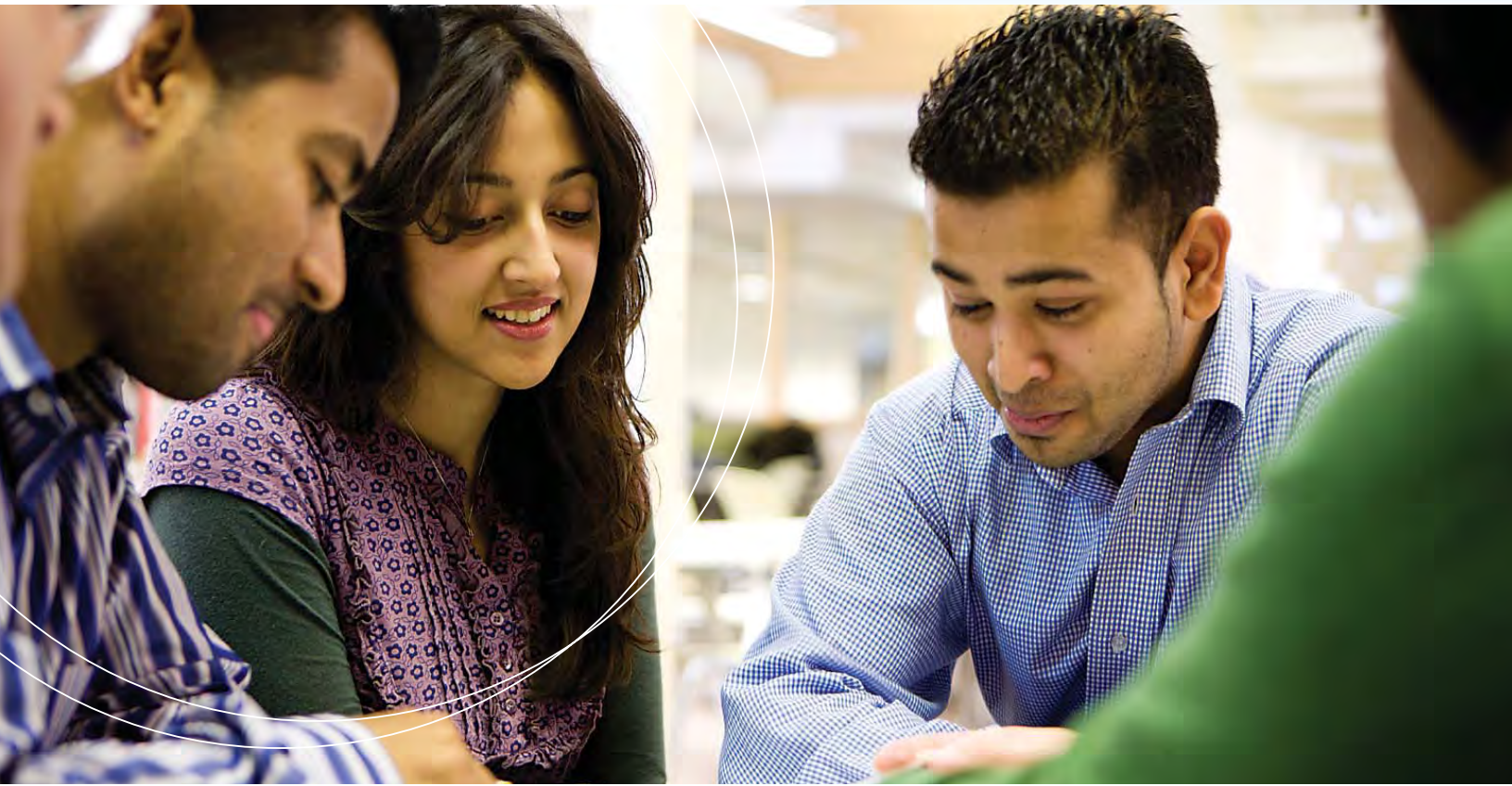


Madison Area Technical College District, Wisconsin

# Budget Document

Fiscal Year 2008–2009



# HOW TO USE THIS DOCUMENT

The Budget Document represents MATC’s proposed budget for the fiscal year of 2008-2009. It is prepared by the MATC Budget Office with assistance from the Controller’s Office and is approved by the MATC District Board. Since this document represents the budget of a large and complex organization, this page exists to point readers to highlights of the document.

## QUICK REFERENCE

President’s Letter .....	2	Revenues .....	41
Impact on Homeowners’ Taxes .....	5	Expenditures .....	47
Table of Contents .....	10	College Debt and Borrowing .....	52
Table of Figures .....	12	MATC Capital Projects Listing .....	53
MATC Map and District History .....	14	Number of Employees .....	69
MATC Organizational Chart .....	18	MATC Department Detail.....	77
MATC Financial Policies .....	28	Degree and Diploma Offerings .....	128
How the Budget Gets Approved .....	34	Glossary .....	152

## ORGANIZATION OF THIS BOOK

The MATC Budget document consists of seven major sections, listed below. Note that the page numbers provided below are not necessarily intended to be exhaustive, but are a starting point. Please see the Table of Contents (pages 10-12) for a list of everything in this document.

**Introduction to the MATC Budget Document (pages 1 - 13)** This section contains the letter from the President (page 2), district economic condition (page 7) and legislative climate (page 8).

**Organizational Section (pages 14-27)** This section contains the district maps (pages 14-15), mission and vision (page 21), information about the organization (pages 16-19), services of the district (page 20-21), district performance measures (pages 24-26) and the legal description of the district (page 27) can also be found in this section.

**Policy Section (pages 28-36)** This section contains MATC’s policies (pages 28-31), external regulations (pages 32-34) and detail regarding the budget development and planning process (pages 34-36).

**Financial Section (pages 37-76)** This section contains the Notice of Public Hearing (pages 37-38), information on revenue (pages 41-46), expenditures (pages 47-53) and required financial statements on a budgetary basis (pages 57-76).

**Operational Section (pages 77-127)** This section contains organizational charts, goals, budgetary information, and FTE position information for divisions of the college.

**Informational Section (pages 128-151)** This section lists MATC’s program offerings (pages 128-131) and information about the district, students and the community we serve (pages 132-151).

**Glossary (pages 152-159)** This section provides definitions of specialized terms and MATC acronyms used throughout the MATC Budget Document.



Citizens  
Madison Area Technical College District

## **MATC MOVING FORWARD: TRANSFORMING LIVES ONE AT A TIME**

We welcome the opportunity to provide you with information about how MATC intends to move towards our vision through providing accessible, high quality learning experiences that serve the community in Fiscal Year 2008-2009.

### **INSTITUTIONAL SUCCESS – MAJOR INITIATIVES AND SUCCESSES**

A few of the many student accomplishments achieved in the last year:

MATC students won 43 major silver and gold awards at the Madison Advertising Federation's 2008 ADDY Awards.

The MATC IT student team won first place in the area and third place in the regional Collegiate Cyber Defense Competition, competing against two- and four-year schools.

IT-Network Specialists and IT-Network Security program students placed in the top 10 in the National Collegiate Conference against 121 teams for two- and four-year colleges.

An automotive student won first place in the prestigious national SkillsUSA competition.

In 2007, MATC hosted the first community-wide "All-city American Indian and Alaskan Native Graduation Celebration" honoring graduates from area middle, high schools and colleges.

Each year MATC automotive students conduct free car care clinics in exchange for food donations for a local pantry. This year, they inspected 50 cars and collected 200 pounds of food.

This is the first time in our 43-year history that our athletic teams swept all conference and state championships. This includes baseball, men's basketball, women's basketball, golf, soccer, softball and women's volleyball.

In addition to the successes of our students, MATC achieved the following in the last year:

**The completion of MATC's Academic Plan.** The Academic Plan examines projected demographic and economic trends as well as trends in higher education and the world of work over a five- to ten-year horizon, and highlights those that will most significantly affect how the College plans to meet the educational and training needs of our district residents. It builds a

model for future programming and outreach activities by making recommendations about how to conduct its varied educational activities.

The plan is guided by the MATC District Board End Statements, College Council Goals, and is consistent with the College Enrollment Management Plan. The Academic Plan guides program related decisions at the College over the next five to ten years. The contents of the plan will determine the contents of the Financial, Human Resources, Facilities Master Plan and Technology plans.

**Participation in the AQIP (Academic Quality Improvement Process) accreditation site visit.** AQIP is an accreditation process developed by the North Central Association to guide colleges in their efforts to be quality institutions. With AQIP, an institution has the opportunity to demonstrate that it meets the Higher Learning Commission's accreditation standards and expectations through sequences of events that naturally align with those ongoing activities that characterize organizations striving to improve their performance.

MATC has engaged in all Academic Quality Improvement Process activities (Strategy Forum, Annual Updates, Systems Portfolio and Appraisals, and Quality Checkup visits) for a seven-year period. Throughout this period, MATC worked collaboratively with AQIP to ensure the college is committed to quality improvement as well as its compliance with the Higher Learning Commission's Criteria for Accreditation.

A component of the reaffirmation of accreditation includes a Quality Checkup by two or more evaluators to conduct a site visit and to review relevant organizational and AQIP materials. In preparation for the visit, a quality program summary is sent to AQIP and the visitors. MATC hosted the site visit in April 2008, and the comments from the reviewers were overwhelmingly positive thanks to the enthusiasm and seriousness with which the MATC community has embraced the AQIP continuous improvement model. The next step in the reaffirmation of our accreditation will be a written report for the Higher Learning Commission prepared by the visiting team. We anticipate the Commission will make a decision by the end of the summer 2008.

**Fort Atkinson Health Addition initiated.** This project is an expansion of the Fort Atkinson campus to help meet increased demand for health care, business and college transfer programs as well as other specialized training. The multipurpose facility will provide increased classroom and laboratory space. This project was a collaborative project funded by MATC and Fort Atkinson community groups. The project has an anticipated completion date of September 2008.

## **BUDGET INPUTS, PRIORITIES AND GOALS**

The following major budgetary inputs were used to develop the Fiscal Year 2008-2009 budget:

- Results of labor contract negotiated settlements
- Health Insurance increase
- Utility increase

- A Consumer Price Index adjustment on supplies
- Strategic Initiatives in the amount of \$1.17 million
- One-time revenue of \$900,000 from TIF dissolution
- Impact of an enrollment increase of 2% over FY2007-2008 anticipated enrollments
- Investment earnings decrease due to the investment market
- Actual tuition rate increases, as set by the Wisconsin Technical College System Board
- Assessed Property Valuation increases

In addition to the major budgetary inputs, the following goals were considered in the budget planning process:

- Projected Mill Rate – A goal to continue with trend of mill rate remaining well below statutory limit.
- Projected Tax Levy – A goal to reallocate and gain efficiencies wherever possible in order to minimize the tax levy increase.
- Projected Tax Impact on Average Single Family Homeowner – A goal to respond to the needs of the district while minimizing tax levy increase.
- Capital Planning Needs – A goal to support the Academic Plan by implementing aspects of the Campus Master Facility Plan.
- Planned Fund Balance Uses – The Wisconsin Technical College System requires districts to have a plan for fund balances. To adhere to these WTCS requirements, the 2008-2009 budget includes a planned spend down of fund balances in 2 funds: Special Revenue Aidable Fund and Internal Service Fund. MATC has chosen to reduce the impact on the tax payer by decreasing the tax levy in Fiscal Year 2008-2009 through one-time spending of these funds. The planned spend down of these fund balances will not affect the levels of services and offerings supported by these funds for 2008-09.
- New Initiative Requests – A goal to fund initiatives identified in unit planning in order to further the College's strategic goals. All new initiatives are reviewed in terms of net budgetary impact to identify those that can be funded through reallocation or that can generate additional resources (such as additional revenue or operational expenditure efficiencies). For this reason, the cost of all the new initiatives are stated as a net budgetary impact amount to reflect the total cost and savings they have on the budget.

**Table 1** below list the new initiative budget investments that have been included for Fiscal Year 2008-2009:

<p>INVESTMENT #1</p> <ul style="list-style-type: none"> <li>▪ Enhance program offerings through increased staffing to include instructors, support personnel and additional related materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Biotechnology Program</li> <li>• Veterinary Science Program</li> <li>• Health &amp; Safety Education</li> <li>• International Education</li> <li>• Faculty Coordination Efforts</li> <li>• South Madison campus support</li> <li>• Grant Administration Assistance</li> <li>• Paralegal Program</li> <li>• Arts &amp; Sciences offerings</li> <li>• Language Interpreter Contingency</li> <li>• Diversity &amp; Community Relations</li> <li>• Other miscellaneous enhancements</li> </ul>	<ul style="list-style-type: none"> <li>• \$100,862</li> <li>• \$53,197</li> <li>• \$67,297</li> <li>• \$67,297</li> <li>• \$205,516</li> <li>• \$106,174</li> <li>• \$87,488</li> <li>• \$9,824</li> <li>• (\$36,146)</li> <li>• \$11,096</li> <li>• \$5,620</li> <li>• \$41,272</li> </ul>
<p>INVESTMENT #2</p> <ul style="list-style-type: none"> <li>▪ Enhancements to Infrastructure Services through increased staffing and materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Campus Security enhancements</li> <li>• Budget Model Development Tool</li> <li>• District-wide non-capital furniture</li> </ul>	<ul style="list-style-type: none"> <li>• \$221,829</li> <li>• \$15,000</li> <li>• \$50,000</li> </ul>
<p>INVESTMENT #3</p> <ul style="list-style-type: none"> <li>▪ Enhancements to Strategic Advancement through increased staffing and materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resources enhancements</li> <li>• Institutional Research enhancements</li> <li>• Enrollment Center enhancements</li> <li>• Marketing Enhancements</li> </ul>	<ul style="list-style-type: none"> <li>• \$59,000</li> <li>• \$74,631</li> <li>• \$9,468</li> <li>• \$26,000</li> </ul>

*\* Net Budget Impact reflects total impact of budget addition: increased expenditures, efficiencies and reallocation, and additional revenue.*

The 2008-2009 budget is the result of a college strategic planning effort which involves the District Board, College Leadership and individual units of the college. For an in-depth explanation of the roles and relationship of these groups and processes please see the Planning and Budget Development section on pages 34-36 in the Policy Section of this document.

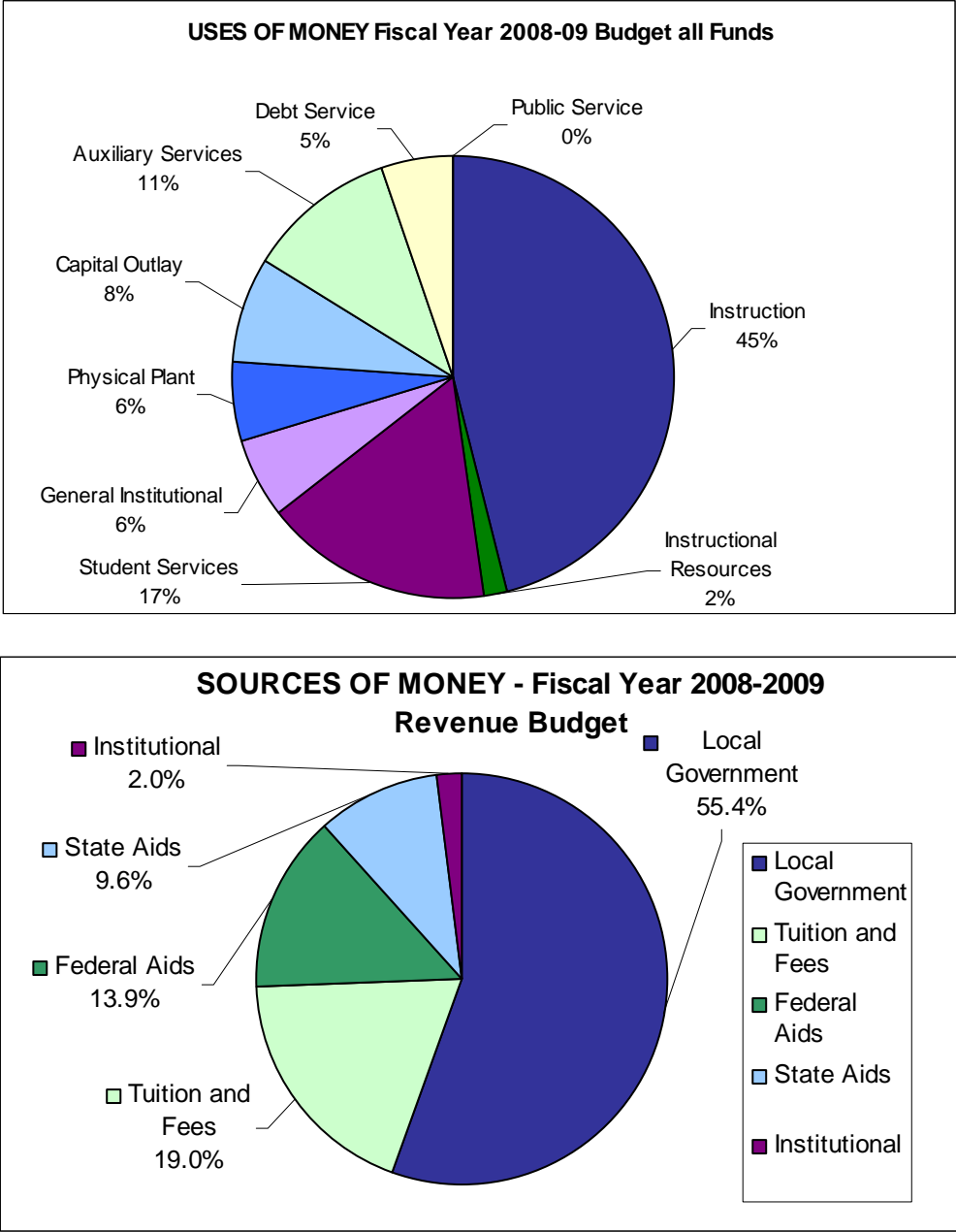
## **BUDGET RESULTS SUMMARY**

For Fiscal Year 2008-2009, the total tax levy will increase by 5.80% with a resulting mill rate increase of 0.76%. The district will remain 27.67% under the legislative limit for operational levies. In dollars, this means the district is under the operational levy limit by \$30,043,991. MATC does not intend to tax the total authorized amount up to the limit, but instead is committed to budgeting only what is needed to serve the district. The calculated tax impact on an average single family home in the City of Madison valued at \$246,062 would be a tax increase of \$10.47.

Total expenditures for all funds (governmental and proprietary funds) for the Fiscal Year 2008-2009 budget increased by 8.95 percent to \$199,721,000, while operating expenditures (governmental funds only) increased by 6.02 percent to \$178,241,000. To support those expenditures, total revenues for all

funds increased by 4.99 percent to \$181,512,000, and operating revenues increased by 3.87 percent to \$159,482,000. The functional categories of planned expenditures, or the planned uses of money, for Fiscal Year 2008-09 are represented in the following graphs.

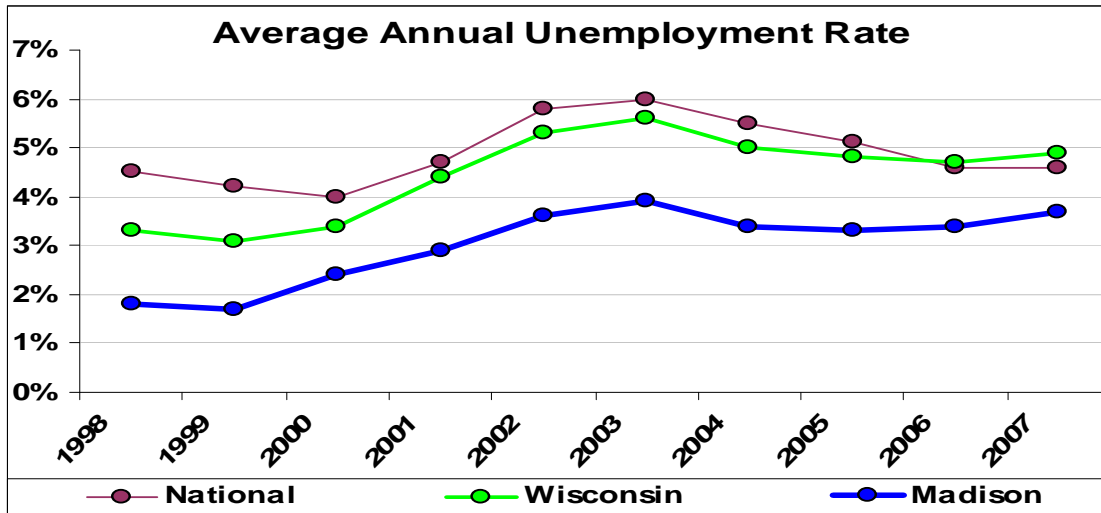
**Figure 2** shows the functional categories in which expenditures are classified for reporting purposes.



**Figure 3** above shows the sources from which the District receives revenue.

## ECONOMIC CONDITION AND OUTLOOK

According to the Bureau of Labor Statistics, Madison has been faring somewhat better than Wisconsin and the national average in terms of unemployment percentage. Represented in **Figure 4a** and **4b** below:



**Average Annual Unemployment Rate – Not Seasonally Adjusted**

Location	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
National	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6
Wisconsin	3.3	3.1	3.4	4.4	5.3	5.6	5.0	4.8	4.7	4.9
Madison	1.8	1.7	2.4	2.9	3.6	3.9	3.4	3.3	3.4	3.7

Wisconsin also has much to celebrate in a number of key economic indicators. For example, according to the 2006 U.S. Census Annual Community Survey:

- Wisconsin has the fifteenth lowest three-year average poverty rate in the nation (2004 – 2006).
- Since the 2000 census, the state’s population growth as a percentage has been the fourth highest for the Midwest states.
- At over 90% of the population, Wisconsin is one of five states in a statistical tie for the highest three-year average in health insurance coverage in the country.
- Wisconsin’s 2006 median household income of \$48,772 is the nineteenth highest in the country, and the fourth highest for the Midwest states.

The outlook for Wisconsin in the near term is mixed for the period covered by this fiscal year. In its March 2, 2008 edition of “Wisconsin Economic Outlook,” the Wisconsin Department of Revenue noted that “The Wisconsin economy is expected to slow significantly the first half of 2008, but the second half of the year will benefit from the fiscal and monetary stimulus. Overall, real state GDP should grow 1.4% in 2008... The visible slow down in consumer spending, which accounts for slightly more than 70% of total GDP, will have a severe impact in the rest of the economy for the next two years.”



According to the Wisconsin Department of Workforce Development's February 2008 labor force and industry employment estimates for metropolitan statistical areas and Wisconsin, Madison and the six-county South Central Wisconsin area that roughly parallels MATC's service territory generally tend to reflect that of the state as a whole, with a few noteworthy exceptions. Government provides 23.9% percent of the jobs in the region and 15.1% of the jobs in Wisconsin, while manufacturing provides 9.3% of the region's jobs and 17.3% of Wisconsin's jobs. Service jobs account for 86.3% of the region's jobs and 78.8% of the state's jobs. Due to these differences, worker training in the region needs to focus in slightly different occupational areas than the rest of the state.

## **LEGISLATIVE CLIMATE**

The legislative climate continues to be difficult for Wisconsin technical colleges. Even though a budget bill was signed in October 2008, the state is dealing with a budget deficit that is the result of restated revenue projections.

According to the WTC District Boards Association, there are three distinct proposals currently being discussed to resolve the deficit situation. All proposed solutions include a restructuring of debt plus use of surplus fund balances. The three proposals for use of surplus funds are as follows: make significant cuts to funding levels approved in October; make smaller cuts to funding levels approved in October coupled with a change in timing of aid disbursements and a tax that would result in additional federal revenues; or a movement of transportation funds.

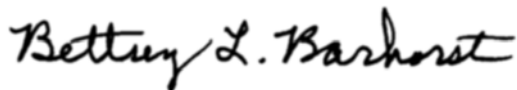
MATC and the other Wisconsin Technical College Districts could be impacted if the state deficit solution involves cutting of state aid allocations. The possibility of continued decreases in MATC's state aids, along with the general economic downturn, underscore the importance of, and focus on, fiscal responsibility at MATC.

## **ACKNOWLEDGEMENTS**


In summary, MATC is proud to play a part in the successes of past, present and future students. The budget is intended to continue to allow MATC to serve the district and to continue work towards achieving its vision of "transforming lives one at a time". The remainder of this document presents the Fiscal Year 2008-2009 Madison Area Technical College budget in greater detail.

MATC is a public educational institution that is responsive to the needs of the communities and individuals it serves. Because we are interested in assuring our communications meet those needs, we welcome your comments, concerns or suggestions. Please feel free to contact Mr. Roger Price, whose contact information is provided on the following page.

Respectfully submitted,



Bettsey L. Barhorst, Ph.D.  
President



Janice K. Bultema  
District Board Chair

Official Issuing Document

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# TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
How to Use This Document .....	1
President’s Letter .....	2
Major Initiatives and Successes .....	2
Budget Inputs, Priorities and Goals .....	3
Budget Results Summary .....	5
New Initiative Budget Investments .....	5
Economic Condition and Outlook .....	7
Legislative Climate .....	8
Table of Contents .....	10
Table of Figures .....	12
Government Finance Officers Association Distinguished Budget Presentation Award	13
<b>ORGANIZATIONAL SECTION</b>	
MATC and Wisconsin Technical College System District Maps .....	14
Background of MATC District .....	16
Governance .....	16
Madison Area Technical College District Board Members .....	17
Organizational Structure and Organizational Chart .....	18
Services .....	20
District Mission, Values, Vision and Goals .....	21
Performance Measures .....	24
Legal Description .....	27
<b>POLICY SECTION</b>	
Board Policy .....	28
External Requirements .....	32
Planning Process and Budget Development .....	34
Annual Budget Calendar .....	36
<b>FINANCIAL SECTION</b>	
Notice of Public Hearing .....	37
Fund Types .....	39
Fixed Assets and Long-Term Obligations .....	40
Basis of Accounting and Budgeting .....	40
Operating Budget – Governmental Funds .....	41
Revenues .....	41
Expenditures .....	47
Fund Balance .....	49
Proprietary Funds .....	51
General Fixed Assets .....	52

# TABLE OF CONTENTS

	<u>Page</u>
<b>FINANCIAL SECTION (CONTINUED)</b>	
General Long-Term Debt .....	52
Capital Budget .....	52
Capital Project Effect on Operating Budget .....	55
<i>Budgetary Statements of Resources, Uses and Changes in Fund Balance</i>	
General Fund .....	57
Special Revenue – Aidable Fund .....	58
Special Revenue – Non-Aidable Fund .....	59
Capital Projects Fund .....	60
Debt Service Fund .....	61
Enterprise Funds .....	62
Internal Service Funds .....	63
Combined Budget Summary .....	64
Summary of Budgeted Revenue & Expenditures by Fund Type .....	65
Governmental Fund Type Expenditures by Function .....	66
Governmental Fund Type Revenues by Source and Debt Proceeds .....	67
Property Tax Summary .....	68
Budgeted Position Summary – FTE Basis .....	69
Budgeted Expenditures by Object Level .....	69
Pro Forma Balance Sheet .....	70
Debt Service Funds – Summary by Fund .....	72
Schedule of Long-Term Obligations .....	73
Combined Schedule of Long-Term Obligations .....	75
Schedule of Tax Levies and Payments for Debt Service .....	76
 <b>OPERATIONAL SECTION</b>	
Operational Section Overview .....	77
District Board/President’s Office .....	78
<i>Learner Success</i>	
Vice President for Learner Success .....	82
Agriscience & Technologies Center .....	86
Business and Applied Arts Center .....	89
Center for Health & Safety Education (CHASE) .....	92
Human & Protective Services Center .....	95
Construction, Manufacturing, Apprenticeship, & Transportation Center .....	98
Arts and Sciences Center .....	101
Associate Vice President for Learner Success .....	104
Region North .....	107
Region East .....	108
Learner Development Center .....	109
Associate Vice President for Diversity & Community Relations .....	112
Strategic Advancement .....	115
Infrastructure Services .....	122

## TABLE OF CONTENTS

	<u>Page</u>
<b>INFORMATIONAL SECTION</b>	
Degree/Diploma Program Offerings .....	128
Enrollment Statistics .....	132
Schedule of Per Credit Program Fees Charged .....	133
Program Graduate Follow-Up Statistics .....	134
Operational Expenditures per Full-Time Equivalent Student.....	135
Demographic Statistics (Historical Comparisons) .....	136
Principal Property Tax Payers and Largest Employers .....	137
Revenues by Source (Historical Comparisons) .....	138
Expenditures by Function (Historical Comparisons) .....	139
Property Tax Summary .....	140
Distribution of Real Property Value on an Equalized Basis .....	141
Direct and Overlapping Property Tax Rates .....	142
Ratio of Outstanding Debt by Type .....	149
Computation of Legal Debt Margin .....	150
Computation of Direct and Overlapping Debt .....	151
 <b>GLOSSARY SECTION</b>	
Glossary / Acronyms & Definitions .....	152

## TABLE OF FIGURES

### CHARTS AND GRAPHS – WITH CORRESPONDING FIGURE NUMBER

1. New Initiatives .....	5	11. State Aid .....	44
2. Uses of Money .....	6	12. State Aid as % of Revenue .....	45
3. Sources of Money .....	6	13. Federal Aid Revenue .....	45
4. Average Unemployment Rate .....	7	14. Institutional / Other Revenue .....	46
5. Operational Fund Balance .....	29	15. Expenditures in Dollars .....	47
6. District Debt .....	33	16. Operational Expenditures .....	49
7. District Resources .....	42	17. Fund Balance .....	50
8. Tax Levy History .....	42	18. General Fund Balance .....	50
9. Total Mill Rate .....	43	19. Enterprise Funds .....	51
10. Assessed Valuation .....	43	20. Internal Service Funds .....	51

### ORGANIZATIONAL CHARTS, MAPS AND PHOTOGRAPHS

MATC District Map .....	14	MATC College Org Chart .....	18
Wisconsin Tech College Sys Map .....	15	Individual Unit Org Charts .....	78
MATC District Board Photographs .....	17		

**GOVERNMENT FINANCE OFFICERS ASSOCIATION  
DISTINGUISHED BUDGET PRESENTATION AWARD**



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Madison Area Technical College District, Wisconsin** for its annual budget for the fiscal year beginning **July 1, 2007**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.