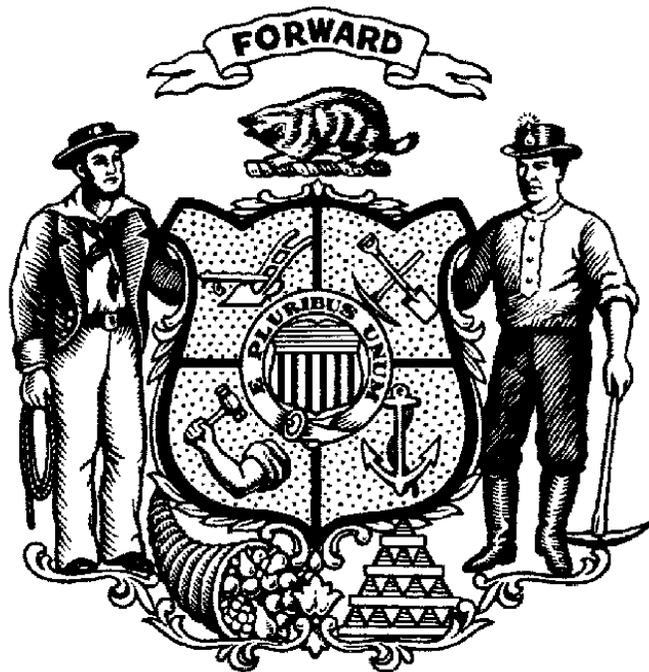


State of Wisconsin

Medical College of Wisconsin



Agency Budget Request
2017 – 2019 Biennium
September 15, 2016

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Office of Government and
Community Relations

September 15, 2016

Mickie Waterman
Executive Policy & Budget Analyst
State Budget Office, Wisconsin Department of Administration
101 E. Wilson, 10th Floor
Madison, WI 53707

Dear Ms. Waterman:

Enclosed is the Medical College of Wisconsin (MCW) *2017-2019 Biennium Agency Budget Request* for activities from July 1, 2017 – June 30, 2019. The budget includes MCW's *Agency Description, Goals and Objectives, and Performance Measures*. As required by the Department of Administration, MCW's request comprises a zero-growth target, maintaining 100% of the FY 2016-17 adjusted base funding level for both FY 2017-18 and FY 2018-19.

Thank you for your consideration of MCW's *2017-2019 Biennium Agency Budget Request*. Please contact me at 414.955.8217, or email at nberken@mcw.edu if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Berken".

Nathan Berken
Director of Government Relations

CC:
Michael Heifetz, State Budget Director and Administrator, Division of Executive Budget and Finance, Wisconsin Department of Administration
Sara Hynek, Team Leader, Education and Workforce Development Team, *State Budget Office, Wisconsin Department of Administration*
Emily Pope, *Fiscal Analyst, Wisconsin Legislative Fiscal Bureau*
Kathryn Kuhn, *Vice President of Government and Community Relations, MCW*

Enclosures:
Agency Description, Goals and Objectives, and Performance Measures
2017-2019 Budget Request

AGENCY DESCRIPTION

The Medical College of Wisconsin, Inc., is a private, nonprofit educational institution governed by a board of trustees consisting of a maximum of 30 members. The Governor, with the advice and consent of the Senate, appoints two members of the board for staggered terms of six years.

The college offers the following degrees:

- Doctor of Medicine (M.D.) and residency training in almost all medical specialties and subspecialties;
- Ph.D. in biochemistry, biomedical engineering (joint degree program with Marquette University), biophysics, biostatistics, cell and developmental biology, microbiology, immunology and molecular genetics, neuroscience, pharmacology and toxicology, physiology, public and community health, functional imaging (joint program with Marquette University) and Medical Scientist Training Program (pursuit of both a Ph.D. and M.D.);
- M.S. in anesthesia, biomedical engineering (joint degree program with Marquette University), bioinformatics (joint degree program with Marquette University), clinical and translational science, and healthcare technologies management (joint degree with Marquette University);
- M.E. in biomedical engineering (joint degree program with Marquette University);
- M.M.P. in medical physiology;
- M.P.H. in public health; and
- M.A. in bioethics.

In June 2015, the college announced plans to open a pharmacy school that would be innovative in its focus on inter-professional, team-based health care and reducing student debt through an accelerated, three-year curriculum. The Medical College of Wisconsin Pharmacy School plans to matriculate its first class of students in summer 2017.

The college launched a new, nine-month Master in Medical Physiology Program in August 2015 that is designed to help college graduates who wish to strengthen their academic record for medical school applications. In addition, with the demand for anesthesia services rising, the college announced Wisconsin's first Master of Science in Anesthesia degree program in November 2015; the inaugural class matriculated in August 2016. This program is one of only about a dozen in the U.S.

In July 2016, Medical College of Wisconsin-Central Wisconsin matriculated its first class of medical students in Wausau, completing plans announced in 2012 to open two regional campuses. Medical College of Wisconsin-Green Bay opened in July 2015. Also in July 2016, the Marquette University and Medical College of Wisconsin Biomedical Engineering Department launched, bringing together the engineering education and research expertise of Marquette and the medical research, technology and clinical expertise of the college to provide an inclusive education model for the next generation of engineers, scientists and physicians.

Medical College of Wisconsin-Green Bay and Medical College of Wisconsin-Central Wisconsin Expansions

Over five years ago, the college began looking at solutions to mitigate Wisconsin's dramatic physician shortage, which is expected to exceed 2,000 physicians over the next 20 years. After meeting with health system leaders from across the state, the college made the decision to expand its medical education program into new regions of Wisconsin. Working with health system and academic partners in northeast and central Wisconsin, the college developed two new medical school programs to increase the physician workforce in these regions, as well as across the state.

In 2013-15, the college received grant funding from the Wisconsin State Building Commission to aid in the remodel, development, and renovation of these programs. As a result of this investment, Medical College of

Wisconsin-Green Bay opened with its inaugural class of students in July 2015. Medical College of Wisconsin-Green Bay currently has 30 first-year medical students, along with 25 second year medical students. Medical College of Wisconsin-Central Wisconsin opened with its first class of 26 first-year medical students in July 2016.

The programs are each expected to matriculate approximately 25 students per year. Since Medical College of Wisconsin-Green Bay and Medical College of Wisconsin-Central Wisconsin both feature calendar efficient curricula, students will graduate from medical school in three years, versus four years at a traditional institution. By 2018, the programs will each have a full complement of 75 students, for a total of 150 additional medical students in Wisconsin.

Medical Student Tuition Assistance (formerly "Capitation")

More than 40 years ago, the state recognized the importance of ensuring an adequate physician supply to care for the state's citizens and the need to develop a strong health care economy. In an effort to encourage as many Wisconsin students as possible to attend medical school in-state, the Governor and the Legislature created the program to help balance tuition for medical students seeking their education at either the University of Wisconsin School of Medicine and Public Health, or at the Medical College of Wisconsin.

To help attract Wisconsin students into medical school, the college receives an annual sum-certain appropriation from the State of Wisconsin for medical student tuition assistance (formerly known as "capitation"). The funds are appropriated to the college as general program operations under s. 20.250(1)(a), Wisconsin Statutes, and the college distributes 100 percent of this funding directly to Wisconsin residents who are enrolled within the institution as full-time students.

The Legislative Audit Bureau audits the program, and the college encumbers no fees for administering the tuition assistance. The college views this assistance from the state as critical to its Wisconsin enrollment.

Family Medicine Residency Program

In addition to the aid that Wisconsin in-state medical students receive for tuition assistance, the college receives state funds for its family and community medicine residency program. This funding support was created to ensure that the physicians most likely to practice in underserved rural and urban settings are given the opportunity to complete residency training in Wisconsin. The college is required to fulfill certain statutory reporting requirements, and the Legislative Audit Bureau conducts biennial audits of the program expenditures under state appropriations.

MISSION

The college is a private academic institution dedicated to leadership and excellence in advancing the prevention, diagnosis and treatment of disease and injury through:

- **Education:** Preparing the physicians and scientists of tomorrow while enhancing the skills of today's health professionals.
- **Discovery:** Creating new knowledge in basic, translational and patient-based research to improve human health.
- **Patient Care:** Providing effective, compassionate, expert care for patients.
- **Community Engagement:** Partnering with public and private organizations to enhance learning, research, patient care and the health of the community.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Training of Health Personnel

Goal: Stabilize and then increase the retention of family physicians within Wisconsin. Over the past two years, family medicine residency programs nationally have experienced a slight increase in student interest, and recruitment remains extremely competitive across the country.

Objective/Activity: The Department of Family and Community Medicine continues its work to differentiate its residency training programs for recruitment purposes and to increase physician in-state retention. Each of the college's four affiliated residency programs filled in the match this year. The Columbia St. Mary's residency program has successfully expanded the number of resident slots by two slots per year and will have 25 residents in training during 2017. Waukesha graduated eight residents in 2016 and will graduate eight more in 2017 thanks to expansion support from the state.

Multiple changes within Wisconsin's healthcare market have impacted the college's family medicine residency programs, as new health system partnerships and affiliations have been announced throughout multiple regions of the state. In southeast Wisconsin, Froedtert Health and the college have established a new family medicine residency program at Community Memorial Hospital in Menomonee Falls. The first year of residents is expected to enroll on July 1, 2017.

Hospital Sisters Health System in Green Bay has also made the decision to establish a new family medicine residency program in Green Bay, and is working with the college in the search for a founding program director. The first year of residents could enroll as early as July 1, 2018.

Waukesha Memorial Hospital also recently announced they will be ending their affiliation with the college, and will be continuing the family medicine residency program through an affiliation with Aurora Healthcare and the University of Wisconsin. The current affiliation between Waukesha Memorial and the college will end on July 20, 2017.

Overall, the college's five-year average in-state retention rate continues to be well above the national average of 45 percent. The longer term goal is to maintain and increase the five-year average retention rate above 60 percent. The short-term goal is to match or slightly improve historical retention rates. The ability to achieve these goals is directly linked to the college's ability to maintain stable funding for these programs.

PERFORMANCE MEASURES

2015 AND 2016 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2015	Actual 2015	Goal 2016	Actual 2016
1.	Percentage of family medicine graduates who enter practice in Wisconsin.	60%	69%	60%	54%
1.	The five-year rolling average percentage of family medicine graduates who enter practice in Wisconsin.	60%	67%	60%	63%

Note: Based on fiscal year.

2017, 2018 AND 2019 GOALS

Prog. No.	Performance Measure	2017 Goal	2018 Goal	2019 Goal
1.	Percentage of family medicine graduates who enter practice in Wisconsin.	60%	60%	60%
1.	The five-year rolling average percentage of family medicine graduates who enter practice in Wisconsin.	60%	60%	60%

Note: Based on fiscal year.

Agency Total by Fund Source

Medical College of Wisconsin

1719 Biennial Budget

ANNUAL SUMMARY						BIENNIAL SUMMARY					
Source of Funds		Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
GPR	A	\$6,538,000	\$6,538,000	\$6,538,000	\$6,538,000	0.00	0.00	\$13,076,000	\$13,076,000	\$0	0.0%
GPR	S	\$2,013,042	\$3,637,500	\$3,637,500	\$3,637,500	0.00	0.00	\$7,275,000	\$7,275,000	\$0	0.0%
Total		\$8,551,042	\$10,175,500	\$10,175,500	\$10,175,500	0.00	0.00	\$20,351,000	\$20,351,000	\$0	0.0%
PR	S	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.0%
Total		\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.0%
Grand Total		\$8,551,042	\$10,423,000	\$10,423,000	\$10,423,000	0.00	0.00	\$20,846,000	\$20,846,000	\$0	0.0%

Agency Total by Program

250 Medical College of Wisconsin

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
01 TRAINING OF HEALTH PERSONNEL										
Non Federal										
GPR	\$8,551,042	\$10,175,500	\$10,175,500	\$10,175,500	0.00	0.00	\$20,351,000	\$20,351,000	\$0	0.00%
A	\$6,538,000	\$6,538,000	\$6,538,000	\$6,538,000	0.00	0.00	\$13,076,000	\$13,076,000	\$0	0.00%
S	\$2,013,042	\$3,637,500	\$3,637,500	\$3,637,500	0.00	0.00	\$7,275,000	\$7,275,000	\$0	0.00%
Total - Non Federal	\$8,551,042	\$10,175,500	\$10,175,500	\$10,175,500	0.00	0.00	\$20,351,000	\$20,351,000	\$0	0.00%
A	\$6,538,000	\$6,538,000	\$6,538,000	\$6,538,000	0.00	0.00	\$13,076,000	\$13,076,000	\$0	0.00%
S	\$2,013,042	\$3,637,500	\$3,637,500	\$3,637,500	0.00	0.00	\$7,275,000	\$7,275,000	\$0	0.00%
PGM 01 Total	\$8,551,042	\$10,175,500	\$10,175,500	\$10,175,500	0.00	0.00	\$20,351,000	\$20,351,000	\$0	0.00%
GPR	\$8,551,042	\$10,175,500	\$10,175,500	\$10,175,500	0.00	0.00	\$20,351,000	\$20,351,000	\$0	0.00%
A	\$6,538,000	\$6,538,000	\$6,538,000	\$6,538,000	0.00	0.00	\$13,076,000	\$13,076,000	\$0	0.00%
S	\$2,013,042	\$3,637,500	\$3,637,500	\$3,637,500	0.00	0.00	\$7,275,000	\$7,275,000	\$0	0.00%
TOTAL 01	\$8,551,042	\$10,175,500	\$10,175,500	\$10,175,500	0.00	0.00	\$20,351,000	\$20,351,000	\$0	0.00%
A	\$6,538,000	\$6,538,000	\$6,538,000	\$6,538,000	0.00	0.00	\$13,076,000	\$13,076,000	\$0	0.00%

Agency Total by Program

250 Medical College of Wisconsin

1719 Biennial Budget

S	\$2,013,042	\$3,637,500	\$3,637,500	\$3,637,500	0.00	0.00	\$7,275,000	\$7,275,000	\$0	0.00%
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Agency Total by Program

250 Medical College of Wisconsin

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
02 RESEARCH										
Non Federal										
PR	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
S	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
Total - Non Federal	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
S	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
PGM 02 Total	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
PR	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
S	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
TOTAL 02	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
S	\$0	\$247,500	\$247,500	\$247,500	0.00	0.00	\$495,000	\$495,000	\$0	0.00%
Agency Total	\$8,551,042	\$10,423,000	\$10,423,000	\$10,423,000	0.00	0.00	\$20,846,000	\$20,846,000	\$0	0.00%

Agency Total by Program

250 Medical College of Wisconsin

1719 Biennial Budget

Agency Total by Decision Item

Medical College of Wisconsin

1719 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	\$10,423,000	\$10,423,000	0.00	0.00
TOTAL	\$10,423,000	\$10,423,000	0.00	0.00

Decision Item (DIN) - 2000

Decision Item (DIN) Title - Adjusted Base Funding Level

NARRATIVE

Adjusted Base Funding Level

Decision Item by Line

1719 Biennial Budget

	CODES	TITLES
DEPARTMENT	250	Medical College of Wisconsin
	CODES	TITLES
DECISION ITEM	2000	Adjusted Base Funding Level

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$6,785,500	\$6,785,500
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$3,633,000	\$3,633,000
13	Special Purpose	\$4,500	\$4,500
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$10,423,000	\$10,423,000
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Medical College of Wisconsin

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	2000	Adjusted Base Funding Level			
01	Training of health personnel				
	01 Medical student tuition assist	\$1,926,600	\$1,926,600	0.00	0.00
	02 Family medicine education	\$4,611,400	\$4,611,400	0.00	0.00
	03 Principal repay, int & rebates; biomedical research & technology incubator	\$3,456,700	\$3,456,700	0.00	0.00
	05 Principal repayment and interest	\$180,800	\$180,800	0.00	0.00
	Training of health personnel SubTotal	\$10,175,500	\$10,175,500	0.00	0.00
02	Research				
	21 Cancer research	\$247,500	\$247,500	0.00	0.00
	Research SubTotal	\$247,500	\$247,500	0.00	0.00
	Adjusted Base Funding Level SubTotal	\$10,423,000	\$10,423,000	0.00	0.00
	Agency Total	\$10,423,000	\$10,423,000	0.00	0.00

Decision Item by Fund Source

Medical College of Wisconsin

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	2000	Adjusted Base Funding Level				
	GPR	A	\$6,538,000	\$6,538,000	0.00	0.00
	GPR	S	\$3,637,500	\$3,637,500	0.00	0.00
	PR	S	\$247,500	\$247,500	0.00	0.00
	Total		\$10,423,000	\$10,423,000	0.00	0.00
Agency Total			\$10,423,000	\$10,423,000	0.00	0.00

ACT 201

Proposal under s. 16.42(4)(b)2.: **0% change in each fiscal year**

FY: **FY18 & FY19**

Agency: **MCW - 250**

Exclusions: Federal
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1)	Proposed Budget FY18 & FY19		Item Ref.	Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	0% Change Target	Proposed \$	Proposed FTE		\$	FTE	\$	FTE	\$	FTE
250	2g	221	PR	247,500	0.00	0	247,500	0.00		0	0.00	0	0.00	0	0.00
Totals				247,500	0.00	0	247,500	0.00		0	0.00	0	0.00	0	0.00

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = 0
Should equal \$0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

- 1 Appropriation is funded through the WI income tax check-off program for cancer research. Proposal would limit the research grants that could be awarded.
- 2
- 3

ACT 201

Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY18 & FY19**

Agency: **MCW - 250**

Exclusions: Federal
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1)	Proposed Budget FY18 & FY19		Item Ref.	Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	5% Reduction Target	Proposed \$	Proposed FTE		\$	FTE	Remove SBAs \$	FTE	\$	FTE
250	2g	221	PR	247,500	0.00	(12,400)	235,100	0.00		(12,400)	0.00	0	0.00	(12,400)	0.00
Totals				247,500	0.00	(12,400)	235,100	0.00		(12,400)	0.00	0	0.00	(12,400)	0.00

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = (12,400)

Difference = **0**
Should equal \$0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

- 1 Appropriation is funded through the WI income tax check-off program for cancer research. Proposal would limit the research grants that could be awarded.
- 2
- 3
- 4
- 5