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The Board of Governors Has Developed a Funding Formula and Uniform Reporting Procedures for Medical Education Programs

at a glance

Since our prior report in 2009, the Legislature required the Board of Governors to determine a uniform reporting procedure for medical education program expenditures and develop a funding methodology to determine the per-student state funding for medical education.

The board has developed uniform cost reporting procedures for medical education programs; to provide more complete information, the board could incorporate more detail into its procedures to account for all related program costs and faculty activities. The board has developed a funding formula as directed.

Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Board of Governors in response to a 2009 OPPAGA report.^{1, 2}

Background

Florida is expanding its public medical education programs and schools. Prior to 2000, two of Florida's public universities operated

medical schools, with a total enrollment of 823 students. With the expansion of medical education to six public universities, program enrollment is expected to increase to 2,716 students in Fiscal Year 2016-17.³ (See Exhibit 1.)

Exhibit 1 Florida Has Established Medical Schools at Six Public Universities

College of Medicine	Year Authorized by Legislature	First Class of Medical Students	Projected Enrollment 2016-17
University of Florida	1949	1956	540
University of South Florida	1965	1971	480
Florida Atlantic University	1998	2004	256
Florida State University	2000	2001	480
Florida International University	2006	2009	480
University of Central Florida	2006	2009	480
Total Projected Enrollment			2,716

Source: OPPAGA review of information provided by the Board of Governors and the colleges of medicine.

¹ Section 11.51(6), *F.S.*

² *Medical Education Program Funding Model Must Address Institutional Variations and Data Limitations*, OPPAGA [Report No. 09-19](#), March 2009.

³ In addition, three private medical schools receive state funds. The University of Miami operates a medical school, and Nova Southeastern University and Lake Erie College of Osteopathic Medicine operate osteopathic medical schools. Since 1951, the Legislature has provided financial support to the University of Miami, which was the first accredited medical school in Florida. Nova Southeastern University also receives annual support from the Legislature. In addition, Lake Erie College of Osteopathic Medicine receives support for medical and pharmacy students at its Bradenton campus.

Medical schools generally provide several major programs, including instruction in areas leading to the doctor of medicine degree and related education that involves instruction, research, and practice in the biomedical sciences and often in one or more additional health programs. The state provides funding for medical education through appropriations to the state university system.

Our prior report found that Florida's expansion of medical education programs occurred without the benefit of consistent cost information or a model for determining the funding needed to support these programs.

Current Status

The 2009 Legislature directed the Board of Governors to more uniformly report complete and consistent information on medical education program funding and to develop a funding methodology to determine per-student state costs. While the board has taken some steps to improve the reporting of medical school cost information, its report does not provide sufficient detail to determine the costs of other related programs or tie faculty salaries to program activities. The board has developed a funding formula for medical student education based on our model.

The Legislature directed the Board of Governors to improve medical education expenditure reporting

Our 2009 report found that medical schools had variations in their missions, histories, and local revenues that affected their operating costs and revenues. In addition, state data and accounting systems could not identify state funding for medical degree programs at most universities, in part, because the universities received lump sum appropriations for several medical-related programs and internally allocated the funding for medical degree and other programs both inside and outside of their colleges of medicine. To provide more complete and consistent information on medical information programs, we recommended that

the Board of Governors modify its statewide information systems and reporting processes to enable the state to better compare costs across medical schools.

The 2009 Legislature directed the Board of Governors to devise a uniform reporting procedure for the consistent annual reporting of expenditures for medical education programs. In January 2010, the board released a report that identified a new method for reporting state revenues and expenditures associated with medical degree and certain other university medical education and health-related activities.^{4,5} This reporting method required universities to detail revenues by source, delineate expenditures, and identify state resource expenditures for each medical education student.

In the future, the Board of Governors could collect more information to reflect all of the educational activities of colleges of medicine, as we recommended. For example, the board could require universities to identify the costs of programs outside the college that support or are supported by the colleges of medicine, such as biology or other health-related departments. Further, the Board of Governors could incorporate the new reporting process into statewide information systems to link to data on the accounts that universities use to pay faculty and the activities this pay supports.

The Legislature also directed the Board of Governors to develop a funding formula for medical student education

Our 2009 report found Florida's expansion of medical education programs occurred without the benefit of a consistent model for determining the funding needed to support these programs, with each university establishing its own methodology to determine funding needs. To address the limitations of this method, we developed an enrollment-

⁴ *Medical Education Funding: A Report from the Florida Board of Governors*. Florida Board of Governors, January 2010.

⁵ These other activities include colleges of dentistry, nursing, public health, veterinary medicine, and administration/overhead expenditures.

based funding model that reflected cost difference among the colleges' instructional programs and provided a framework for reconciling institutional differences and addressing shortcomings in state-level financial data.

Following our report, the 2009 Legislature directed the Board of Governors to develop, in consultation with OPPAGA and representatives from each university, a funding methodology for a consistent base level of state support for each medical education student. The Legislature directed the board to review national data on the costs associated with medical education programs, determine a base-level cost per student that excludes supplemental costs or startup costs, and determine supplemental costs and startup costs that are in addition to the base-level cost per student and that support the unique mission of a degree program or support the implementation of new degree programs.

The board's January 2010 report included a medical education funding formula that produced a per-student base level of state funding of \$57,500 (exclusive of tuition) based on a 1997 study that compiled and compared prior medical education cost studies.^{6,7} The board's formula incorporated elements of OPPAGA's recommended formula, including program weights. These program weights related the costs of various programs and were used to estimate the portion of the lump sum funding attributable to each program. The formula also took into consideration differences between universities in accounting for costs not directly related to medical student education such as plant operations and maintenance, research, and other costs outside some colleges of medicine, such as libraries.

⁶ The board reports that the formula will have to be updated annually to reflect changes in the costs of providing education services and to take advantage of new or better data.

⁷ Jones, Robert, and David Korn. "On the Cost of Educating a Medical Student," *Academic Medicine* 72(3) (1997): 200-210.

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