



Rating Action: Moody's Ratings assigns Aa1 to Milwaukee Area Technical College District, WI's Series 2024-25L GO notes

19 May 2025

New York, May 19, 2025 -- Moody's Ratings (Moody's) has assigned a Aa1 rating to Milwaukee Area Technical College District, WI's (MATC) General Obligation Promissory Notes, Series 2024-25L, with a proposed par amount of \$1.5 million. We maintain a Aa1 rating on the district's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the district will have about \$79 million in debt outstanding.

RATINGS RATIONALE

The Aa1 rating reflects the district's strong financial position supported by recent operating surpluses which, coupled with proactive management, will largely offset its limited ability to raise new revenue and provide a buffer should enrollment declines resume. Net current assets were approximately 50% of revenue in 2024, and reserves will remain strong in fiscal 2025 despite a very modest planned use of fund balance. While median family income is modest at 85% of the US, the district benefits from a very large and diverse tax base that includes the City of Milwaukee (A3 stable) and surrounding communities in Milwaukee County (Aa3 stable) and Ozaukee County (Aaa). Leverage is relatively low, with combined debt and pensions less than 150% of revenue at the close of fiscal 2024.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Sustained strengthening of demand that drives an improved enrollment trend
- Continued growth in reserves or enhanced budgetary flexibility

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Substantial weakening of the regional economy or resident income levels
- Declines in financial reserves to levels below 30% of revenue
- Increased leverage to more than 250% of revenue

PROFILE

Milwaukee Area Technical College District is one of the largest technical college systems in Wisconsin (Aa1 stable), providing vocational education to residents of Milwaukee County, the majority of Ozaukee County, and small portions of Washington (Aaa) and Waukesha (Aaa) counties.

METHODOLOGY

The principal methodology used in this rating was US Special Purpose District General Obligation Debt published in February 2025 and available at <https://ratings.moody's.com/rmc->

[documents/437940](#). Alternatively, please see the Rating Methodologies page on <https://ratings.moody's.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody's.com/rating-definitions>.

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Ryan Patton
Lead Analyst

Gera McGuire
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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