IMMEDIATE RELEASE
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Madison College Board Applauds Building Progress

Madison Area Technical College District Board Wednesday approved the next step in the College’s fast-moving building plan by securing a 3.61 percent interest rate for its next round of financing.

With about three-quarters of the building projects approved by various governmental agencies, the College plans to break ground in early fall.

Jim Cavanaugh, a long serving board member, told staff during the meeting that their good work at forging community partnerships and moving quickly through the approval process is unprecedented in the region.

“This quick action just doesn't happen in Madison,” Cavanaugh said. “I am especially pleased that the College is moving quickly so it can hire workers on its construction projects.”

The $134 million building plan calls for a new Health Education Building, a Protective Services Education Center, an Ingenuity Center for advanced manufacturing, a Student Achievement Center and renovations to the College’s regional campuses.

Almost 60 percent of voters approved tax increases in a November 2010 referendum to support the first phase of a $380 million, 15-year facilities plan.

For the referendum, the property tax effect on a home valued at $254,000 was calculated by College officials at $33.10 per year or $2.75 a month over a 10 year average.

“That promise will be kept,” said Jon Bales, chairman of the district board.

The projects were attractive to voters due to historically low interest rates and the prospect of very competitive construction costs.

In addition, a recent study indicated that for every $1 million of construction, 18 jobs are created through the region’s economy. This could mean an additional 2,400 jobs.

The College has experienced a 22 percent increase in enrollment during the past five years and initial forecasts indicate a possible double digit increase for the fall.

“Our waitlists are being measured in years,” said President Bettsey Barhorst. “Our state and region need retraining for workers to be ready as the economy recovers. The time to expand capacity is now.”

Debt rating, a measure the strength of an organization’s financial health, is the highest that the College can achieve, said Roger Price, vice president of Infrastructure Services. Thus the College continues to get very low interest rates for its projects. In February, the College financed $12 million for the buildings at 2.78 percent. In April, a second borrowing was at 4.01 percent.

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College officials said they were pleased that the interest rates have dipped and it could get a 3.61 percent rate Wednesday.

The board Wednesday also approved a 14.69 percent tax increase as part of the budget process. Capital, or building cost, increases are common after a referendum year because the debt is front loaded, said Price.

He emphasized that none of the tax increase will go to operational costs, such as salaries and supplies. College leaders needed to cut $10.3 million to its current operating costs to make the budget work because of the proposed state budget’s reductions in state aids and a freeze on operating costs.

“Not only are we not increasing operational dollars as we plan for the new buildings, but we are also making tough choices to find efficiencies and contract changes from employees to live with no increase in spending,” said Price.

Employee unions and administrative workers agreed earlier this year to contribute 5.8 percent to their retirement funds and to reduce the health insurance cost to the College. The College also eliminated 23 positions that were vacant and made other cutbacks in supplies and travel.

Almost 70 percent of the capital tax increase will be used to pay the debt for the new buildings. The rest of it will pay for ongoing building needs for current facilities including maintenance, equipment and upgrades to technology, Price said.

“The College is making sacrifices to live within the budget guidelines and also increase capacity to answer the increasingly urgent call for the College to help students get family-supporting jobs.” said Barhorst.

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_Madison Area Technical College serves approximately 40,000 individuals annually, providing “real world smart” education through a comprehensive curriculum of technical, liberal arts and sciences, adult basic education and continuing education, as well as customized training for employers._