



Legislative Fiscal Bureau

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May 27, 2009

Joint Committee on Finance

Paper #183

UW-Madison: Wisconsin Medical Research - Middle Tower (Building Program)

[LFB 2009-11 Budget Summary: Page 712, #3]

CURRENT LAW

Building program projects with costs exceeding \$500,000 are required to be enumerated in the authorized state building program. To enumerate a project, the Legislature lists the project title and budget as a non-statutory provision enacted as part of the biennial budget bill. In addition, the Legislature must authorize any new bonding needed to fund the project.

BUILDING COMMISSION

Enumerate the Wisconsin Institute for Medical Research as part of the 2009-11 state building program at a total cost of \$134,800,000. Authorize \$67,400,000 in general fund supported bonding to support this project. Specify that the GPR supported bonding amounts authorized could not be issued until after June 30, 2011. The remaining \$67,400,000 for the project would come from gifts and grants.

DISCUSSION POINTS

1. This provision would enumerate the second phase of three phases of the Wisconsin Medical Research (WIMR) project on the UW-Madison campus. The WIMR site is located adjacent to the Clinical Sciences Center, which houses the UW Hospital and Clinics; the Health Sciences Learning Center, which houses the administrative and instructional components of the School of Medicine and Public Health (SMPH); and the Waisman Center, a developmental disabilities research center. The purpose of the WIMR project is to create additional laboratory space for faculty and academic staff affiliated with the SMPH. In 2007-08, SMPH faculty and

academic staff were awarded \$200 million in extramural research funds which was equal to 29% of all extramural research awards received by UW-Madison in that year.

2. The purpose of the WIMR project is to replace outdated medical research facilities and unify the SMPH on UW-Madison's west campus. Currently, most of the SMPH's basic science departments, including 40% of its research staff, are located in the Medical Sciences Center on the UW-Madison main campus. This facility, the core of which was built in 1923 as the University's hospital, does not meet the space needs of the researchers and departments that it currently houses. The laboratory facilities are unable to support modern or interdisciplinary research methods, which combine perspectives and techniques from various health sciences. SMPH has indicated that the current facilities make the School less competitive when recruiting top-notch faculty and students and have been identified as a weakness by accreditors.

3. In addition, the Medical Sciences Center, which is located on the UW-Madison main campus, is physically separated from other SMPH facilities that are located on the west campus. This physical separation reduces the ability of these faculty members to collaborate with other faculty members, especially those in clinical departments. This physical separation inhibits the ability of SMPH faculty to engage in translational research, which is the transfer of knowledge gained from basic research to new and improved methods of preventing, diagnosing, or treating disease, as well as the transfer of clinical insights into hypotheses that can be tested and validated in a basic research laboratory.

4. The first phase of the WIMR project, formerly known as the Interdisciplinary Research Complex (IRC), was completed in 2008. This project was the final phase of the Healthstar Initiative which was enumerated as part of the 1997-99 state building program to provide interdisciplinary health sciences and research facilities, ancillary systems, and supporting infrastructure. The WIMR I project was authorized by the State Building Commission in November, 2004, with a total budget of \$133.9 million including \$23.4 million GFSB and \$110.5 million in gifts and grants.

5. The funding authorized by the Building Commission was used to construct the WIMR east tower, which consists of five floors of laboratory space on top of a three-story base, and a three-story base for the center tower. Of the five laboratory floors constructed as part of WIMR I, only three floors were finished within the scope of the project. The remaining two floors were constructed as shell space which would be finished when additional gift and grant funding became available. According UW-Madison staff, an additional \$50 million in gifts and grants have been received to finish these laboratory floors as well as fit an animal research floor in the base of the center tower. Research conducted in the WIMR east tower focuses on cancer and related issues.

6. The eventual phase three of this project would provide space for SMPH research partners including the State Laboratory of Hygiene, which is located on the Madison campus, the School of Pharmacy, the School of Nursing, the College of Engineering, and the Waisman Center. WIMR III would focus on biomedical research and technologies that could be rapidly transferred to the marketplace. It is anticipated that this third and final phase of the WIMR project would be

financed in large part with private funds. At this time, it is unknown when development of WIMR III would begin.

7. WIMR II would complete the center tower by adding seven floors of wet laboratory space, a total of 251,000 gross square feet, on top of the existing three-story base. This laboratory space would be used for research focused on cardiovascular medicine, neuroscience, and molecular-based disease. The proposed 2009-11 capital budget would provide \$67,400,000 in general fund supported bonding for WIMR II to be issued after June 30, 2011. As this bonding would not be available until the 2011-13 biennium, the Committee could delay the enumeration of the project and the authorization of the related bonding. By authorizing bonding that would not be available until 2011-13, the Committee would advance commit the 2011 Legislature for this bonding and limit the amount of bonding available for other projects in the 2011-13 biennium. By delaying this enumeration, the Committee would allow the 2011 Legislature to consider the relative desirability of investing in additional research space for SMPH in the context of other state building needs in the 2011-13 biennium.

8. However, the proposed enumeration would specify that \$67,400,000 in gifts and grants be raised to support this project. The authorization of bonding now for delayed issuance in the 2011-13 biennium may be used to leverage these federal grant and gift funds. According to UW-Madison staff, the campus has received a tentative commitment from a large donor, which is contingent on the project receiving bonding authorization from the state. In addition, SMPH is in the process of applying for two grants of \$15 million each from the National Institutes of Health (NIH) that, if received, would support the WIMR II project. Funding for these grants was provided to the NIH under the federal American Recovery and Reinvestment Act. Without the enumeration of this project as part of the 2009-11 state building program and the authorization of related bonding, it may be difficult to secure gift and grants to fund this project.

ALTERNATIVES

1. Approve the Building Commission's recommendation to enumerate the Wisconsin Institute for Medical Research as part of the 2009-11 building program at a total cost of \$134,800,000. Authorize \$67,400,000 in general fund support bonding to support this project. Specify that this bonding will not be available until after June 30, 2011.

ALT 1	Change to Bill
	Funding
BR	\$67,400,000

2. Maintain current law, which would result in this project not being included in the 2009-11 building program.

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