

MEDICAL COLLEGE OF WISCONSIN, INC.

The Medical College of Wisconsin, Inc., was part of Marquette University until September 1967, at which time it became a separate private, nonprofit corporation. Under s. 20.250, Wis. Stats., the Legislature has authorized financial support for the Medical College under four appropriations, which are administered by the Higher Educational Aids Board. During the 1995-97 biennium, state expenditures under these four appropriations consisted of:

- \$8,103,073 in tuition aid in order to increase the number of physicians in the state;
- \$6,463,900 for the development and operation of the Medical College's family practice residency program through the Department of Family and Community Medicine;
- \$485,000 for the Department of Family and Community Medicine to use as state matching funds for the federal Area Health Education Centers project, which is operated jointly with the University of Wisconsin-Madison Medical School and has the goal of improving health care in both rural and urban areas; and
- \$875,288 in principal and interest payments related to \$8,000,000 of general obligation bonds the State issued to provide funding for construction of the College's Medical Education Building.

As required by s. 39.15, Wis. Stats., we conducted a biennial audit of the Medical College's expenditures under s. 20.250, Wis. Stats. The statutory requirements for the Medical College to receive state tuition aid are set forth in ss. 39.15 and 39.155, Wis. Stats. To review compliance with these requirements, we performed tests to determine whether only Wisconsin residents were claimed for tuition aid, whether admission policies were appropriate, and whether minority student enrollment was promoted. We also reviewed the Medical College's summarized accounting records to assess the reasonableness of the expenditures related to the family practice residency program and the federal Area Health Education Centers project. Finally, we verified the accuracy of the debt service payments made on the general obligation bonds issued for construction of the Medical Education Building.

State Tuition Aid to Wisconsin Residents

Under the terms of the appropriation authorized by s. 20.250, Wis. Stats., the State provides a specified per capita aid payment for a prescribed maximum number of Wisconsin residents. During each year of the 1995-97 biennium, the College received \$10,091 for each Wisconsin resident, up to a maximum of 416, enrolled as a full-time student in pursuit of a doctor of medicine degree.

Section 39.155, Wis. Stats., requires that the Medical College request tuition aid only for full-time students who are Wisconsin residents, that the tuition rates for Wisconsin residents and nonresidents be equivalent, and that tuition aid be requested for no more than four years for each

eligible student. The Higher Educational Aids Board certifies the residency status of all students claimed by the Medical College.

We tested the residency status of a sample of students the Medical College claimed for tuition aid. In our review of student eligibility, we evaluated the effectiveness of the system for monitoring tuition payments and the number of times students were claimed for aid. The system, which involves both Higher Educational Aids Board and Medical College staff, is effective in ensuring that tuition aid is paid only for eligible students.

We also found that the tuition rates for Wisconsin residents and nonresidents are equivalent. The Medical College's tuition rates were \$22,950 for fiscal year (FY) 1995-96, and \$23,909 for FY 1996-97. The Medical College charged Wisconsin residents, for whom the state tuition aid credit of \$10,091 was claimed, the balance of \$12,859 for FY 1995-96, and \$13,818 for FY 1996-97.

The Legislature has directed that, in return for receiving state aid, the Medical College give Wisconsin residents first preference in admissions. Our review of student admission procedures found preference was given by targeting one-half of the freshman class openings for Wisconsin residents. The Assistant Director of Admissions' duties include visiting Wisconsin universities that typically enroll pre-medical school students and actively recruiting resident applicants. Current recruitment efforts have included visits to several University of Wisconsin and private college campuses, along with promotional mailings and other special activities for Wisconsin applicants.

During the past several years, slightly less than one-half of all of the students enrolled at the Medical College were Wisconsin residents. At the start of the 1995-96 academic year, 94 of 204 first-year students were Wisconsin residents, and 408 of all 805 students were Wisconsin residents. At the start of the 1996-97 academic year, 98 of the 204 first-year students were Wisconsin residents, and 399 of all 807 students were Wisconsin residents.

Minority Enrollment

Section 39.15, Wis. Stats., requires the Medical College to make every effort to ensure that at least 5 percent of its total enrollment consists of minority students, but it does not define who is to be considered a minority student. To assess whether the Medical College met the 5 percent minority enrollment goal, we used the definition included in both s. 39.44, Wis. Stats., which is related to state grants to minority undergraduate students at institutions of higher education, and s. 39.40, Wis. Stats., which is related to a minority teacher loan program. By this definition, minority students are Black Americans; Hispanics; Native Americans; and certain persons from Laos, Vietnam, or Cambodia. This definition does not include about 110 students of Asian decent who are enrolled at the Medical College.

The Medical College currently does not have information readily available for the number of students from Laos, Vietnam, or Cambodia. However, based on enrollment by African-American, Hispanic, and Native American students, the 5 percent minority enrollment goal was met for

academic years 1996-97, 1995-96, and 1994-95. Minority enrollment at the Medical College for the past five academic years has increased from 37 to 73 students, as shown in Table 1.

Table 1

Minority Enrollment by Academic Year

	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
African-American	20	22	27	27	23
Hispanic	16	15	25	30	44
Native American	1	1	2	4	6
Laotian, Vietnamese, or Cambodian*	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total Minority Students	37	38	54	61	73
Total Enrollment	803	797	807	805	807
Percentage of Total Enrollment	4.6%	4.8%	6.7%	7.6%	9.0%

* Information on Laotian, Vietnamese, or Cambodian students was not readily available.

While the Medical College exceeded the State’s minority enrollment goal during the last three academic years, most minority students come from other states. For example, excluding Laotian, Vietnamese, or Cambodian students, 5 of the 23 minority students entering the Medical College at the start of academic year 1995-96 were Wisconsin residents, and none of the 21 minority students entering at the start of academic year 1996-97 was a Wisconsin resident.

In order to enlarge the total pool of qualified minority applicants, as well as the Wisconsin minority applicant pool, the Medical College participates in programs at the high school and college levels. For example, the Minority Summer Research Training Program, sponsored by the National Institutes of Health, provides an opportunity for 12 students at the undergraduate, graduate, or medical school level to engage in biomedical research under the guidance of Medical College faculty.

Other State Funding

The Medical College’s Department of Family and Community Medicine maintains separate accounts for the funding received from the State for the family practice residency program and the Area Health Education Centers (AHEC) project. Family practice funds were used for the payroll

costs of faculty and staff to administer the family practice residency program. During FY 1996-97, 114 physician residents were trained, an increase from 100.5 residents during FY 1995-96.

The goal of the federal AHEC project, for which the federal government requires that 25 percent of project expenditures be funded from non-federal resources, is to increase the quality of health care in both rural and urban areas by encouraging future and current health care professionals to practice in them. The Medical College and the University of Wisconsin-Madison Medical School jointly administer the Wisconsin AHEC System, which consists of four regional AHECs. For example, the Medical College arranges for some third-year medical students to work with rural primary care physicians within the Eastern Wisconsin AHEC, including sites in Sturgeon Bay, Plymouth, and Elkhorn. Our review found the Medical College spent the State's share of AHEC expenditures in a reasonable manner.

In the 1970s, the State issued \$8 million in general obligation bonds to help pay for construction of the College's Medical Education Building. During the 1995-97 biennium, the State made principal and interest payments totaling \$875,288 on these bonds. We verified that these payments agreed with bond repayment schedules maintained by the State Controller's Office, which accounts for the State's bonding program. The State will continue debt service payments until FY 1999-2000, when the final bonds mature.
