



Legislative Fiscal Bureau

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May 19, 2009

Joint Committee on Finance

Paper #807

Wisconsin Institute for Discovery (UW System)

[LFB 2009-11 Budget Summary: Page 655, #6]

CURRENT LAW

No provision.

GOVERNOR

Provide \$8,198,100 GPR in 2010-11 in the UW System's general program operations appropriation. Require the Board of Regents to allocate this funding in 2010-11 to support interdisciplinary research into biotechnology, nanotechnology, and information technologies that enhances human health and welfare.

DISCUSSION POINTS

1. The Wisconsin Institute for Discovery (WID) is a research institute organized under the UW-Madison Graduate School. WID focuses on interdisciplinary research in biotechnology, nanotechnology, and information technologies with the mission of enhancing human health and welfare. WID and the Mordridge Institute for Research (MIR), an independent, not-for-profit medical research institute, comprise the Wisconsin Institutes for Discovery. Both institutes will be housed in the Wisconsin Institutes for Discovery facility located on the UW-Madison campus beginning in the fall of 2010 when construction of the facility should be completed.

2. According to UW-Madison staff, this pairing of a public and a private research institute is common in academia. The advantage of having a privately funded research institute is that it may not be subject to certain state and federal restrictions regarding the use of grant moneys. On the Madison campus, this was particularly important before the restrictions on the use of federal grant funds to support stem cell research were lifted. As part of the University, WID, the publicly

funded research institute, would share in the University's education and public service missions. WID would seek to engage students of all ages with its education and outreach programs as well as provide educational and research opportunities for UW-Madison students. Although separate entities, the two institutes would work together to minimize duplication and find other efficiencies to maximize cost savings.

3. WID was first proposed by Governor Doyle in November, 2004, as a research institute with both public and private components to be located on the UW-Madison campus. Under 2005 Act 25, a facility for the Wisconsin Institute for Discovery was enumerated at a total project cost of \$150 million, including \$50 million in general fund supported borrowing (GFSB) and \$100 million in gifts, grants, and other receipts. In 2006, John and Tashia Morgridge and the Wisconsin Alumni Research Foundation (WARF) each made gifts of \$50 million to UW-Madison for the construction of the Wisconsin Institute for Discovery facility. Construction of the facility began in 2008.

4. The research program at WID will focus on five themes. In keeping with WID's emphasis on interdisciplinary research, each of these five themes will encompass at least two of WID's core research areas: biotechnology, nanotechnology, and information technologies. The five themes will be selected from proposals submitted by UW-Madison faculty and are expected to be announced in June, 2009.

5. WID will be staffed by 20 UW-Madison faculty members including the five faculty members whose research proposals are accepted as WID's five themes. WID will hire three new faculty members (15 total) to conduct research related to each of the five themes. It is anticipated that seven new faculty members will be hired for the 2010-11 fiscal year. Of the state funding proposed to support WID in the 2010-11 fiscal year, \$1,149,100 would be used to fund salary and fringe benefit costs of these new faculty members. In addition to salary and fringe benefit costs, each new faculty member would be provided with a start-up package, which would include funding for new equipment, graduate student research assistants, and other research costs, of approximately \$750,000. In total, start-up packages for the seven new faculty members who would be hired in the 2010-11 fiscal year would equal \$5,250,000.

6. Funding is also requested to support 14 new educational, outreach, and administrative positions related to WID. These positions would operate and maintain WID's three teaching laboratories and coordinate its K-12 outreach program. The administrative staff positions provided include a coordinator for each research theme and support staff for the WID director. Salaries, fringe benefits, and other costs associated with these positions would total \$1,799,000.

7. It is anticipated that additional funding will be requested in the 2011-13 biennium to support eight additional faculty positions at WID. It is estimated that an additional \$2,150,000 could be requested to support WID in the 2011-12 fiscal year. However, as one-time faculty start-up costs will have been realized in the 2010-11 and 2011-12 fiscal years, the total amount of state funding requested to support WID could be reduced to \$5,100,000 in the 2012-13 fiscal year.

8. Based on awards currently received by faculty members similar to those who would work at WID, it is estimated that each WID faculty member would receive federal grant awards of approximately \$600,000 annually. As WID would employ 15 new faculty members, it is estimated that state GPR funding for WID could result in an increase in federal grant funding awarded to UW-Madison faculty of \$9,000,000 annually. This grant funding would support additional, non-state funded staff scientist and post-doctoral research positions at WID.

9. In addition, it is anticipated that WID would receive substantial support from private gifts and grants and from research collaborations with MIR and other UW-Madison departments. In total, it is estimated that the state funding provided in this proposal would result in an increase of \$12,750,000 annually in federally and privately funded research at the UW-Madison campus.

10. However, while the Governor's budget provides \$8,198,100 GPR in 2010-11 to support WID, it also reduces funding provided to the University to support educational and other programs, including research, by \$43,136,000 GPR in that same year. As an alternative, this funding could be provided to the Board of Regents to offset a portion of the proposed reduction in the 2010-11 fiscal year. This could be accomplished by deleting the nonstatutory language that would require the Board of Regents to allocate \$8,198,100 GPR to interdisciplinary research into biotechnology, nanotechnology, and information technologies that enhances human health and welfare. This would permit the Board of Regents to allocate the funding provided in the manner it deems best fulfills the University's mission of instruction, research, and public service.

ALTERNATIVES

1. Approve the Governor's recommendation.

2. Delete the nonstatutory language requiring the Board of Regents to allocate \$8,198,100 in 2010-11 to support interdisciplinary research into biotechnology, nanotechnology, and information technologies that enhances human welfare. In doing so, permit the Board of Regents to allocate the funding provided in the manner it deems best fulfills the University's mission of instruction, research, and public service.

3. Delete provision.

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| ALT 3 | Change to Bill |
| | Funding |
| GPR | - \$8,198,100 |

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