

Visioneering Unified Legislative Alliance
CENTER OF INNOVATION FOR BIOMATERIALS IN ORTHOPAEDIC RESEARCH
LEGISLATIVE RESUBMISSION PROPOSAL - November, 2010

***Proposal:** It is requested that the Visioneering Unified Legislative Alliance continue to include in its list of priorities for the 2011 legislative session, support and encouragement of the Kansas Bioscience Authority's (KBA) continued funding of the proposal for the Center of Innovation for Biomaterials in Orthopaedic Research (CIBOR).*

Background of issue (i.e., relevant data, history, date of original proposal, funding history):

The Center of Innovation for Biomaterials in Orthopedic Research (CIBOR) is a partnership between Wichita State University and Via Christi Research formed to develop an active medical device industry in Wichita. CIBOR will promote south-central Kansas as a focal point for the development of biomaterials with potential applications in orthopaedic medicine. The existing cluster of aviation-related manufacturing companies, medical services and materials research here make it the ideal site in Kansas for this new industry. To develop a new generation of orthopaedic devices utilizing composite technology, CIBOR will:

- adapt NIAR-styled relationships between industry and university
- provide 'common ground' where participants from diverse fields interact
- focus initially on one class of materials – composites – in one clinical specialty – orthopaedics – to manufacture a range of devices

CIBOR requested \$20 million over a four-year period from the KBA to build a world-class Center of Innovation for Biomaterials in Orthopaedic Research in Wichita. The Center would conduct research, attract orthopaedic and biomaterial business to the region, and create opportunities for manufacturing companies to diversify into biomaterials and medical products. KBA has described CIBOR as “an exciting initiative which promises to open a new economic sector in Kansas at the interface between aviation manufacturing and health care, two of the largest economic sectors in the state. Wichita is the center of a regional cluster in composites, plastics and advanced materials” ... one of only a seven in the world, and three in the United States.

Describe the regional impact or significance to South Central Kansas:

Wichita's healthcare industry is Kansas' largest, and one of the largest in the Midwest. The collaboration of Via Christi's Orthopedic Research Institute, WSU's National Institute for Aviation Research creates the infrastructure for new research projects that can lead to new jobs in a new industry, promoting growth and innovation in the

manufacturing sector, attracting new businesses to Kansas, and producing intellectual property.

Describe the relationship of the proposal to job growth, per capita income and/or education:

CIBOR designed its business plan to yield economic benefit for Kansas, including the creation of high-paying jobs in south-central Kansas, non-cyclical manufacturing to offset aviation's cyclical patterns, entry into the profitable and rapidly expanding niche of orthopaedic manufacturing, and attracting or creating high-tech companies that work in these new jobs.

The large concentration of aviation manufacturing in Wichita makes it unique among high-tech cities in the United States. A report by the Commission on the Future of the United States Aerospace Industry cited Wichita for having the largest concentration of aerospace and aviation industry jobs in the nation – accounting for one out of every five jobs. The Big Five –Boeing, Bombardier-Learjet, Cessna, Hawker Beechcraft, and Spirit AeroSystems – represent 40,000 jobs and \$2.4B in annual payroll for Kansas' economy. Because each aviation job is a multiplier of 2.9 additional jobs, the manufacturing industry drives about 160K jobs throughout the community. Among those are many composite manufacturers currently supporting aviation, but capable of diversifying into new industries. CIBOR is the mechanism for focusing that diversification in successful, profitable ways.

CIBOR's payroll impact is estimated to be \$49.3M from 2009-2014. CIBOR will employ 27 people, with 33 FTE working in product development from private sector companies. Average annual earnings are estimated at \$9.9M. Indirect and induced economic effects should result in another 49 regional jobs estimated to earn \$27.3M over the five-year analysis period, or about \$5.5M in average annual earnings. The subtotal impact of jobs and payroll earnings for CIBOR's operations included 109 average annual jobs with average annual payroll totaling \$15.3 million.

The construction of CIBOR provides additional direct earnings gains to the region through construction wages and salaries. Based on an architect's estimates, construction of the research facility will employ about 207 FTE construction-related workers, yielding direct economic impact of \$11.6 M from construction salaries. With multiplier impacts, CIBOR employees, private sector collaborators, construction and visits will generate additional jobs and economic impact. Long-term profits from commercializing patented intellectual property add more.

Describe how this resubmission proposal is the same or different from the original proposal (i.e. is the intent the same, will the funding requested be utilized for same or new purposes, etc.)

The intent of this resubmission proposal is the same as the original proposal in that the KBA funding requested will be utilized for the same purposes.

Persons/Organizations/Groups with primary responsibility for advancing proposed legislation (please provide contact information, including telephone and e-mail):

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Draft of proposed legislation: (if applicable)

None