that there were a number of times that additional information was needed to respond to LAB requests, and staff provided that information immediately.

Introduced other MATC staff present: Christy Brown, Legal Counsel; Todd Poppe, Vice President for Finance; and Rob Hartung, Vice President for Development.

Noted that he has been at the college for a little over two years and stepped into a situation that was not only challenging, but also very important to the Technical College System and the Milwaukee area. One of the important events of the whole process was the opportunity to address the Joint Audit Committee last July. The LAB staff began the Committee hearing by commending MATC on its improved financial management. The Committee realized that MATC is working extremely hard to address some issues that focused attention on the College. Pleased to say that College's bond rating is now AA 2, one of the better rates in the state. College also overcame a \$3.2 million deficit in little over a year and without dipping into reserves. MATC will move forward to make itself a strong institution and meet its fiscal challenges.

A brief statement will be made for each of the LAB recommendations as well as the steps taken by MATC to show how seriously the College considers these matters.

Contracted Training: The College has revised its policy to reflect a goal of full cost recovery. The intention is to provide flexibility necessary to award reduced rates for contracts when such training projects would ultimately stimulate the economy or recreate new jobs or help to maintain existing jobs. At the same time, the Corporate Learning Unit has been completely restructured to emphasize sales and revenue generation. There is a business plan attached to the report that speaks to a complete reorganization of that area. MATC has tried to be more visible and respond to the training needs of the private sector.

constantly updated and Board members needed to have the best information available to make good decisions. Overall, College has done a good job, but will continue to review the situation.

Concluded presentation by stating that MATC has some challenges like any other technical college, but believes the College is moving ahead and doing a good job in Milwaukee. Wants to settle contract negotiations soon so MATC will be able to focus on people's learning needs.

State Board President Nino Amato: Thanked Dr Cole for his presentation.

State Board Member Brent Smith: Asked Kate Wade if she would comment on her reactions to the MATC responses.

Kate Wade, Legislative Audit Bureau: Thanked Dr. Cole and his staff, noting that it was a long process and MATC was very accommodating in responding to requests for information. Regarding MATC's progress report to the State Board, the College has made a lot of progress in all of these areas. Cannot say what the co-chairs of the Joint Audit Committee will want in terms of additional audit work. The Committee had a good hearing and the co-chairs are very interested in follow-up on all LAB audits. They are likely to ask her for a summary of the MATC progress report to the State Board. Agreed with Dr. Cole that there has been a lot of good progress on all these fronts. She has no other specific comments on Dr. Cole's statements.

President Amato: Asked if there were any questions from Board members.

State Board Member Cuene: Regarding contracts for training, asked if MATC has specific staff in this area or use regular faculty.

Dr. Cole: MATC has reorganized the contract training area with two individuals out in the community selling training and a director who is also involved in selling training. In most cases, College uses its own faculty and staff if the expertise is available. If not, may call another institution such as Gateway Technical College to provide training. May even go outside the WTCS to ensure that MATC responds quickly to employers needs.

Todd Poppe, MATC: College primarily uses its full-time faculty, as well as some exceptional part-time faculty. Business and industry representatives identify specific training needs and then draws upon the wealth of MATC's diverse faculty to bring the best people to the projects.

Board Member Cuene: Noted that some organizations can still get a discounted rate for training and asked who actually makes those decisions.

Todd Poppe: As Dr. Cole noted, MATC just reorganized this area under the leadership of one of the College's Vice Presidents, Dr. Kettner. His responsibility includes not only managing the sales staff, but also to look at contracting opportunities throughout the community and make pricing decisions. MATC tries to treat this as somewhat of a profit center, while recognizing the economic development role that training plays. Dr. Kettner is the one who ultimately looks at the criteria for offering discounted rates and makes those decisions. His prior experience in this area will be extremely helpful.

Dr. Cole: Noted that part of the problem was that an existing MATC policy hampered its ability to meet full recovery. The College has revised its policy, which has been shared with System Office staff and the LAB.

Board member Vasquez: Asked what would be the consequence if a district established a truly obtainable goal of 90% cost recovery assuming that the remaining 10% may or may not be actually recovered. Is MATC the only district that has had a problem with this?

President Carpenter: Statutorily, less than 100% cost recovery would be permissible. MATC's problem was that they had a district policy that said they would recover 100% in aggregate and they did not meet that policy.

Dan Clancy: One issue raised by the LAB was that MATC's policy said that they would recover 100% in aggregate, not for each individual contract. In addition, the College allowed discounts for certain reasons, therefore requiring them to monitor closely to ensure that they actually reached the 100% target. However, the data showed they were not obtaining 100%. A second issue was that by not recovering 100%, MATC was missing an opportunity to raise revenue at a time of fiscal difficulties.

Kate Wade, LAB: Provided an additional comment on this issue. There were criteria in place by which the district offered discounted rates for training, but the LAB couldn't say, with comfort, that those criteria had been universally applied in each case. The other standard of comparison offered in the LAB report was the experiences in other WTCS districts with the understanding that all districts were using the same methodology in calculating their contract costs and revenues. The experience varies across the districts.

Board member Kehl: Asked Dr. Cole how long he has been president of MATC.

Dr. Cole: Two-and-half years.

Board member Kehl: Commended Dr. Cole on the approach he has taken and what he has done in the short time span to correct previous inconsistencies. Noted that Milwaukee County has had a business incubator for quite some time, located on the old medical grounds, and it seems to have been successful. Asked if MATC has considered partnerships with local governments, primarily counties, in the areas of workforce development and training dollars.

Dr. Cole: Stated that he believed so and that he has stressed the need to take the limited resources available, both public and private, and try to get the biggest bang for the buck. More so than ever, MATC is out establishing partnerships.

Board member Kehl: Made the following comments regarding partnerships:

- They must include local business organizations, manufacturers, small business members, and chambers of commerce.
- In recent years, new directions have been taken by the technical colleges in using partnerships to enhance skill training, more so than at the UW System.

Board member Vasquez: Stated that the WTCS is striving to increase the representation of people of color and gender equity, not only in terms of technical education but hopefully in terms of economic development. Perhaps one of the strengths of the MECs is their connection to the desired goal of increasing minority representation, which again would differentiate them from other business incubators in the area.

Dr. Cole: Indicated that MATC is the most diverse higher education institution in the state, which is an important strength of MATC.

President Amato: Requested that additional data relative to the demographics of the MECs be provided to the State Board. Asked if the tracking system for job creation and quarterly financial reports are in place right now.

Dr. Cole: Replied that the College is moving forward to put in place a tracking system that has goals related to graduation rates, number of jobs created, and other information. MATC is also looking at the model of the Dallas County Community College to help track that data. The College will provide that information to the State Board at a future meeting.

President Amato: Commented on his own experience with incubators noting that one of the challenges is having a graduation period. Asked how the College manages its existing tenants. For example, does the College stop subsidizing a company's rent after a fixed number of years? Agreed that while you don't want to lose those people, the whole idea is to bring entrepreneurs that are going to grow and, at times, that means losing tenants. Indicated that the business incubator he is involved in is at 80% capacity in a very difficult recession but it does graduate businesses, which is the real goal.

Dr. Cole: Responded that while the College has begun to address the recommendation, it is in the process of determining reasonable tenancy lengths and the appropriate range of services offered. The College would respond more fully in its next report to the State Board.

Board member Kehl: Asked if the Legislature's focus will be a final report and some determination made as to whether it is acceptable or not. When that review occurs, a shared responsibility lies with the State Board. As that process moves forward, it would be the Board's and College's best interest to do a final review process after the LAB comments are completed.

Ms. Wade, LAB: Responded that what happens next with the Legislature is an open question. The Audit Committee held a hearing and was very interested in understanding the working relationship between Dr. Cole and his staff, and the State Board. The Audit Committee was, therefore, interested in the State Board's audit follow-up process.

President Amato: Based on his discussions with Dr. Carpenter and staff, this issue will remain in front of the State Board. While the System Office has limited resources and reduced audit staff, the Board feels that the issues raised by the LAB merit their attention and the Board will continue to monitor MATC's progress.

President Amato: Requested MATC to provide the State Board with expenditures for legal, public relations, and lobbying consulting services for the last three years and a projection of future costs. It would be helpful to have a benchmark on how these costs are being managed.

Todd Poppe: Responded that the MATC Board receives quarterly reports that cover all that information and those will be sent to the State Board.

President Amato: Asked if there were any questions on the issue of probationary periods. While it appears that the problem has been fully addressed, asked how long had that gone on before it was actually identified.

Dr. Cole: Responded that when he became MATC President, he recruited an individual to serve in an administrative position. The College was advised on this issue and made the correction.

President Amato: Regarding open meetings, stated that this matter is a sensitive one these days and the foundation for democracy. Recognized that the Attorney General's Office has met with the MATC Board. Asked for a comment on what safeguards are going to be put in place.

Ms. Lauren Baker, MATC Board member: The MATC Board was involved in a training and educational session hosted by the state Department of Justice, which was very informative. Made the following points:

- It was the first time the MATC Board had a meeting specifically on the open meeting law.
- The orientation for new board members covers open meetings but not at the depth and focus provided at this session.
- The Board had a very good discussion on the topic, which was extremely useful.
- Board members received materials based on Wisconsin's open meeting and records law.
- Board now receives periodic updates from MATC's legal counsel on current issues such as e-mail conversations.

Board member Smith: Commented that perhaps the State Board should have a similar inservice, given the change in board membership and the recent attention and interpretations on this issue. Noted that DOJ is going around the state giving programs on open meetings and open records. Hoped that the State Board would look at this for a future meeting.

President Amato: Stated that he and Dr. Carpenter have talked about doing an orientation on the open meeting issue, requesting assistance from the Attorney General's office. Believes that the topic needs to be included in the State Board's orientation for new members.

Board member Gassman: Agreed that the orientation is really helpful. In addition, having an ongoing process to actually implement it, checking with counsel as you go.

President Amato: Commented on the issues of walking quorums and e-mail communications, given today's technology. Asked if there were questions on the personnel authority of the MATC president.

the authority that has been given to them. The Board sees itself not as an advisory, but policy-making, body.

Dr. Cole: Commented that the issue never existed that the MATC Board did not support the president of the college. There was some discussion and difference of opinion regarding reorganization of the College but the President and Board worked through that. Next spring's Board retreat will reinforce moving forward. Stressed that the State Board needs to hear the message that MATC is doing a great job. With newer board members and a new president, the College is working well with the state and is involved in partnerships in the community.

Christy Brown, MATC: Clarified that there is a statutory obligation under Chapter 38 that the district board is responsible for all hires, but by board policy, the MATC Board delegates that authority to Dr. Cole.

Board member Reid: Asked where the College is now at this point regarding communications with the MATC Board. It was unclear if board members have been looking at changes in policies or standards for communications, which was one of the LAB recommendations. Understands that every board member may have a different sense of how communication is working and whether there is too much or not enough.

Ms. Baker: Both the MATC Board and administration take this issue very seriously. The Board has asked for regular reports in certain areas. For example, the Board wants regular communications on health care issues and legislative updates. The administration heard the criticism and has responded. Noted the higher volume of faxes and emails provided to board members by the administration compared to two years ago. The complexity of the College requires board members to understand all the things done by the college, the questions to ask, and what information they need. The situation has greatly improved, but there are still a number of issues to be worked on.

President Amato: Asked if there were any other questions.

Dr. Cole: Indicated his appreciation for the opportunity to come and share this information with the State Board and knows there will be another opportunity to share MATC's progress. The College will continue to take the LAB recommendations seriously and strive to be the best community-based college.

Board member Vasquez: Noted that he had served on the MATC Board and is aware of what the College is going through. Stated that many of the same discussions occurred when he was a board member. Believes that these are things that are life cycles of a board, particularly when significant changes occur with the board or president.

Board member Gassman: Thanked MATC for steps already taken to address the issues that were in the audit. Looks forward to working with the College to ensure benchmarks are used to measure progress in meeting the LAB recommendations. Commented on behalf of the Governor, that Milwaukee's economy has been so hard hit and MATC has such a pivotal role in





November 26, 2003

Mark Maierle, District Board Chair
Darnell Cole, President
Milwaukee Area Technical College
700 West State Street
Milwaukee, Wisconsin 53233-1443

Dear Board Chair Maierle and President Cole:

Thank you for responding to the WTCS Board's request for a status report on Milwaukee Area Technical College District actions regarding the Legislative Audit Bureau's evaluation of MATC (Report 03-04).

The College's presentation at the Board's November 19, 2003 meeting was informative and helpful. It is clear that MATC has made progress in addressing the Audit Bureau's recommendations and we commend you for your efforts. In particular, the Board appreciates the work that MATC has done since the audit was requested in 2002 to turnaround the College's financial condition. Your prudent fiscal management exemplifies the WTCS commitment to maintain high quality educational services during these difficult economic times.

The WTCS Board shares your assessment that further progress in addressing the LAB recommendations is necessary. Toward this end, we request that MATC provide another progress report at the WTCS Board's meeting scheduled for March 30 and 31, 2004, which will be held at MATC-Milwaukee. You should be prepared to describe actions taken between October 2003 and March 2004 to implement the Audit Bureau's recommendations, provide a timeline for future actions (if necessary), and answer any additional questions from Board members.

In the interim, there are a number of areas covered in your audit status report in which the Board is interested in receiving more details. In particular, the Board requests:

Contracted Training

- A copy of MATC's "decision matrix" or "pricing strategy" to facilitate more uniformity in reduced-rate contract decisions.
- A copy of MATC's revised cost recovery policy for contract training.

Dr. Richard Carpenter, President

310 Price Place PO Box 7874 Madison, Wisconsin 53707-7874 608.266.1207

TTY: 608.267.2483 Fax: 608.266.1690 E-mail: info@wtcsystem.org

www.wtcsystem.org www.witechcolleges.com

Enterprise and Auxiliary Services

- A report on MATC's actual 2002-03 property tax revenue subsidy for food service, bookstore and child care operations and an estimate of the subsidies for fiscal years 2003-04 and 2004-05.
- A description of why MATC considers childcare services an integral part of college operations and why the college believes some level of property tax support is appropriate for childcare services.

Milwaukee Enterprise Centers

- A copy of the graduation goals for the Milwaukee Enterprise Centers.
- A description of the tracking system of job creation and quarterly financial reporting process for the Milwaukee Enterprise Centers.
- A description of how the College considers educational need criteria when evaluating potential tenants in the Milwaukee Enterprise Centers.
- Demographic data on Milwaukee Enterprise Center tenants.

Consulting

- A breakdown of expenditures for the last three years and estimated expenditures for the current year (2003-04) for legal, lobbying, and public relations consulting services.
- A copy of the most recent report provided to the MATC Board on consulting activity.

Personnel Authority of the President

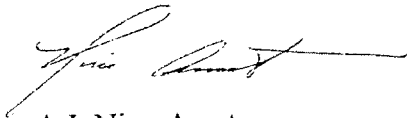
- A copy of the District's policy regarding the President's authority over personnel decisions.

Communications with the Board

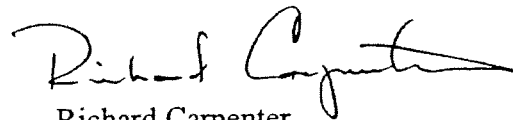
- A list of standard reports for information required by the MATC Board (such as consulting expenditures and legislative updates).

For timely consideration by the WTCS Board, this information should be submitted to the System Office no later than January 9, 2004. If you have any questions regarding this request, please contact Dan Clancy at 608.266.7983.

Sincerely,



A.J. Nino Amato
WTCS Board President

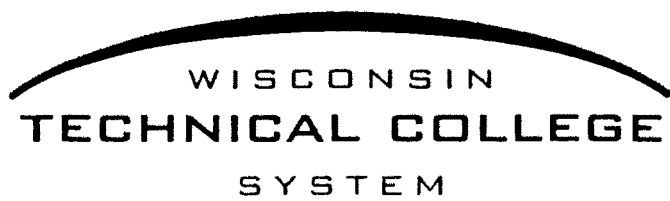


Richard Carpenter
WTCS President

cc: WTCS Board Members



0126



December 19, 2003

Senator Alberta Darling
Wisconsin Senate
317 East, State Capitol
Madison, Wisconsin 53707-7882

Dear Senator Darling:

I would like to share with you the actions of the Wisconsin Technical College System Board's review of Milwaukee Area Technical College's progress in addressing the recommendations of the Legislative Audit Bureau (Report 03-04).

As you know, Board President Nino Amato and I directed representatives of MATC's district board and administration to present a progress report to the WTCS Board. At its meeting on November 19, 2003, the WTCS Board received a presentation from Dr. Darnell Cole and MATC Board Vice-Chair Lauren Baker and heard comments from LAB Audit Director Kate Wade. A copy of MATC's progress report and minutes from the Board's meeting are enclosed.

The members of the WTCS Board believe they have an important role in overseeing MATC's progress in addressing the Audit Bureau's recommendations and you will note from the enclosed materials that MATC's status report was followed by a lengthy and thorough question and answer period. Overall, the Board concurred with Ms. Wade's assessment that MATC has "made a lot of good progress" in addressing the LAB recommendations.

However, the WTCS Board has requested more detailed information on several topics to be provided prior to the Board's next meeting in January, 2004. In addition, the Board will schedule a second progress report presentation by MATC at its March 30-31, 2004 meeting to be held at MATC. A copy of the letter sent to MATC requesting a second progress report and additional information is enclosed.

The WTCS Board believes that a second report is necessary for MATC to assure the Board, the Legislature and its student and community partners that it has made positive institutional changes in response to the Audit Bureau recommendations. In particular, the Board expects to see even greater progress by March, 2004, and has requested that benchmarks be established to measure that progress. ✓

Dr. Richard Carpenter, President

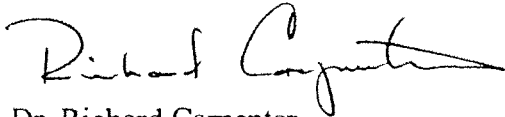
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www.wtcsystem.org www.witechcolleges.com

As we discussed, I will continue to provide you with an accounting of the WTCS Board's further actions on this matter. Please contact me if you have questions about this process or any other matters regarding the Wisconsin Technical College System.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Carpenter". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dr. Richard Carpenter
President
Wisconsin Technical College System

Enclosures

cc: Members, Joint Legislative Audit Committee
Members, WTCS Board
Janice Mueller and Kate Wade, Legislative Audit Bureau
Mark Maierle, MATC District Board Chair
Darnell Cole, MATC President



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700 West State Street
Milwaukee, Wisconsin 53233-1443
414-297-6320
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e-mail: coled@matc.edu

matc

Milwaukee Area Technical College

Darnell E. Cole
President

August 31, 2004

The Honorable Suzanne Jeskewitz
Co-chairperson, Joint Legislative Audit Committee
State Capitol, Room 314 North
P. O. Box 8952
Madison, WI 53708

MILWAUKEE CAMPUS
700 West State Street
Milwaukee, Wisconsin 53233-1443
414-297-6600

NORTH CAMPUS
5555 West Highland Road
Mequon, Wisconsin 53092-1199
262-238-2200

SOUTH CAMPUS
6665 South Howell Avenue
Oak Creek, Wisconsin 53154-1196
414-571-4500

WEST CAMPUS
1200 South 71st Street
West Allis, Wisconsin 53214-3110
414-456-5500

Dear Representative Jeskewitz:

At our last appearance before the Joint Legislative Audit Committee in June, several members asked questions about recent news articles regarding MATC's volleyball team. I share your concern. There was a lack of oversight with respect both to eligibility issues and team expenses. We must be much more vigilant with regard to athletics and ensure that athletes are actively and successfully engaged in this college's academic mission. In that regard, we have taken appropriate disciplinary actions which include the removal of the volleyball coach from all team competition and a two-week suspension of that individual without pay.

As you know, the athletic budget at MATC is paid for exclusively by student fees and funds raised privately by sport clubs. These sources covered all costs for the men's volleyball team. No tax monies were spent. Even so, we believe that some expenses are clearly questionable. The clubs control the money, but have an obligation to make sure it is spent in ways that directly support athletics. That was emphasized to all coaches and players in our follow-up to the volleyball controversy. We have stepped up monitoring of team expenses to make sure this imperative is followed.

The rules for intramural-level competition do not require athletes to maintain a minimum grade point average or even complete their courses. Athletes are required, however, to be enrolled for nine credits throughout the season. Investigation of the 2003 and 2004 teams found that several athletes failed to meet this minimum. In 2003, two students were allowed to compete with no record of ever being enrolled. While participation is not conditioned on GPA or completion, we were troubled to find other examples of athletes paying token attention to academics.

Accordingly, MATC self-reported the violations to the National Intramural Recreational Sports Association. Upon further investigation, we forfeited both our 2003 Division II and 2004 Division I national club volleyball championships. NIRSA subsequently commended our proactive stance while imposing sanctions. The MATC volleyball team was suspended from national competition for two years and placed on probation for an additional two years.

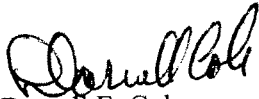
The Honorable Suzanne Jeskewitz
Page 2
August 31, 2004

The concerns raised by this incident were sufficient for us to disband the intramural men's volleyball team. If we ever do resume a volleyball program, it will be at the varsity level, as part of the National Junior Collegiate Athletic Association. The NIRSA sanctions are moot in that MATC no longer will be competing in club-level athletics.

For all sports, we have increased oversight by adopting more rigorous spending controls. We also will strengthen communication with the student committee that oversees athletic spending. We reviewed player eligibility across all sports, with no similar problems being found. Eligibility monitoring of student athletes has now been taken out of the coaches' hands and transferred to the registrar, where it properly belongs. Coaches will no longer be responsible for certifying eligibility of their own players, which is a potential conflict of interest.

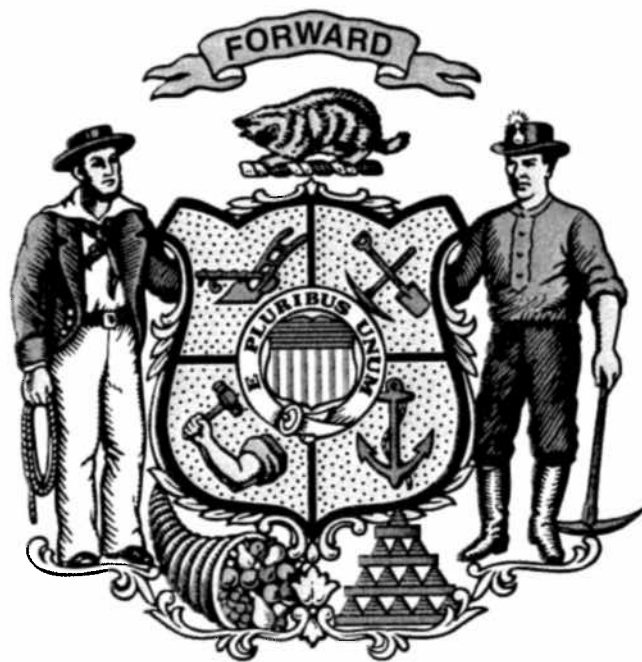
This brings you fully up to date on issues regarding the men's volleyball team. If you have any further questions, please do not hesitate to call.

Sincerely,



Darnell E. Cole
President

cc: Mr. Mark S. Maierle
Mr. Daniel Clancy



MILWAUKEE AREA TECHNICAL COLLEGE (MATC)

Background Notes:

- Report 03-4, released 3/12/2003
 - Program evaluation conducted at the request of the Joint Legislative Audit Committee
 - Co-chairs held hearing on 7/29/03 at which time they asked for disciplined follow-up from MATC to the audit recommendations
 - MATC shared updates with the Technical College Board and the co-chairs in November 2003 and March 2004 (see letters to co-chairs from Dr. Carpenter)
 - In hearing invitation letter (see letter dated 6/2/04), co-chairs asked that MATC be prepared to discuss recent media reports about possible budget deficits
 - On 6/22/04, LAB updated key tables from report 03-4 for Committee members (see letter)
 - Janice Mueller and Kellie Monroe will testify on behalf of LAB
1. (TO: Dr. Cole) In your response to the audit, you indicate that MATC staff provided the Board with "complete, accurate, and timely information, to the best of its ability." That is a significant change from current media reports in which board members have expressed dismay that they were not previously told of a 2.85 percent salary increase for all staff, retroactive to July 1, 2003. Would you please comment on this change?
 2. (TO: Dr. Cole) Recent media reports indicate that the District is considering a \$1.5 million decrease in part-time teacher expenditures. If implemented, will this action necessitate a reduction in the number and scope of classes offered? How would a reduction in classes affect the District's goals of enrolling additional students?
 3. (TO: Dr. Cole) The General Fund Reserve is expected to move into a negative position in fiscal year (FY) 2006-07, and the Reserve for State Aid Fluctuations no longer exists. What was the rationale for eliminating the State Aid Fluctuation reserve, and what is the plan for rebuilding a General Fund Reserve?
 4. (TO: Dr. Cole) How do you propose to cover shortfalls in child care and food service?
 5. (TO: Dr. Cole) The operational mill rate of \$1.48 for FY 2003-04 is slightly below the statutory maximum of \$1.50. What assumptions are made for the mill rate in the future?
 6. (TO: Dr. Cole and Mr. Maierle) Has the Board begun to discuss how it will approach escalating health care costs? A recent media report indicated that providers may seek an increase in rates, yet agreements are in place with the unions that limit MATC from seeking changes until July 2007, unless the unions agree.
 7. (TO: Dr. Cole and Mr. Maierle) Are you planning an audit of the athletic department? If so, who will conduct this audit?



Phase I
Phase II

MATC to cut 33 jobs under reorganization

By TOM HELD
theld@journalsentinel.com

Thirty-three jobs will be eliminated at Milwaukee Area Technical College under a reorganization plan MATC's president released Wednesday.

Twelve of the jobs are now vacant, but the cuts likely will put some people out of work, an unusual event at the public institution. Twenty of the jobs are administrative and 13 are in the school's bargaining unions.

Those notified that their jobs will be gone June 30 are being encouraged to apply for other vacancies at MATC or jobs expected to open through retirements.

Jo Ann Haglund, president of AFSCME Local 587, said workers who got termination letters were "traumatized" by the loss of jobs paying \$32,000 to \$39,000 a year. Among those pink-slipped were a maintenance worker, a word processing technician and an office assistant, Haglund said.

Haglund said she was upset while the college hires tempo-

rary workers to clean and do other work, and adds new administrators, particularly a food service coordinator.

The school has 1,423 full-time employees and a labor budget of roughly \$90 million.

MATC officials did not release a list of jobs being eliminated, citing confidentiality laws.

"This has been a very difficult process, particularly given the personal impact it has on many of our employees," said Darnell Cole, MATC president. "However, we must continually reassess our organizational structure to make sure it remains efficient and cost effective."

Cole projects that the job cuts will save MATC about \$1.8 million in the 2003-'04 budget year, which begins July 1. The savings would help offset part of the \$3.7 million deficit included in the college's preliminary budget calculations.

Lauren Baker, MATC Board chairman, said the job cuts were not driven by cost savings but are part of a reorganization Cole initiated last year to reduce bureaucracy.

In the first phase, 18 administrative jobs were eliminated and 20 full-time teaching positions were left unfilled.

No teaching positions were among the latest cuts, and Cole said he planned to add teachers next year to meet the demands of an increasing enrollment.

Michael Rosen, president of the teachers union at MATC, said the faculty would welcome the administrative streamlining Cole promised last year. But the college also needs to fill some vacant teaching posts, he said.

"The fact we're holding open faculty positions while the demand for our services is growing because of the weak economy, it's not right," Rosen said.

One of the most significant changes eliminates the vice president of facilities and moves those duties to three other divisions. Cole fired Lester Ingram from that job in January, after Ingram initiated an investigation into Cole's hiring of an MATC carpenter to work on his house.

Ingram has challenged the dismissal.

Mount Mary to honor MATC grads' credits

Schools reach deal to let work in all programs count

By ANNE DAVIS

adavis@journal-sentinel.com

In a first for both schools, Milwaukee Area Technical College and Mount Mary College have entered into a comprehensive credit transfer agreement.

Graduates of any two-year associate degree program at MATC can transfer into the private Catholic women's school as juniors, under the agreement, and go on to earn a four-year bachelor's degree in liberal studies.

In a companion agreement that applies to men as well, graduates of MATC's associate degree in nursing program will be able to transfer into the nursing program offered jointly by Mount Mary and Columbia College of Nursing. There they can earn a bachelor of science degree in nursing. That program accepts both men and women.

The agreement was signed Tuesday. Mount Mary will accept transfer applications from MATC students beginning Thursday. To qualify, students must have maintained a C average or better at MATC.

Although MATC has other transfer arrangements with Mount Mary and other local

institutions, those agreements cover only particular programs. This is the first time the school has entered into an agreement in which all credits earned by graduates of any of its 67 associate's degree programs transfer completely. That means students who have completed technical courses in horticulture, engineering or police science at MATC can have those credits transfer to Mount Mary even though that school does not have equivalent courses.

MATC President Darnell Cole said he wants the agreement to be the first of many between MATC and other four-year colleges and universities in the area.

"I think we should be facili-

tating lifelong learning no matter where students start their education," Cole said. "This is the model we think is most appropriate and one we hope to pursue with other institutions, including the University of Wisconsin) System."

In the most recent of its program-to-program transfer collaborations, MATC signed an agreement last week with Concordia University in Mequon. That agreement allows graduates of four MATC associate's degree programs to transfer into Concordia's Adult and Continuing Education program as juniors.

These types of agreements "make all the sense in the world," Cole said, because stu-

dents earn a four-year degree using "limited taxpayer dollars."

Patricia O'Donoghue, president of Mount Mary, said the agreement is another way for the school to reach its goal of expanding educational opportunities for women.

To earn an associate degree at MATC, students must complete a core of general education courses as well as technical classes related to the degree area.

Costs at the two schools vary widely. MATC charges \$72.28 per credit for most courses and \$99.28 per credit for certain higher level classes. Mount Mary's tuition is \$15,100 a year for a regular, full-time undergraduate student, or \$440 per credit.

Original URL: <http://www.jsonline.com/news/ozwash/apr03/135974.asp>

MATC to offer nursing at North Campus

Expansion of degree program caters to demand

By ANNE DAVIS

adavis@journalsentinel.com*Last Updated: April 24, 2003*

Mequon - Nursing classes will be offered for the first time in fall at Milwaukee Area Technical College's North Campus as part of a systemwide expansion of MATC's nursing program.

Two evening sections of MATC's registered nursing associate degree program will be taught at the North Campus, the first of the college's three satellite campus to offer the program. Twenty students are expected to enroll.

In addition, the North Campus and MATC's West Campus in West Allis will begin offering the nursing assistant program for the first time in fall. Two eight-week sessions will be offered at each site, serving a total of 64 students.

"We're very excited," Nina Look, vice president of the North Campus, said of the new classes. "This is something that has been in the works for a long time."

Look said the campus frequently gets inquiries from residents who are interested in taking nursing classes but do not want to travel to the campus in downtown Milwaukee for the program. Many have work commitments or family responsibilities that make such a commute unworkable, Look said.

"Some folks who live and work out this way find it a burden to fit that all in," she said.

The decision to offer the registered nursing classes in the evening was done to accommodate the schedules of the many students who finance their education through day jobs, Look said.

MATC is one of the state's largest providers of registered nurses, enrolling 220 students a year. Limited space at the Milwaukee campus means many people have to be turned away. There are 700 people on a waiting list.

Look said these people will be offered the choice to enroll in the new program at North.

Nancy Vrabec, associate dean of nursing, said the addition of the new programs will increase opportunities for students and help the school meet the growing demand for all types of nurses.

"There's a high demand for all levels of nursing," Vrabec said.

The state Department of Workforce Development has estimated that Wisconsin will need 24,000 additional nurses by 2010.

The nursing assistant programs were easiest to expand initially because they are shorter than the registered nursing program. The nursing assistant program is a five-credit course that lasts eight weeks, Vrabec said.

The new programs will allow MATC to almost double its enrollment. The school now has 112 students enrolled in the nursing assistant course each semester. There are 300 students on a waiting list.

Enrollment

☑ MATC is one of the state's largest providers of registered nurses, enrolling 220 students a year.

"Our downtown campus is pretty much at capacity," said Robert Heeman, MATC's dean of health occupations. "We're running nursing classes from 6 a.m. to 11 p.m. seven days a week."

School officials moved a tool and die program offered at North to the Milwaukee campus in order to create room for the nursing programs, Heeman said. Equipment was donated by the Columbia College of Nursing.

According to Heeman, North was chosen as one of the first sites for the expansion because of the interest among students living in or near Ozaukee County. Of the 700 students on the waiting list for the registered nurse program, about 300 of them live in or around Ozaukee County. About 200 students on the waiting list for the nursing assistant program are Ozaukee County residents, Heeman said.

MATC plans to offer the nursing assistant program at its South Campus in Oak Creek by the 2004-'05 school year.

The school hopes to eventually offer the registered nursing program at all three satellite campuses, as well.

From the April 25, 2003 editions of the Milwaukee Journal Sentinel

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MATC leaders face \$3.6 million budget deficit

Excess salary costs, revenue shortfalls lead to red ink

By TOM HELD
theld@journalsentinel.com

Posted: April 29, 2004

Administrators and directors running Milwaukee Area Technical College have roughly two months to fill a projected \$3.6 million hole in the school's budget.

Unbudgeted salary costs and revenue shortfalls created the deficit, based on figures presented to the MATC board this week.

The projections show that the college will spend roughly \$95.8 million on salaries in 2003-'04, nearly \$4.3 million more than was budgeted in June. In addition, MATC will take in roughly \$2.1 million less in revenue than it had included in that budget.

Savings in other areas will offset those shortfalls, and a move Tuesday night to borrow \$700,000 for three locally produced programs on its television stations left the college's projected shortfall at \$3.6 million.

"It's not doom and gloom," MATC President Darnell Cole said. "It's not anything that can't be resolved. We need to put together a plan to address it quickly."

Cole said administrators would give the board a plan to balance the budget in time for its next meeting May 25.

It's a frustrating, but familiar, financial predicament for the administration and the board.

In March 2002, financial staff members projected a \$3.7 million shortfall in the 2001-'02 budget. The administration implemented a plan to cut spending, and MATC had a \$784,000 surplus when it closed its books that year.

Contract OKs expected

Similarly, this latest projection comes when the college has reached contract settlements with teachers and other staff members.

Unions representing MATC employees are expected to ratify three-year contracts over the next few weeks, and the board is expected to approve the pacts in May. The contracts, running from July 2003 through June 2006, include yearly raises of 2.85% for the staff and roughly 1,300 teachers.

The college has 2,363 employees. Under the new contracts, the top salary for teachers will increase from \$78,271 to \$80,501.

In discussion Tuesday night, board members questioned whether the budget they approved in June included enough money to cover the contract settlements, which were anticipated at the time.

Administration figures show that the new contracts added roughly \$900,000 to the college's salary expense, leaving board members wondering how the total salary costs came in nearly \$4.3 million over budget.

Peter Earle, chairman of the board's Finance and Personnel Committee, called the revelation shocking.

"I'm not sure that anyone at this point in time has an operational understanding of exactly why we have this \$4 million more in personnel costs than we had previously approved," he said.

Board member Bobbie R. Weber was equally frustrated.

"Voodoo economics or whatever's happening, I don't want to be a part of it," Weber said.

Cole said the addition of nearly 20 teachers this school year, when enrollment has increased roughly 11% over the past two years, generated the added salary costs.

But the projections released this week also show that the college failed to account for expected salary increases in the 2003-'04 budget, which totals \$265.7 million.

'That makes no sense'

A projection from February 2003 showed that salaries for 2003-'04 would total \$95 million, but the board adopted a budget allocating only \$91.5 million, roughly the amount spent in the preceding year, according to the figures released this week.

"That makes no sense to me," said Frank Shansky, director of labor relations for the American Federation of Teachers Local 212.

Jim Gribble, director of public relations at MATC, said the college did budget \$2.6 million for the expected salary increases. But he also said there was uncertainty about how the salary account fell \$4.3 million short.

"We're trying to get a better answer on it right now," Gribble said.

West Allis Mayor Jeannette Bell, a board member, said the MATC budgets approved every June are based on tenuous cost and revenue projections. The amount of state aid the school will receive, its enrollment and tuition revenue are all best guesses at that time, she said.

"I think they were unrealistic projections, wishful thinking," Bell said.

Bell, who has been on the board since 1999, said she sees the current projected shortfall as a surmountable problem.

"I guess we will have to make some very tough decisions, and we will," Bell said. "I think we're up to that."

Cole said he could not reveal yet what cuts he will recommend to the board. He did not rule out dipping into the college's reserve account, which has roughly \$11 million.

From the April 30, 2004 editions of the Milwaukee Journal Sentinel

www.jsonline.com[Return to regular view](#)Original URL: <http://www.jsonline.com/news/metro/may04/230579.asp>

MATC reserves to cover budget deficit

\$4.2 million shortfall caught board off guard

By TOM HELD
theld@journalsentinel.com

Posted: May 19, 2004

The Milwaukee Area Technical College will dip into the school's reserves to patch a \$4.2 million budget deficit that caught frustrated board members by surprise near the end of the fiscal year.

Plans to siphon more money from reserves to balance the upcoming 2004-'05 budget added to the consternation at a finance committee meeting Wednesday.

Drawing more than \$4.6 million from the reserve account over the next year will reduce the fund to roughly \$11 million, violating a board policy that calls for an operating reserve of 10% to 15% of the annual budget. The move to reduce the reserve to about 7.3% of the total budget also is likely to threaten MATC's bond rating.

"We're hurting financially as an institution more than at any other time that I've been on this board," said Peter Earle, a local attorney appointed to the panel in 1998.

Figures released by MATC administrators last month projected the college would have a \$4.2 million deficit in the 2003-'04 fiscal year, which ends in six weeks. The board previously reduced that amount to roughly \$3.6 million.

The plan to patch the hole calls for \$1.1 million to be transferred from the college's television stations, Channels 10, 7 and 36, into the general operation account, which covers the core mission of educating students. Another \$1.2 million will be pulled from profits generated by the college bookstore and allocated to general operations.

The rest of the gap will be filled with \$1.9 million taken from reserves.

The finance committee endorsed the plan Wednesday. The full board will take it up Tuesday.

While resigned to fixing the budget gap with money from the reserve funds, board members repeated their disappointment and irritation that a budget they thought was balanced last June proved to be out of whack from the start.

Board members have said they thought the budget they approved last June included money to cover raises provided in recent contract settlements with MATC's roughly 2,363 employees.

The three-year contracts, retroactive to July 1, include annual raises of 2.85%. Board members believed the budget included money to cover raises up to 3%.

But the new projections show the college will spend roughly \$95.8 million on salaries in 2003-'04, nearly \$4.3 million more than budgeted.

"It's difficult to understand how we got to this position," said board member Lauren Baker.

Michael Rosen, the president of the local union representing MATC teachers, blamed the school's administration for failing to allocate sufficient money to cover the budgeted salary increases and said the hiring of consultants throughout the year

contributed to the overall deficit.

The college also failed to meet its goal of increasing enrollment by 5%, leaving it \$865,000 below the amount expected from tuition and fees, he said.

Baker asked for assurances that the 2004-'05 budget numbers the board will consider next month will be accurate.

The budget proposal for 2004-'05 calls for an 8.6% increase in spending, to \$289 million, and a 4.9% increase in the tax levy, to \$117.4 million. Even with the increase in tax revenue, the budget requires \$2.7 million to be drawn from the reserve account to balance the books.

From the May 20, 2004 editions of the Milwaukee Journal Sentinel

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MATC team draws scrutiny

Doubts about volleyball players' eligibility cast shadow on national titles

By TOM HELD
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Last Updated: June 13, 2004

After the men's volleyball team at Milwaukee Area Technical College claimed its second consecutive national club championship, coach Carrie Grulke gushed about her pride in the "student-athletes."

However, while their 46-2 record left no doubt about their skills on the court, their performance in the classroom is raising serious questions about the "student" half of the equation.

Rival coaches say they're not surprised. MATC officials who celebrated the team's success are having second thoughts. And the questions could cost the Stormers one or both of their national championships.

Under the national club sport rules, MATC volleyball players are required to carry at least nine credits throughout the spring semester, and through the national tournament start date, which was April 8.

Jim Gribble, the public relations director at MATC, said officials are certain that all but one of the 11 players for 2004 met that eligibility requirement. That player dropped a class immediately before the tournament, and his status is being reviewed.

According to information provided to the Journal Sentinel, four of the 11 Stormers finished the spring semester having failed or dropped all of their classes, and received zero credits for the semester. Two other players completed just one class each.

That information confirms the suspicions of the Stormers' rivals among other Wisconsin college club teams.

"Many people questioned whether those players ever went to a class, completed any course work, know what their classes were and who paid for the classes," said Jason Smith, commissioner of the Wisconsin Volleyball Conference. MATC dropped out of the conference to play an independent schedule this year. "Those are questions that have been gray areas about the program for three years."

Smith said MATC built its success by bringing in top volleyball players under the loose rules of club sports, which allow former collegiate players to compete and require minimal academic diligence.

The 2004 Stormers were a dominant team that featured two players, Adam Stempel and Daniel Kellum, who played varsity volleyball at the NCAA level before signing up for classes at MATC. Kellum, 24, was the most valuable player at the national championships.

He joined the Stormers after playing four years at Loyola University in Chicago. Another MATC player - and the chance to keep playing competitive volleyball - lured Kellum to MATC.

"They got me and two other guys that came in new," said the 6-foot-4-inch left-side hitter. "We're just a little bit older and love the game and are looking for a way to play."

Another MATC player, Rick Kreiter, played previously on the University of Wisconsin-Oshkosh club team.

Of the three, only Kellum completed a class during the spring semester, according to information provided to the Journal Sentinel. Kreiter and Stempel enrolled in the same four classes, but failed to obtain a single credit. Stempel declined to comment.

Classes fell by wayside

"I would probably say maybe three-fourths of us or so, we didn't really care about the education, as bad as it sounds," said Chad Watson, a West Allis Central High School graduate who played for both of MATC's championship teams. "For us, it was just something to do as a team."

Watson acknowledged that he stopped going to classes sometime in March, and he failed all three. But he didn't drop the classes, and he owes money for the tuition.

While it is a club team, MATC enjoys some big-time college perks. The Stormers had a budget of \$29,000 this year, including \$12,000 for travel, and the club raised additional funds itself. The team flew to Las Vegas and to the national championship in Charlotte, N.C., and celebrated its season with a \$500 party at Mo's Irish Pub.

"We had jerseys, airfare, the shoes and shorts, hotels all taken care of for us," Watson said. "It was pretty cool for us."

Gribble said it was "probably true" that some of the players enrolled at MATC primarily to play volleyball. He also said that jealousy sometimes appears when a team has the type of success that the Stormers have enjoyed over the past two years.

Investigation pending

The National Intramural-Recreational Sports Association, the governing body of national sport club volleyball, is investigating questions about MATC players' eligibility in both 2003 and 2004 and could strip the club of either crown, said Mary Callender, the national sports programs director.

A decision on MATC's eligibility should be made this week, she said.

In addition, college officials are reviewing the roster from the 2003 Stormers team to determine if all of its players met the eligibility requirements. That team won an NIRSA Division II title as MATC celebrated its first national championship in school history.

Grulke, the Stormers' coach and an assistant athletic director, declined to answer questions about her volleyball program.

Archie Graham, the interim athletic director, said he would do what was necessary to ensure that academics become a part of the team's focus.

The athletic success thrilled MATC leaders, who are seeking to burnish the school's image and appeal to more students by improving its athletic program. But that glorious success now seems a bit tarnished, said Peter Earle, who sits on the MATC Board of Directors.

"We were all very proud of the idea that a small David facing the Goliath of these large universities was able to win a national championship," he said. "The source of pride was the idea that these were our students."

"Absent them being students, there's no sense of pride and joy in their accomplishments."

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MATC board requests audit of sports department expenses

Entire athletics budget comes under scrutiny

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Purchases of laptop computers, cameras and televisions for the sports teams at Milwaukee Area Technical College will be scrutinized under an audit MATC board members requested Wednesday.


The electronics purchases totaling roughly \$20,000 over the past year raised the most questions for members of the MATC board's finance committee; however, the audit will cover the entire athletic department budget, which has grown to \$705,115 annually.

Finance committee chairman Peter Earle called for the audit, despite receiving an account of the purchases and an explanation of the budget increases from Archie Graham, the interim athletic director.

"We're talking about a lot of money here," Earle said. "What I'm concerned about is the proper oversight and accountability."

Graham said the athletic department purchased the cameras and video screens for coaches to review films of games and practices. The new laptop computers are provided to help athletes complete school work on road trips, Graham told the committee.

Overall spending on sports has increased to improve the baseball and soccer fields at the MATC south campus in Oak Creek and to cover added expenses for post-season play of those teams, he said.


 In response to revelations about the poor academic performance of the men's volleyball players, Graham said the department would develop its own academic standards. Four members of the team finished the semester without obtaining any credits, and the eligibility of at least one member is being reviewed.

Graham said supervisors would direct coaches to emphasize academics and verify enrollment information with the registrar's office.


Spending in the athletic department also came under fire from residents, who lobbied board members to maintain child care services provided at the four MATC campuses. The board has considered cutting the services at all but the Milwaukee campus to save about \$1 million in the upcoming 2004-'05 budget year.


The finance panel recommended that child care services be continued through the next school year while a task force studies how the college can sustain the services, which require about \$1 million in tax revenue each year.

While leaving the day care program intact, the finance panel voted to reduce spending on part-time faculty by \$1.5 million, eliminating jobs for about 200 part-time teachers. Another 17 jobs in various support services also will be eliminated, cutting another \$1.6 million in spending and helping the college maintain its reserve funds.

 With those recommendations, on Tuesday the full board will consider a 2004-'05 budget calling for \$285 million in total spending, roughly 7% more than the college spent in 2003-'04. The local property tax levy to support the college is projected

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to be \$117.39 million, a 4.9% increase.

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