
Medical Education, Research, and Public Health Grants

Legislative Audit Bureau

June 2010

Commissioner of Insurance Order

- ◆ Issued in March 2000
- ◆ Approved Blue Cross Blue Shield conversion
- ◆ Split conversion proceeds equally between UW and MCW
- ◆ 35.0 percent provided for public health initiatives and
65.0 percent provided for medical education and research
- ◆ Created the Wisconsin United for Health Foundation

UW Program Oversight

- ◆ Wisconsin Partnership Program
 - UW Board of Regents
 - Oversight and Advisory Committee
 - Medical Education and Research Committee

Conversion Endowments

	Date	UW School of Medicine and Public Health (in millions)
Deposit to Revocable Trusts	December 2003	\$295.8
Investment Earnings of Deposit Held in Trust	December 2003 – March 2004	0.8
Initial Transfer from Revocable Trust to Endowment	March 2004	296.6
Subsequent Transfer from Foundation to Endowment	December 2007	15.2
Total Transferred to Endowment	March 2004 – December 2007	\$311.8

Endowment Balances

Calendar Year	Endowment Balance	Change from Previous Year
2004	\$309.7	–
2005	336.8	8.8%
2006	365.3	8.5
2007	406.7	11.3
2008	303.2	(25.4)
2009	325.1	7.2

Program Expenditures

	Amount (in millions)	Percentage of Total
Medical Education and Research Grants	\$26.7	60.5%
Public Health Grants	14.5	32.9
Program Administration	2.9	6.6
Total	\$44.1	100.0%

Medical Education and Research Grants Awarded (2004 through 2008)

- ◆ Competitive RFP Process:
 - 45 grants
 - \$7.8 million awarded
- ◆ Noncompetitive Process:
 - 33 grants
 - \$35.8 million awarded

Medical Education and Research Grant Expenditures

	Amount	Percentage of Total
Salaries	\$12,463,000	46.7%
Fringe Benefits	4,406,900	16.5
Travel	355,700	1.3
Supplies and Services	3,550,200	13.3
Consultants and Contracts	2,443,600	9.2
Equipment	2,841,500	10.7
Other	623,300	2.3
Total	\$26,684,200	100.0%

Medical Education and Research Grants

- ◆ All expenditures reviewed appeared to be allowable
- ◆ Most proposals had clear and specific objectives
- ◆ Progress reports were generally completed but not always timely

Medical Education and Research Grant Outcomes

- ◆ Most grantees in our sample met all or most of the objectives described in their proposals
- ◆ We found two exceptions

Public Health Grants Awarded (2004 through 2008)

- ◆ Competitive RFP Process:
 - Development:
 - » 52 grants
 - » \$2.2 million awarded
 - Implementation:
 - » 46 grants
 - » \$19.9 million awarded
- ◆ Noncompetitive Process:
 - 5 grants
 - \$4.1 million awarded

Public Health Grant Expenditures

	Amount	Percentage of Total
Salaries	\$2,939,300	57.4%
Fringe Benefits	891,400	17.4
Travel	189,300	3.7
Supplies and Services	269,600	5.3
Consultants and Contracts	645,700	12.6
Equipment	23,000	0.4
Other	166,000	3.2
Total	\$5,124,300	100.0%

Expenditures for a sample of 20 public health projects.

Public Health Grants

- ◆ Expenditures reviewed appeared to be allowable, with one exception
- ◆ Some had unclear or overly ambitious objectives
- ◆ Progress reports were generally completed but not always timely

Public Health Grant Outcomes

- ◆ Most grantees in our sample met at least some of the objectives described in their proposals
- ◆ We found two exceptions

Special Initiative on Healthy Birth Outcomes

- ◆ Planning began in early 2007
- ◆ Targeted to Milwaukee, Racine, Beloit, and Kenosha
- ◆ Development grant RFPs issued in September 2009
- ◆ Oversight and Advisory Committee intends to commit \$10.0 million for the initiative over five years

Policy Considerations

- ◆ Amend conflict of interest policies
- ◆ Clarify allowable uses of medical education and research funds
- ◆ Redefine the supplanting prohibition
- ◆ Determine the degree to which medical education and research funds should be competitively allocated
- ◆ Determine the level of public health funding the schools may directly expend

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