

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. In 1969, in an attempt to increase the number of physicians in the state, the Legislature enacted a law providing state tuition aid to the Medical College through the Higher Educational Aids Board. In the 1997-99 biennium, state tuition aid totaled \$8,106,182. Tuition aid is combined with other tuition receipts and used to fund salaries, fringe benefits, and nonpayroll costs related to undergraduate medical education programs.

Sections 39.15 and 39.155, Wis. Stats., set forth the statutory requirements for the Medical College to receive state tuition aid. This statutory section also requires the Audit Bureau to conduct a biennial review of the Medical College's expenditures to ensure the propriety of expenditures and compliance with legislative intent. To review compliance with statutory requirements, we performed tests to determine whether only Wisconsin residents were claimed for tuition aid, whether the admission policies of the Medical College were appropriate, and whether minority student access was promoted by the Medical College.

In addition to state tuition aid, we reviewed expenditures related to two other programs for which the Medical College received state funds. During the 1997-99 biennium, the Medical College received \$6,561,900 for the development and operation of a family practice residency program and \$775,000 as state matching funds for the federal Area Health Education Centers (AHEC) program. The AHEC program is designed to improve access to primary care health services in underserved rural and inner-city areas and provide community-based primary care training programs for medical, nursing, dentistry, and pharmacy students. This program was jointly administered by the Medical College and the University of Wisconsin-Madison Medical School in the 1997-99 biennium.

Compliance with Eligibility and Residency Requirements

Under the terms of 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 1997-99 biennium, the Medical College received \$10,091 for each Wisconsin resident enrolled as a full-time student in pursuit of a doctor of medicine degree. The statutory maximum number of Wisconsin residents who could be claimed for payment was 416 in each year.

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

We selected students claimed for tuition aid by the Medical College, and tested their residency status. 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. We concluded that 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 concluded that the tuition rates for Wisconsin residents and nonresidents are equivalent. The Medical College's tuition rates were \$25,100 for fiscal year (FY) 1997-98, and \$26,355 for FY 1998-99. Wisconsin residents who were claimed for state tuition aid received the \$10,091 credit and were charged the tuition balance of \$15,009 for FY 1997-98 and \$16,264 for FY 1998-99.

The Legislature has directed that, in return for receiving state aid, the Medical College should give Wisconsin residents first preference in admissions. Our review of student admission procedures found preference was given by targeting approximately one-half of the freshman class openings for Wisconsin residents. Medical College staff indicated that they actively recruit resident applicants by visiting several University of Wisconsin and private college campuses, sending promotional mailings, and conducting other special activities for Wisconsin applicants.

On average, the Medical College has met its residency target of approximately one-half of the freshman class. In academic year 1997-98, 114 of the 204 freshman Medical College students were Wisconsin residents. In academic year 1998-99, 100 of the 204 freshman students were Wisconsin residents. In addition, in recent years, approximately one-half of the overall student population have been Wisconsin residents. For example, in academic year 1997-98, 416 of the 814 students enrolled in the Medical College were Wisconsin residents, and 398 of the 810 students were Wisconsin residents in academic year 1998-99.

Minority Access

Section 39.15, Wis. Stats., states that the Medical College shall make every effort to ensure that at least five percent of its total enrollment consists of minority students. However, this statutory section does not define who is considered a minority student. To assess whether the Medical College met the 5 percent minority enrollment goal, we used the definition included both in 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 the minority teacher loan program. By this definition, minority students are African Americans; Hispanics; Native Americans; and certain persons from Laos, Vietnam, and Cambodia.

Since the Medical College does not have information readily available on the number of students from Laos, Vietnam, or Cambodia, for the purpose of this analysis, we excluded all students who indicated on Medical College applications that they were of Asian heritage. As Table 1 illustrates, the Medical College has exceeded the five percent requirement in each of the last five years.

In order to enlarge the total pool of qualified minority applicants, as well as the Wisconsin minority applicant pool, the Medical College participates in various programs at the high school and college levels. For example, Medical College staff noted that apprenticeship programs provide opportunities for minority high school and college students to participate in summer research and educational activities at the Medical College.

Table 1

Minority Enrollment by Academic Year

| | <u>1994-95</u> | <u>1995-96</u> | <u>1996-97</u> | <u>1997-98</u> | <u>1998-99</u> |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| African American | 27 | 27 | 23 | 26 | 26 |
| Hispanic | 25 | 37 | 48 | 50 | 51 |
| Native American | 2 | 4 | 6 | 7 | 7 |
| 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 | 54 | 68 | 77 | 83 | 84 |
| Total Enrollment | 807 | 805 | 807 | 814 | 810 |
| Percentage of Total Enrollment | 6.7% | 8.4% | 9.5% | 10.2% | 10.4% |

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

Other State Funding

The Medical College maintains state funding received for the family practice residency program and AHEC program in separate accounts. Family practice funds are budgeted for the payroll costs of faculty and staff in the family practice residency program. If positions are vacant, nonpayroll costs of the program are also funded. The Medical College currently provides a total of 115 training slots for future family physicians.

As noted, the focus of the federal AHEC program is to improve the access to and increase the quality of health care in underserved rural and inner-city areas. During the 1997-99 biennium, the AHEC program was jointly administered by the Medical College of Wisconsin and the University of Wisconsin (UW)-Madison Medical School. The Milwaukee and Eastern Wisconsin AHECs were developed by the Medical College, while the Northern Wisconsin and Southwestern Wisconsin AHECs were developed by the UW-Madison Medical School. Funding for the AHECs was evenly distributed between the two schools. However, the Medical College asked to cease its formal participation in the AHEC program because of the program's expanded community focus and reduction of emphasis on undergraduate and graduate medical education. As of October 1, 1999, the AHEC program has been operated solely by the Board of Regents of the UW System, in accordance with s. 20.285(1)(b), Wis. Stats.

We reviewed expenditures charged to the family practice residency and AHEC programs, and found the FY 1997-98 and FY 1998-99 expenditures in both programs to be reasonable and consistent with the programs' objectives.
