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☞ Details: Follow-up: Audit Report 03-4, An Evaluation: Milwaukee Area Technical College District

(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2005-06

(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)

FORWARD  
**Alberta Darling**  
**Wisconsin State Senator**  
Joint Committee on Finance

**TESTIMONY BEFORE THE LEGISLATIVE AUDIT COMMITTEE**  
**June 20, 2006**

As the legislator who originally requested the audit in 2002, I am pleased you have allowed me to testify on the issue and give my feelings on the successes and failures of the district in the years following the original release. I believe many of the issues up for discussion again today would not have become the publicly debated and discussed topics they are if it were not for the work of the Audit Bureau and the due diligence showed by Chairwomen Roessler and Jeskewitz.

Over four years ago I requested the Audit Bureau focus on a handful of core concerns raised by some MATC board members, several of my constituents and the Milwaukee media. My original request concerns that surrounded the use of reserve contingency funds to pay for ongoing operating expenses and potential violations of board policies appear to have been largely cleared up and taken care of. I applaud President Cole, the Board and the union for their work to address those recommendations. Also, it appears the board has done a much better job with their use of outside consultants.

However, a full three years after the original audit was released, some important questions remain unanswered.

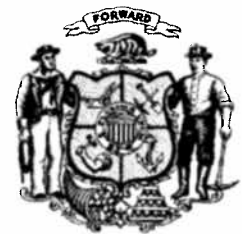
1. Has the MATC Board showed an improved fiduciary responsibility to the taxpayers who fund the college by making tougher, smarter budget decisions?
2. Why haven't teacher and administrator salary costs been lowered or held steady in the three years since the audit was released?
3. Have the right choices been made to ensure MATC benefits the taxpayers that pay for it, the student body that attends it and the business community that relies on it?
4. When they pass their annual budgets, are some board members beholden to the people who appoint them, namely administration or the employee unions or are they doing what's best for the taxpayers and the business community?
5. Could MATC survive and thrive if they were placed under the same levy restrictions that are currently placed on all Wisconsin school boards, county boards, cities and villages.

It appears that the current Board has deliberately chosen not to address these issues only because they have not been forced to. Statistics make it clear that while other elected government boards have had to cinch their belt and make cuts, pass freezes, and trim budgets, the MATC Board has not.

In closing, it appears the 2003 audit and its findings have helped push MATC's leaders to improve in some areas. Unfortunately, I still wonder if the greater Milwaukee area is getting a quality return on their investment.



# WISCONSIN STATE LEGISLATURE



**DATE:** June 20, 2006  
**TO:** Members, Legislative Audit Committee  
**FROM:** Senator Alberta Darling  
**RE:** My comments on the 2003 MATC audit

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Thank you again for allowing me to testify earlier today at the committee meeting.

I am pleased to know the committee has put such an important emphasis on MATC, its mission, financial decision making, programs and curriculum.

As I mentioned during my testimony, my desire is to see MATC thrive and flourish and to see the taxpayers of the district get a quality return on their investment.

Unfortunately, I misstated some statistical information relating to graduation rates and student counts during my testimony today.

However, my main question remains:

- If there are approximately 13,000 FTE students currently enrolled in MATC, and their budget and tax levy continue to rise, why are so few degrees granted each year?

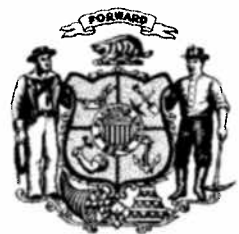
My desire was to question how the MATC Board can justify having a \$300 million dollar budget including \$140 million to pay 1,400 teachers and staff, operate four campuses and offer immeasurable college prep, associate, vocational and basic skill courses, yet award so few degrees (the five year average is about 2,000 a year).

I remain discouraged, as many Milwaukee business and community leaders do, at the apparent lack of results MATC delivers the taxpayers of the area.

Thank you again.



# WISCONSIN STATE LEGISLATURE



**MEDIA RELEASE**

JUNE 21, 2006

**FOR IMMEDIATE RELEASE**

CONTACT: MICHAEL ROSEN; 414-467-8908, [rosenm@matc.edu](mailto:rosenm@matc.edu)  
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**REPUBLICANS IGNORE FACTS TO SPREAD MISINFORMATION**

Dr. Michael Rosen blasted the "Republican misinformation campaign about MATC" in a statement today.

Rosen, Economics Professor at Milwaukee Area Technical College (MATC) and President of American Federation of Teachers Local 212, responded to attacks made yesterday by Republican Senators Alberta Darling and Carol Roessler as well as Republican Representative Sue Jeskewitz.

"These lawmakers used a Joint Audit Committee hearing to spread inaccurate information about our college, our students and its employees," Rosen explained. "None of the Audit Bureau's recommendation dealt with faculty compensation. Yet, these legislators used the hearing as an opportunity to disparage the job we do and the population we serve," Rosen added.

"For example, Rosen said, "Sen. Roessler stated in the hearing that MATC faculty does not pay for our health insurance. That is a total fabrication. We pay co-payments, deductibles and co-insurance, and these costs have been going up for us just like they have for everybody else."

Rosen added that if the legislators had truly been interested in the getting the facts, they would have invited Local 212 to speak at the hearing and answer their charges, "But, of course, we weren't invited because their goal was a forum to trash us, not to get at the truth. "It's ironic that a week after the LAB concluded that Gateway's administration had misused more than \$3 million in property tax money for a private venture, these legislators turn their heavy artillery on hard working faculty members who train the local labor force."

"The state faces a critical shortage of skilled workers that is hampering economic development," explained Rosen. "MATC and other tech colleges train the very workers who are needed, and we have huge waiting lists in some areas," he added.

"These lawmakers should have been talking about how they can get resources to technical colleges to train more workers rather than engaging in attacks based on politically-inspired inaccurate information," Rosen said.

Rosen also pointed out the "utter hypocrisy" of these legislators criticizing MATC's reliance on the property tax levy.

**-MORE-**

“These legislators have voted for state budgets that have cut the state’s contribution to technical colleges by more than 50% over the past 15 years. Next year MATC will receive \$7 million less in state revenue than we did in 1999,” Rosen explained. “The legislature’s failure to meet its obligation to fund the tech colleges has shifted the burden of financing technical education to property tax payers and students.

“Ironically, the more Republicans cut their support of technical colleges, the more control they want,” said Rosen. “The world doesn’t work that way.”

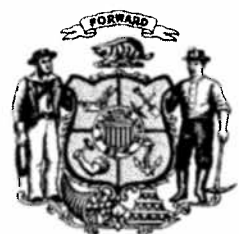
Rosen also pointed out that references to faculty salaries were misleading.

“To make \$91,000 per year, an MATC instructor would have to be at the top of the pay scale, teach extra courses, teach summer school or perform administrative tasks. When our faculty do those things, it actually saves the taxpayer money, because extra work is not paid at time and a half, but at a reduced rate,” Rosen explained.

“If the college hired additional employees to teach those courses or do that work, their salary costs would be 40% higher and fringe benefit costs would run many hundreds of thousands of dollars more,” Rosen said.



# WISCONSIN STATE LEGISLATURE





## Matthews, Pam

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**From:** Handrick, Diane  
**Sent:** Friday, June 23, 2006 2:56 PM  
**To:** SueHome; Matthews, Pam  
**Cc:** Chrisman, James; Asbjornson, Karen  
**Subject:** From WisPolitics re: MATC audit hearing

wispolitics.com

Reps. Kessler, Toles, Zepnick: Democrats Defend Milwaukee Area Technical College From Republican Attacks  
6/23/2006

Contact: Rep. Fred Kessler (608) 266-5813 Rep. Barbara Toles (608) 266-5580 Rep. Josh Zepnick (608) 266-1707

At Tuesday's Legislative Audit Bureau Hearing to discuss MATC's progress on an earlier audit, three Republican lawmakers launched an unprincipled attack on Milwaukee Area Technical College, its faculty and staff. Democrats defended the institution, citing the success it has had transitioning students from high school to four year colleges and preparing them for the workplace.

"MATC is the state's largest technical college with 58,000 students and should be supported not castigated," said Representative Tamara Grigsby. "It educates more students of color than all of the state's other colleges and universities combined. The college is a great investment of our tax dollars because for every tax dollar invested in MATC, the college generates over \$9 in the local economy."

"There is a severe shortage of skilled workers in our state", noted Representative Barbara Toles. "Students have a real need for the classes and training MATC provides so they can obtain good-paying jobs to support their families. MATC works and the college will definitely help solve our labor shortage problem," Toles added.

"Studies show that MATC plays a vital role in the economic growth of the city. It provides low skilled workers with the educational opportunities necessary to secure higher wage earning jobs. Instead of criticizing MATC, we should look for ways to work with them more, so that we can lower our unemployment and poverty rates", said Representative Jason Fields.

"These types of attacks on MATC are not only harmful to the institution, but to our community as a whole. I applaud MATC for its ability to produce job-ready graduates who are able to meet the challenges posed by today's workplaces," Senator Spencer Coggs declared.

"The real issue is how to get resources to our technical college to get students off the waiting lists, into programs and jobs where employers are waiting for them," said Representative Christine Sinicki.

"MATC has a five year waiting list in radiography and 1000 students backed up in nursing," added Representative Fred Kessler. "Wisconsin is going to face a serious nursing shortage and MATC is an important player in providing skilled nurses to fill that gap," Kessler concluded.

"Republicans have starved the tech colleges over the past five years, and these attacks represent nothing more than a classic bait and switch," commented Representative Josh Zepnick.

Democrats pointed out that for more than a generation the Republican dominated legislature refused to meet its obligation to provide tech colleges with one third of their funding. As a result, state support for MATC has fallen from 33.7% in 1990 to 15% today. MATC will receive \$7 million less next year from the state than it did six years ago.

"With Milwaukee's high school graduation rate the fourth lowest in the nation, the burden for transitioning students to succeed academically in college falls to MATC and other technical colleges more often than not, which takes more time and support than the Republican majority has been willing to concede," said Senator Taylor. "Of the almost 60,000 students this institution serves, nearly 50% require basic skills training and MATC has, without a doubt, done more to prepare these adults to enter the workforce than any other entity in the state."

Democrats further noted that the Milwaukee area community supports MATC. At a recent public hearing 23 citizens,

employers, labor leaders and taxpayers testified in support of MATC, with not a single negative comment. In addition, survey after survey of employers and students confirms that the college's most important strategic asset is its dedicated faculty and professional staff.

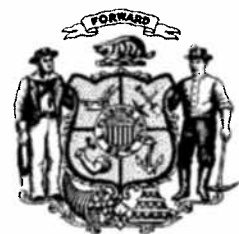
The Democratic lawmakers issued a joint statement that said, "As Milwaukee area legislators, whose constituents are served by MATC, we support the college, its students, administration, faculty and staff, and would hope that Legislators around Wisconsin would recognize its value."

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# WISCONSIN STATE LEGISLATURE



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# Milwaukee Area Technical College District

Legislative Audit Bureau  
June 2006

1

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## Legislative Audit Activity at MATC

- ◆ Report 03-4 released in March 2003
- ◆ Joint Audit Committee follow-up
- ◆ Letter report on Outside Legal Counsel released in August 2005
- ◆ Personnel Policies and Practices audit is a work-in-progress

2

## MATC Enrollment

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- ◆ District serves all of Milwaukee County, most of Ozaukee County, and parts of Washington and Waukesha counties
- ◆ In 2004-05, full-time equivalent student enrollment at MATC was 13,381
- ◆ In 2004-05, Technical College System enrollment was 68,414

3

## MATC Financial Information, FY 2004-05

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- ◆ Operating expenditures - - \$160,399,463
- ◆ Cost per FTE student - - \$11,987
- ◆ State aid - - \$26,272,800

4

## Property Tax Revenues

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- ◆ MATC has been at or near the 1.5 operating mill rate limit since FY 1990-91
- ◆ Property value increases in the MATC District are higher than those reported in nine other districts

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## Budget Management at MATC

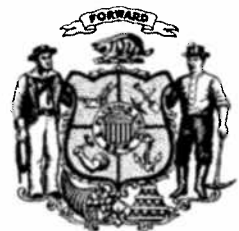
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- ◆ Board is meeting in June
- ◆ The Board has been responsive to some of the recommendations we made in March 2003
- ◆ Some budget issues we identified in March 2003 are of continued concern

6



# WISCONSIN STATE LEGISLATURE



## Milwaukee Area Technical College District

March 2003

# Report Highlights ■

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***A number of MATC's financial decisions warrant review.***

***Instructor salaries are higher than at selected institutions.***

***MATC has not effectively managed the cost of health care benefits.***

***MATC agreed to forego additional health plan changes until 2007.***

***Information provided to the Board has been incomplete and inaccurate in some instances.***

The Milwaukee Area Technical College (MATC) District is the largest district in Wisconsin's technical college system. In fiscal year (FY) 2001-02, MATC enrolled 12,504 full-time equivalent (FTE) students and employed 1,944 FTE staff. Its FY 2001-02 operating expenditures totaled \$152.0 million.

During FY 2001-02, MATC experienced significant financial difficulties. In response to an anticipated general fund deficit of \$3.5 million, Moody's Investors Service attached a "negative outlook" to MATC's debt rating in December 2001. As a result, some legislators and members of MATC's Board of Directors raised concerns about MATC's financial management and governance. Therefore, at the direction of the Joint Legislative Audit Committee, we analyzed:

- MATC's financial status;
- financial management issues, including management of revenue sources such as training contracts and enterprise activities, as well as compensation for administrators and contracting for professional services;
- employee wages and benefits, including those negotiated during the 2001 collective bargaining process; and
- MATC's governance, including adherence to state statutes and the Board's policies.



## Key Facts and Findings

*MATC has both the largest enrollment and the largest budget of Wisconsin's technical college districts.*

*In FY 2001-02, operating expenditures were \$152.0 million.*

*A "negative outlook" was attached to MATC's debt rating in December 2001 but removed in December 2002.*

*MATC receives general state aid equivalent to \$2,149 per FTE student. The statewide average is \$1,857.*

*MATC does not comply with its policy of recovering 100 percent of costs associated with specialized training contracts.*

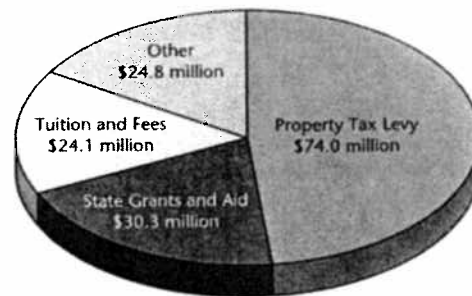
*Enterprise activities required nearly \$1.4 million in property tax levy support in FY 2001-02.*

*In 2002, 64.4 percent of MATC instructors earned more than \$76,000, and 12.0 percent earned more than \$100,000.*

*MATC's health care costs are projected to increase 15.7 percent in FY 2002-03.*

## Financial Indicators

In FY 2001-02, local property taxes provided nearly half of MATC's operating revenues. State grants and aid were another 19.8 percent, and tuition and fees were 15.7 percent.



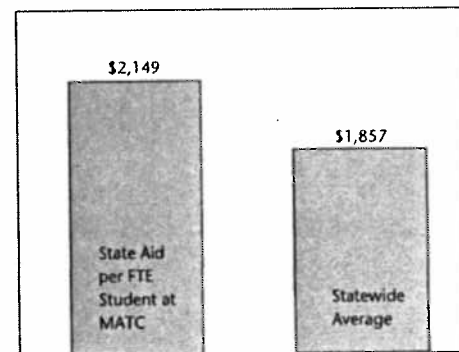
Other revenue sources were enterprise activities such as the bookstore, food service operations, and child care centers; specialized training contracts with local businesses, government agencies, school districts, and nonprofit organizations; and federal grants and aid.

Although its financial status has improved since December 2001, and steps have been taken to reduce costs, MATC faces challenges over the long term.

For example, it cannot raise additional operating revenue by increasing property tax rates because it has been at the

statutory mill rate limit of \$1.50 per \$1,000 of assessed property value since FY 1990-91. Therefore, MATC must rely on growth in property values to gain additional operating revenue from property taxes.

MATC officials have expressed concern about declining general state aid levels. Aid to the district has declined. However, in FY 2001-02, MATC was third among the 16 technical college districts in general state aid as a percentage of operating costs per FTE student. The State provided \$2,149 per FTE student, which was 15.7 percent more than the statewide average.



## Financial Management

The negative outlook attached to MATC's debt rating was removed in December 2002. However, management decisions and policies

In several areas may reduce MATC's ability to improve its financial status in the future.

For example, the fees MATC charges for providing specialized training to businesses and others do not cover its costs. This is a violation of district policy and has resulted in average annual losses of 468,196 from FY 1997-98 through FY 2001-02. We include a recommendation for MATC to comply with its cost recovery policy related to training contracts.

Enterprise activities such as MATC's bookstore, food service operations, and child care centers are generally expected to generate enough aggregate revenue to cover their costs. However, property tax subsidies have been required to cover losses in these areas over the past five fiscal years. In FY 2001-02, subsidies totaled nearly \$1.4 million. We include a recommendation for MATC to eliminate property tax subsidies for its enterprise activities.

MATC also operates two business incubators to promote economic development in the Milwaukee area. The Milwaukee Enterprise Centers have lost more than \$257,000 over the past five fiscal years. Complete information about their financial status has not been provided to MATC's Board of Directors. We include recommendations for MATC to evaluate the

costs and benefits of the centers and to track key performance indicators.

MATC continues to contract for legal, public relations, and lobbying services although it has hired senior administrators at above-market salaries with responsibilities in these areas. Other contracts for professional services may have been avoidable considering the availability of MATC staff. We include a recommendation for MATC to review the continued use of consultants and ensure these costs are justified in light of existing staff resources.

### **Employee Wages**

Instructor salaries are higher at MATC than at selected Wisconsin technical college districts. For example, as of January 2003, the maximum instructor salary at MATC is \$78,271. That is 6.7 percent higher than the maximum instructor salary at Madison Area Technical College, which has the second-highest instructor salary levels among selected Wisconsin technical college districts.

MATC's most recent collective bargaining agreements included higher salary increases than were budgeted by the administration. The two-year agreements provide annual increases of 4.0 percent in both FY 2001-02 and FY 2002-03.

### **Employee Benefits**

In an environment of rapidly increasing health care costs, MATC officials separated health care plan changes from collective bargaining discussions in November 2001. The 4.0 percent annual salary increases were predicated on achieving zero percent growth in health care costs in the two-year agreements covering FYs 2001-02 and 2002-03. However, MATC was unable to control health care costs to that degree, and health care costs instead are projected to increase by 15.7 percent, or from \$16.9 million in FY 2001-02 to an estimated \$19.5 million in FY 2002-03.

In October 2002, MATC and its unions reached agreements for significant health plan changes that include deductibles and co-payments. However, further changes to MATC's health plans cannot be pursued until July 2007 without the unions' agreement. This could limit MATC's ability to adjust health plans if costs continue to increase rapidly.

### **District Board Governance**

In several instances, MATC's administration has not provided the MATC Board with complete or accurate information. For example, the Board was not informed of all health care proposals made by MATC's insurer in April 2002, nor was it given complete information on the fiscal effects of a March 2002 administrative restructuring plan.

In addition, the Board has not consistently complied with state statutes and MATC policies, including the policy requiring probationary periods for new employees and statutory requirements for closed-session meetings. We include several recommendations related to MATC's governance.

## Recommendations

Our recommendations address the need for MATC to:

- ensure that complete and accurate information is provided to the Board in a timely manner (p. 61);
  - comply with district policy regarding probationary periods for new employees (p. 62); and
  - seek guidance from the Wisconsin Department of Justice regarding its use of closed sessions (p. 63).
- 
- comply with district policy requiring aggregate full cost recovery for training contracts (p. 36);
  - develop and implement plans to eliminate property tax subsidies for enterprise activities (p. 37);
  - evaluate the costs and benefits of the Milwaukee Enterprise Centers (p. 41);
  - review the use of consultants, especially in light of expanded internal capacities (p. 45);
  - clarify the roles and authority of the Board and the president in personnel matters (p. 48);

*The Legislative Audit Bureau is a nonpartisan legislative service agency that assists the Wisconsin Legislature in maintaining effective oversight of state operations. We audit the accounts and records of state agencies to ensure that financial transactions and management decisions are made effectively, efficiently, and in compliance with state law, and we review and evaluate the performance of state and local agencies and programs. The results of our audits, evaluations, and reviews are submitted to the Joint Legislative Audit Committee.*

## Additional Information

For a copy of report 03-4, which includes a response from the Milwaukee Area Technical College District, call (608) 266-2818 or visit our Web site:



[www.legis.state.wi.us/lab](http://www.legis.state.wi.us/lab)

Address questions regarding this report to:

Kate Wade  
(608) 266-2818

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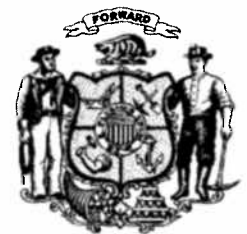
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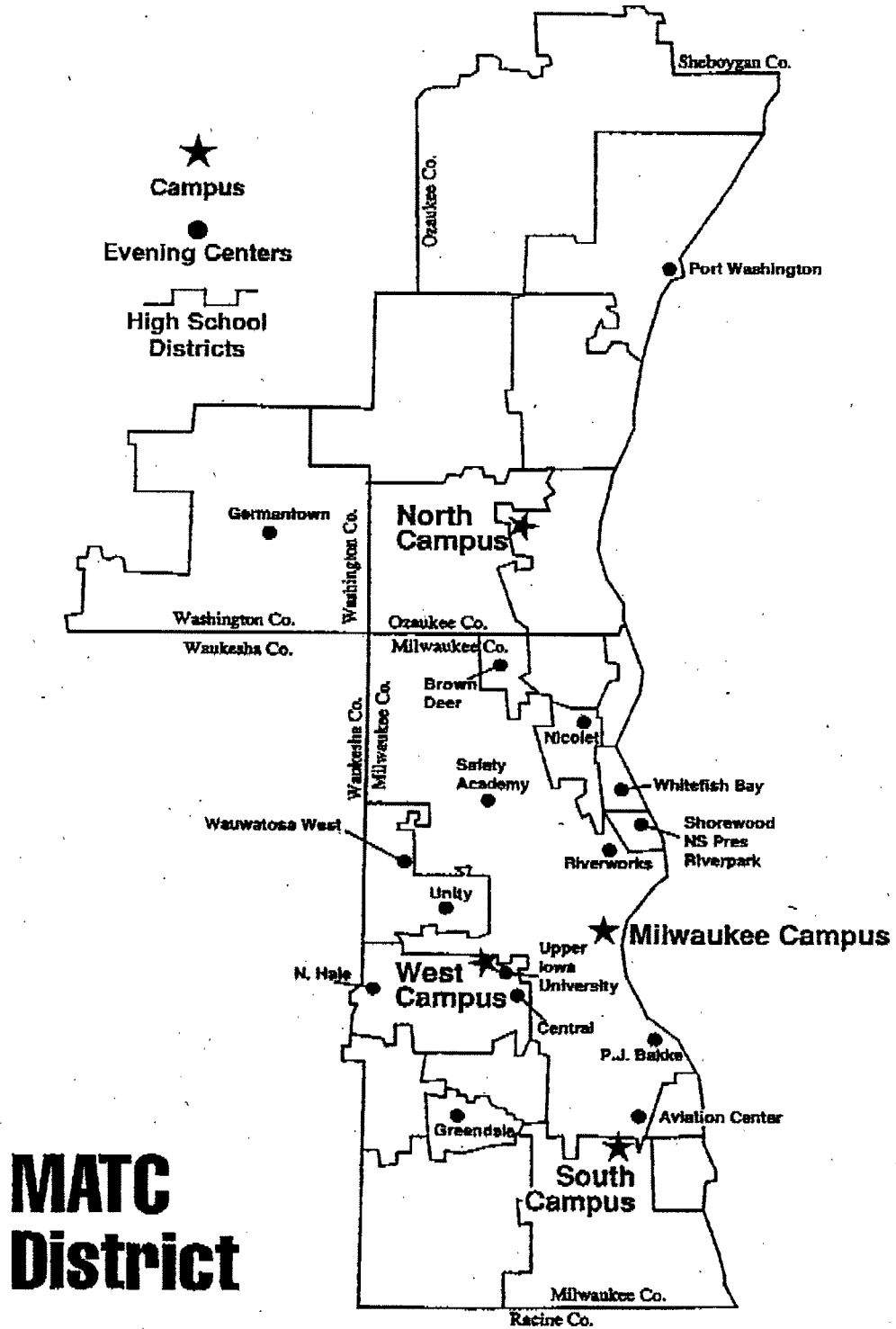
Janice Mueller  
State Auditor



# WISCONSIN STATE LEGISLATURE



### Milwaukee Area Technical College District



# MATC District





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<http://www.jsonline.com/story/index.aspx?id=434493>

## Worker skills don't match jobs

### UWM study calls for demand-driven training

By JOHN SCHMID  
[jschmid@journalsentinel.com](mailto:jschmid@journalsentinel.com)

*Posted: June 11, 2006*

Welding, sweaty and well-paying, is back in vogue. Factory foremen around Milwaukee need 250 of them. But the institution best positioned to turn them out, Milwaukee Area Technical College, graduated only 14 welders in its Class of 2005, up from 10 the previous year.

*Advertisement* Wisconsin's biggest technical college also graduated a grand total of 18 machinists in a state with over 650 respective vacancies, at least half of them in southeastern Wisconsin. Of the 541 openings last year for tool-and-die workers in the Milwaukee area, MATC trained 34 students, according to the school.

MATC is hardly alone as the entire metro area struggles with a gaping disconnect: Mass unemployment in the city co-exists alongside hundreds of unfilled industrial jobs - the sort of classic Milwaukee shop-floor jobs that don't require a four-year college degree but often pay well.

A study by researchers at the University of Wisconsin-Milwaukee faults a broad array of agencies and programs that are meant to provide job training across Milwaukee County, not just MATC.

"Unfortunately, Milwaukee's workers' skills are not what they should be, and the efforts to increase those skills are insufficient, uncoordinated, underfunded and at times dysfunctional," concludes the UWM report, released earlier this year.

Milwaukee, once known as the "toolbox to the world," cannot retain or attract industry if executives cannot find qualified workers. Nor can the city address the economic depression in its urban core - which in turn hinders the surrounding county economies - if it cannot qualify the unemployed for existing private-sector jobs.

"While the national economy grows, Milwaukee struggles," the report concludes.

But the most crippling shortcoming among the welter of 120 work force development entities in Milwaukee County is the failure to even recognize the employment needs of private-sector businesses that create jobs, the study concludes.

As employers learn nimble strategies for global competition, the report states, the city is missing "a shift

away from a social-service model focused on job seekers to a demand-driven model focused on employers and industry needs."

The UWM report coincides with efforts to import a demand-driven job incubator model from Pittsburgh called the Manchester Craftsmen's Guild, which customizes its entire curriculum around local employer needs and lures trainees from the inner city by conducting classes in a funky arts-and-music facility.

At the same time, civic organizers might add a new job training center to their redevelopment plans for the abandoned 21-acre Pabst Brewing Co. complex downtown.

The Council on Workforce Investment, an advisory group to Gov. Jim Doyle, commissioned the report. The researchers examined the county's entire "system" of work force programs, which it found "complicated, uncoordinated and fragmented."

Those bodies include big agencies such as the taxpayer-funded Private Industry Council, which is meant to coordinate job training and placement, as well as the One Stop job centers funded by the state's Department of Workforce Development, and a labyrinth of smaller independent training and counseling efforts.

"There are very few examples of providers collaborating to effectively engage employers," the group found. This compounds the breakdown of labor market supply-and-demand: "The work force development 'system' in Milwaukee is not meeting employer needs."

By operating five of the six Milwaukee County "One Stop" job centers out of state welfare offices, known as W-2 agencies, the system unwittingly makes them seem more like welfare agencies than conduits to the private sector.

"There's not a single culprit in this," said state Rep. Josh Zepnick (D-Milwaukee), a member of Doyle's Council on Workforce Investment. Urban poverty and overtaxed schools account for many obstacles, Zepnick said. But he also agreed that many programs aren't grounded in the marketplace. "Business people tell me they get frustrated with this," Zepnick said.

The Private Industry Council says it strives to include local industry, as its name implies. But Dave Wilson, the group's executive vice president, concedes that employers are sometimes confused about where to turn for workers and chafe at the bureaucracy.

The council, which has a taxpayer-funded \$12 million budget, says it shepherded 443 adults through job training programs in 2004, the last year of complete data. Of those, 69% found employment within three months of certification. It separately helped retrain 537 people that year who lost their jobs through plant closings or layoffs.

But even the council fails to monitor whether those workers ended up in high-demand occupations that address the worker shortage. "There is no method to our madness," Wilson quips.

What's more, an impending wave of retirements is about to worsen the labor shortage, census studies warn.

"The demographic changes are a shipwreck," said Terry Ludeman, who recently retired as the state's chief labor market analyst. Wisconsin will be short some 40,000 workers per year for years to come, he said, with industrial Southeastern Wisconsin accounting for half of that shortage.

The labor-market disconnect recently became a flashpoint of frustration for Bucyrus International Inc. The big exporter of mining equipment is in the throes of a 300-job expansion, and most of its openings call for skilled machinists and welders.



To keep its \$95 million expansion going, Bucyrus needs to recruit as far away as Rockford, Ill., 100 miles away, and pay \$2 million in on-the-job training. Across town, rival mining-equipment maker Joy Global Inc. is competing to hire welders and machinists.

Timothy Sullivan, chief executive of South Milwaukee-based Bucyrus, used a business banquet in September to lash out at MATC for a subpar welder training program.

"It's very difficult for them to shift quickly to the changes in requirements in the market," Sullivan said in an interview last week.

In response, MATC President Darnell Cole visited Sullivan to ask what the technical college could do better. By February, MATC had come up with an intensive new 12-week specialized welder course that would cost each student \$968 and train up to 10 students at a time. It launched in March but enrolled only four students. The college concedes that the "heavy-plate welding," that Bucyrus requires demands time-consuming instruction and is highly specialized. It was difficult to market the program effectively enough to fill the class in the short time it had to design the new curriculum, MATC spokesman Jim Gribble said.

Last week, the college said it had canceled the 12-week program but kept the heavy-plate welding curriculum, by transferring it into its existing welding instruction.

"It's unfair to blame MATC," said Michael Rosen, an economics professor at the school.

MATC says it will shortly break ground on an applied technology center at its Oak Creek campus, boasting strong industry collaboration.

And it's working to shift the negative career perceptions that deter young people from industrial work.

"So your daughter tells you she wants to be a welder," begins a new MATC advertisement: "Here are five reasons why you should be ecstatic."

From the June 12, 2006 editions of the Milwaukee Journal Sentinel  
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## Officials blast MATC on costs

By STEVEN WALTERS  
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*Posted: June 20, 2006*

**Madison** - Legislators took turns criticizing Milwaukee Area Technical College on Tuesday, accusing it of paying unduly generous salaries to faculty members, having low graduation rates and failing in its mission of training workers for the Milwaukee area.

*Advertisement* "We are not getting a good investment as taxpayers," said state Sen. Alberta Darling (R-River Hills). "I'm just discouraged at the lack of progress."

State Sen. Carol Roessler (R-Oshkosh) said the union that represents MATC faculty must agree to have teachers contribute to health care premiums.

Health care will cost MATC \$21 million next year, including \$5.5 million for retirees, but faculty members contribute nothing for that care, officials said.

"That faculty needs to get it - I'm sorry," Roessler said, noting that state government workers started contributing for health care costs a few years ago.

Rep. Suzanne Jeskewitz (R-Menomonee Falls) called the average salary of \$91,000 for MATC instructors and department chairmen "unbelievable." She questioned whether MATC can continue to operate its public TV station, because fund raising for it has fallen by 41%. MATC is diverting operating funds to cover the station's deficit, Jeskewitz said.

The criticisms came at a meeting of the Legislature's Joint Audit Committee after MATC administrators said they might have to raise the district's property tax levy by 5% in the next school year. After a critical audit of MATC in 2003, the committee has called college officials to appear annually to update legislators.

But Michael Rosen, president of the American Federation of Teachers union representing 1,500 teachers and others at MATC, said faculty members pay for health care through co-payments, deductibles and co-insurance of 10% or more for specific services.

"People pay significant dollars" for health care, said Rosen, who teaches economics.

Rosen accused Republican legislators of conducting "an anti-union witch hunt" because they did not invite anyone from the union to Tuesday's hearing in the Capitol.

MATC must raise its property tax levy because legislators cut its state aid next year, Rosen said. "I'm proud of what this college is doing," he said.

Jeannette Bell, the West Allis mayor who is MATC board president, said state aid for the district has fallen and the district is caught between past generous pay and fringe benefit deals and now having to do more with less, she added.

Bell said MATC faces unique problems. For example, she said, MATC can't drag potential students "kicking and screaming" into its program to train welders, even though studies show there is a great demand in that field.

MATC President Darnell Cole told legislators the district had 57,000 students last year, including 24,000 who did not have a high school degree or who needed training in how to get and hold even basic jobs. Those students are three or four years away from a degree or certificate, he said.

From the June 21, 2006 editions of the Milwaukee Journal Sentinel  
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## Technical education must be part of resolving labor shortage

By MICHAEL ROSEN

*Posted: June 24, 2006*

Recent reports on skilled labor shortages address important issues confronting the state's economy.

*Advertisement* One study from the University of Wisconsin-Milwaukee says "the efforts to increase those skills are insufficient, uncoordinated, underfunded and, at times, dysfunctional."

But what's confusing is the failure to acknowledge that Wisconsin's technical colleges are explicitly organized as employer-driven institutions.

Every diploma, every associate degree program is guided by the leadership of an advisory committee composed of employers from business and industry. Everything from curriculum to technology is regularly reviewed to ensure the education students receive meets employer needs.

It is too simplistic to say training must be employer-driven. Economic sectors expand and contract during different phases of the business cycle. Individual employers understandably want skilled workers when they need them.

But the needs of Aurora Health Care are different than the needs of Bucyrus International.

In recent years, technical colleges have invested in programs demanded by industry. In response to the nursing shortage and a waiting list of more than 1,000 students, MATC has dramatically expanded its nursing program.

But there remain long waiting lists in many other health care occupations, such as radiography (280 applicants with a five-year wait) and cardiovascular programs (124 applicants and a two-year). The culinary arts program has a waiting list of over 100.

While technical colleges have an obligation to respond strategically to all of these employers, they have limited resources due to a dramatic decline in state aid, which has been cut by more than 50% since 1990.

MATC alone has experienced a \$7 million decline in state aid since 1999.

Currently, MATC has no alternative but to shift resources from one division to another to meet other areas of high demand like information technology and health care.

Unfortunately, manufacturing programs have been disproportionately represented among the discontinued

programs since 1999, as resources have been shifted to meet market demands.

MATC and other technical colleges need additional resources to meet the needs of the various employer sectors that make up our highly diversified economy and to address our growing waiting lists.

The National Association of Manufacturers acknowledged this reality when it advised: "State and federal government should invest in the capacity of community and technical colleges to prepare individuals for careers in high growth industries such as manufacturing."

Manpower International made the same point arguing that we need "to invest in education and vocational technical training."

The countries with the fastest growing economies, from Ireland to China, have all expanded technical training.

The United States previously took this approach. During the late 19th century and the first half of the 20th, the U.S. became the largest economy in the world because of high levels of public investment in education, including the creation of the Milwaukee Vocational School in 1913.

Without additional resources, we play a zero sum game. We can increase training in health care but only at the expense of printing and manufacturing. Or we can beef up manufacturing but only by reducing our investment in culinary arts.

MATC's most important role is to train the local labor force. However, despite employers needing skilled workers, some state legislators and university officials have been pushing the technical colleges to restructure into junior colleges. So technical colleges have been diverting resources into collegiate transfer activities.

This results in mission creep as technical colleges expand liberal arts offerings and insist that occupational-appropriate math is no longer acceptable for associate degree programs.

Just recently, for example, the technical college bureaucracy rejected "as not rigorous enough" a math course that three different occupational programs had requested. The Wisconsin Technical College System has now adopted a math requirement that is higher than the standard at most UW campuses.

Such moves hurt the colleges' ability to produce workers needed by business and industry. It flies in the face of labor market projections that suggest 80% of future jobs will require post-secondary training but not a four-year degree.

Employers, citizens and community leaders need to send a clear message to politicians and educational bureaucrats that they want a technical college system that continues to train and educate skilled workers rather than a junior college model that focuses on generating more four-year graduates.

There are several related reasons why manufacturers have a difficult time attracting skilled employees and why MATC has difficulty filling some classes even when jobs are available.

Workers, like businesses, respond to market forces, and today, young people and many dislocated workers do not view the manufacturing sector as a viable career choice.

For the past 25 years, manufacturers have treated workers as disposable costs to cut when demand declines. While such cost cutting is rational for protecting rates of return, it undermines employee loyalty.

Until employers begin to treat employees as valuable strategic assets rather than costs, neither MATC nor

any other training institution will be successful in addressing the manufacturing skills labor shortage.

This problem is compounded by the lack of technical education programs in high schools. Technical education is expensive, so many school districts have eliminated or reduced their technical education programs.

Finally, there is a geographical mismatch. Potential workers are located in Milwaukee's central city. Yet manufacturing jobs have migrated to the suburbs and exurbs.

The skilled labor shortage is the main obstacle to growth in southeastern Wisconsin. This is a multidimensional problem that requires all of us - technical colleges, manufacturers, community and educational leaders and policy makers - to work together.

Yes, we need demand-driven training. But there are a myriad of other supply-side problems that must be addressed if we are to solve the shortage of skilled workers.

Here are a few things we could do:

- Align K-12 education to technical colleges and technical career pathways.
- Revitalize technical education in our public high schools.
- Increase the state's investment in technical colleges so that it can begin to reduce its long waiting lists.
- Expand and restore apprenticeship programs
- Expand pre-entry technical training programs that prepare students to enter MATC's occupational programs.
- Convene a labor shortage summit to focus attention on the skilled labor shortage and develop collaborative solutions.

It is incumbent upon all of us to work together to address this issue. The future of the state's economy depends on it.

*Michael Rosen is an economics professor at Milwaukee Area Technical College.*

From the June 25, 2006 editions of the Milwaukee Journal Sentinel  
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## **MATC works to advance technical education on many fronts**

By **DAVID TURNER**

*Posted: June 24, 2006*

The need for advanced work force training is immense and growing. Most critically, the output of skilled workers does not align with the needs of many manufacturers.

*Advertisement* This crisis must be addressed in order for the local economy to reach its full potential.

All of us at Milwaukee Area Technical College are committed to helping find solutions. As a first step, I urge deeper exploration of the tough question at the heart of the issue: why once-popular careers have fallen out of favor in the labor market.

I can assure you that providing quality training and reacting quickly to industry needs are MATC's highest priorities. We continually evaluate our 200 occupational programs for quality. They work hand-in-hand with advisory committees, composed of industry representatives, to ensure that our curriculum and skills training are current and relevant.

MATC and our sister colleges in the Wisconsin Technical College System have shown outstanding agility in meeting high-demand training needs. A good example is our rapid expansion of the registered nursing program.

However, much as we would like people to enter selected careers, the truth is that we live in a free-market economy. We cannot force people to become welders, tool and die makers or metallurgists. People choose careers based mainly on their perceptions of economic value and job security.

For many, it is a baffling paradox. Why would companies be crying for skilled workers at a time when so many people are unemployed?

The simple fact is that many of these people are former manufacturing workers in the process of migrating to industries perceived as more stable.

Fortunately, part of the answer to this problem is happening right now and making great progress.

MATC is proud to be among the leaders of a nationwide project to increase worker productivity and enhance the portability of manufacturing occupations. Wisconsin Performance Assessment of Skills Standards - Project WisPASS - is funded in part by the U.S. Department of Labor and supported by a coalition of business leaders, labor unions and trade associations.

It has created a standard framework for measuring, upgrading and certifying worker skills. This system, which we envision permeating factory floors across America, will allow workers to move fluidly from job to job within their home industries, diminishing the perceptions of volatility that currently create barriers to recruitment. In turn, employers will gain higher productivity.

We also believe we can help companies and workers adapt to the dramatic environmental changes now occurring in the manufacturing sector. That's the purpose of ECAM, our new Center for Energy Conservation and Advanced Manufacturing, scheduled to open in 2007 at the Oak Creek Campus.

ECAM will train a new breed of production worker, geared to continuous change and highly versed in advanced technologies. The overall goal is to create a more agile work force.

Major employers and trade unions helped us design and fund this important project, which we believe holds the key to the future of manufacturing in southeastern Wisconsin.

To complement these new initiatives, K-12 education must do its part. High schools such as Bradley Tech and Pulaski are working in concert with MATC to help students learn about the benefits of technical education.

But many others have ended their technical education programs, no longer steering young people into technical careers. This disinvestment in technical education in our public high schools has to be reversed.

I emphasize that an effective response to the skilled worker shortage will be highly collaborative, involving employers, organized labor, educators and public leaders. The WisPASS and ECAM projects represent two best-practice models.

MATC is committed to providing not just technical education, but leadership in work force development for a complex world.

*David Turner is dean of technology and applied sciences at Milwaukee Area Technical College.*

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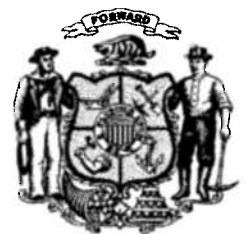
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# WISCONSIN STATE LEGISLATURE



Upholstery Prog.  
@ West Allis campus

Dr. Cole

- plan to cover w/19.16

- hoping for a 3% increase this year in enrollment

\* Hobby courses -

- not currently paying for itself - jewelry course - move to Concordia campus

↳ no longer provide @ MATC

↳ use space for Nursing Program

→ finding partnerships w/ private Univ. & High Schools  
to provide hobby courses when possible in the community  
rather than Tech Colleges.

→

\* Find out about State Arbitrator

- 414-247-7709

Rob Hartung, Paul Pederson, Dr. Cole, Sue, me, Jim E., Mike <sup>Garrett</sup>, Christy

MPS

700 - 16+ : no HS credits

9.20.

→ MATC Board - doesn't want a Charter School

\* Jim - 91% of budget = personnel

- current union negotiations - MATC offers 2% + pay some HC

AI

\* Drigby & Jones - 1<sup>st</sup> met w/ Pedro Colon

AI \* WTCS - tell MATC to get rid of Child Care

- Contracts - end 6/30

• HC contributions - 10% empl?

• Retiree HC

now ↙ ↘ 65 & 100%

↘ 65 & 50% - Humana - not WEA trust

• unreduced retirement benefits

now ↙ 55 + 10 years unreduced pension - now

↘ want

- 2.4M - operating budget

\_\_\_\_\_ - Debt Service

• Total

- 25K/mo - outside legal fees + 2 in-house attys

- labor empl.

- student issues

- R.E.

Cost inc. due to:

- Empl. contracts
- H.C.
- 2.8% salary increase?
- teaching more students
- MPTV
- Utility bills

1 1/2% step

FT - 18 hr - prep?  
30 hours = 100%

6/13 P.H

6/27 Bd. mtg.

- AFT - Union  
AF

- Get us

- copy of MPTV budget
- budgets on other enterprise activities
- 

if local TC Board budget over ?% , must get WTCS Board approval ??

# Difference

College Parallel  
Associate  
Technical Diploma  
→ proficiency

What makes two year colleges different  
than technical, system colleges

Protective status - duty disability

\$1M building referendum limit \*

part time employee benefits \*

exception to \$1M bill  
off Stone/Darling Bill -  
WTC - already has their  
advanced technology center  
Gateway has one, too