



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #823

Biomedical Technology Alliance (UW System)

Bill Agency

[LFB 2007-09 Budget Summary: Page 573, #8]

CURRENT LAW

Under 2005 Act 25, the Department of Commerce granted \$500,000 GPR from the Wisconsin Development Fund to the UW System Board of Regents for UW-Milwaukee to establish a biomedical technology alliance in southeastern Wisconsin.

GOVERNOR

Provide \$2,500,000 GPR in 2007-08 in a new, biennial appropriation for a biomedical technology alliance in southeastern Wisconsin.

DISCUSSION POINTS

1. The biomedical technology alliance was formed in 2004 to promote collaborative research and the commercialization of biomedical technology in southeastern Wisconsin. The founding institutions of the biomedical technology alliance were UW-Milwaukee, UW-Parkside, the Medical College of Wisconsin (MCW), Marquette University, and the Milwaukee School of Engineering. The foundation was initially organized using a \$298,000 grant from the federal Department of Housing and Urban Development. The grant was made to a foundation known as TechStar, which was a collaborative effort involving all five of the member institutions of the current alliance. TechStar ceased to exist in December, 2006.

2. The federal grant has been used to support development and organizational activities

related to the alliance. These activities have included cataloging regional strengths in biomedical technology, assessing infrastructure resources, creating plans for a biomedical technology campus, developing a strategic plan, establishing a leadership team, identifying an appropriate corporate structure, and marketing the alliance. In addition, the alliance has hosted a series of collaborative seminars on various topics related to biomedical technology and innovation.

3. One of the goals of the biomedical technology alliance is to increase the amount of federal research dollars awarded to biomedical researchers in southeastern Wisconsin. The alliance believes that this goal can be achieved by encouraging researchers at different institutions located in the area to collaborate on projects. According to alliance documents, funding for interdisciplinary and inter-institutional research teams by the National Institute of Health (NIH) and other federal funding programs has increased in recent years. This is because collaborative teams have proven more effective in producing valuable scientific results and innovations.

4. To encourage and support research collaborations in the field of biomedical technology, the alliance has established the collaborative grant program. Through this program, research teams involving partners from two or more of the alliance's member institutions can apply for grant funding to support biomedical research. To be funded, the research must be deemed to have commercial potential and the ability to attract funding from outside sources in the future. Grants for individual projects range from \$25,000 to \$250,000.

5. The \$500,000 GPR provided to the alliance under 2005 Act 25 has been used support the alliance's collaborative grant program. This state GPR funding was combined with institutional matching funds to create a combined pool of \$1 million for collaborative grants. In December, 2006, the biomedical technology selected the first 11 collaborative research teams who will receive grant funding through the collaborative grant program. As an alternative to the Governor's recommendation, the Committee could provide \$500,000 GPR to the alliance, which would equal the amount provided under 2005 Act 25.

6. According to DOA budget staff, the \$2,500,000 GPR provided in the Governor's budget would be used to support the collaborative grant program. As the participating institutions would continue to be required to match the state funding, a combined pool of \$5 million would be available for collaborative grants in the 2007-09 biennium.

7. Two other items in the Governor's budget provide research dollars for alliance member institutions. The Governor's budget includes \$21,455,600 GPR and \$7,935,200 PR in 2008-09 for 16 initiatives within the UW System including an initiative to expand research at UW-Milwaukee. The Governor's budget funds approximately 95% of the total GPR requested by the UW System Board of Regents for these initiatives in 2008-09. The UW System Board of Regents had requested \$8,769,900 GPR and \$1,230,100 in PR in 2008-09 for the Milwaukee campus including \$6.4 million GPR specifically for research, which is funded in SB 40 and addressed in a separate paper. The Building Commission's recommendations for the 2007-09 building program would include \$10,000,000 of bonding to support the purchase of a 7-Tesla magnetic resonance imaging (MRI) long-bore scanner for the Medical College of Wisconsin. Given this funding in

other areas, the Committee could decide not to provide funds for the biomedical technology alliance.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.

ALT 1	Change to Bill Funding	Change to Base Funding
GPR	\$0	\$2,500,000

2. Modify SB 40 to delete \$2,000,000 in 2007-08, which would provide \$500,000 in 2007-08 in a biennial appropriation for the biomedical technology alliance.

ALT 2	Change to Bill Funding	Change to Base Funding
GPR	-\$2,000,000	\$500,000

3. Delete provision.

ALT 3	Change to Bill Funding	Change to Base Funding
GPR	-\$2,500,000	\$0

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