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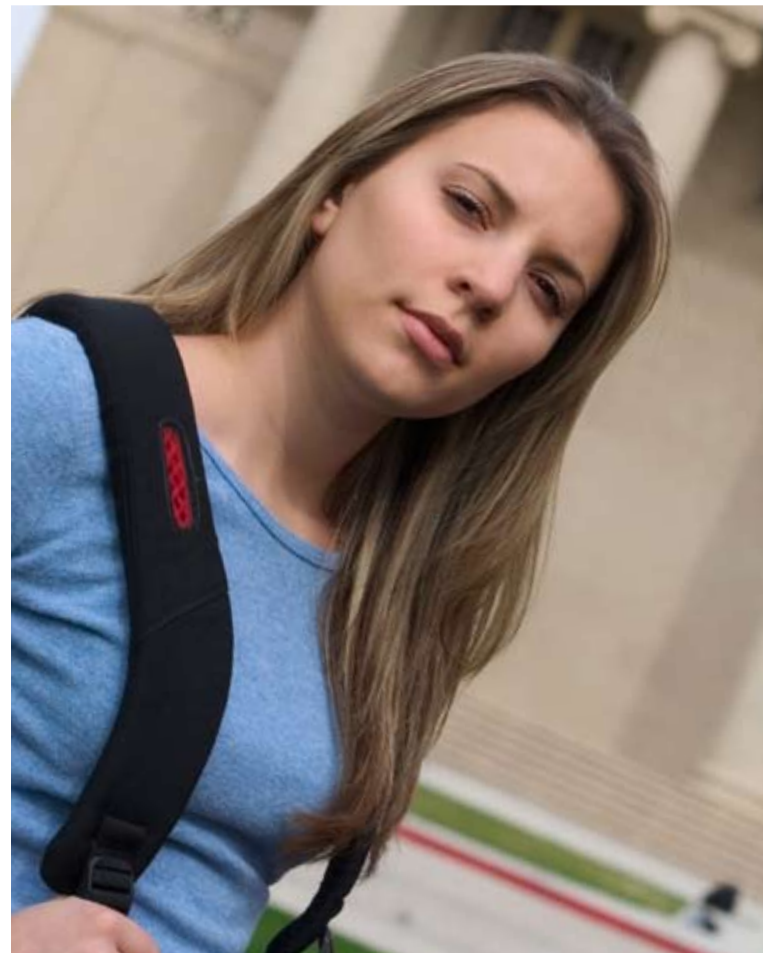
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**TIME  
TO GET IT  
RIGHT**



**One Year Later:  
TIME  
TO GET  
THINGS  
DONE**



“The most valuable of all capital is that invested in human beings.”  
**Alfred Marshall, *Principles of Economics* (1892)**

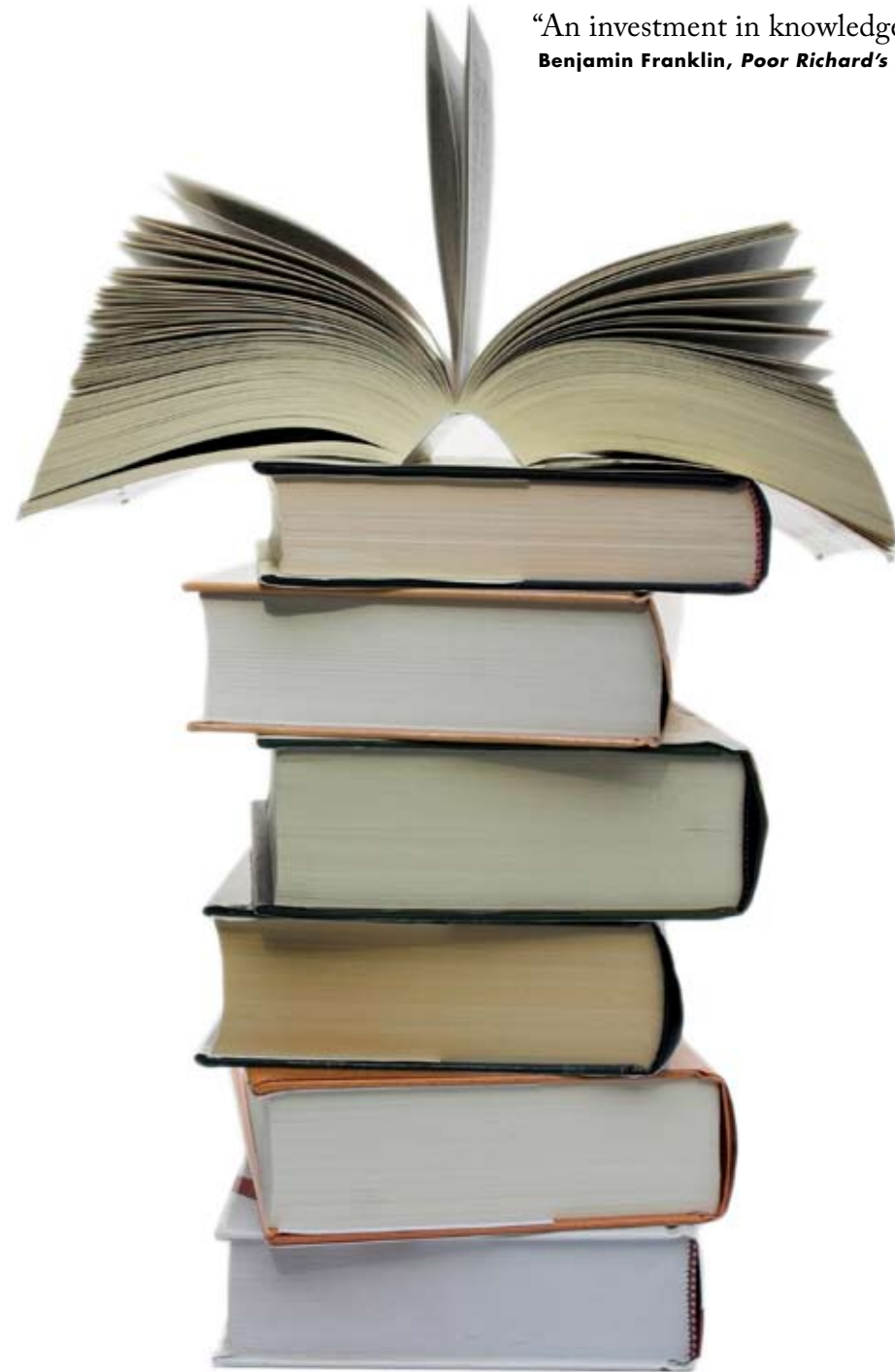
“An investment in knowledge pays the best interest.”  
**Benjamin Franklin, *Poor Richard's Almanac* (1758)**

## A NOTE TO THE READER

Led by the Greater Kansas City Community Foundation, several Kansas City foundations thought it might be useful for me, as the chair of the Task Force that submitted “*Time to Get It Right*” one year ago, to report to the community on what has happened in the past year and to offer recommendations.

The views stated in this update are solely those of the author, and should not be attributed to the foundations that sponsored this effort.

**Benno Schmidt**



# Introduction: It Was a Very Good Year

A lot of good things have happened in the past year. It seems fair to say that “*Time to Get It Right*” has galvanized the Kansas City community. Universities, community colleges, leading civic institutions and major philanthropies have responded to the Report with energy and sustained attention. Both governors endorsed the Report and supported its life science recommendations with public funding proposals. There has been significant progress on most of the Report’s recommendations, although given the long-term nature of the Report’s major strategies, the first year is likely to be stronger on promise and planning than on execution and accomplishment. Still, there have been impressive accomplishments.

The past year has also shown that some of the challenges embedded in the Report’s recommendations are difficult to overcome. Some institutions are finding it hard to pursue cooperation across the state line. The Report’s call for major philanthropic investment has not been fulfilled. Even on these challenging fronts, however, there have been recent signs of progress.

## A. TIME TO GET IT RIGHT: A Reprise

It has been one year since the Report proposed a higher education strategy to help Kansas City flourish in the highly competitive global information economy of the 21<sup>st</sup> century.

The Report argued that Kansas City enjoyed many assets and strengths, but faced two major deficits that, if not corrected, would become ever greater liabilities undermining the city’s future. The first was the absence of a world-class research university, deeply engaged in all the city’s opportunities and problems. Such an enterprise would bring to Kansas City high-quality faculty and students, help make the city an important center of discovery and entrepreneurial innovation, bolster the city’s high-tech industries and help its major professions in medicine, law, finance, engineering and management stay on the cutting edge of advancing knowledge. The second deficit was Kansas City’s dismal history of educational failure for its African-American and Latino populations, the fastest growing segments of the city’s population. This failure causes gross inequalities

that radiate throughout the region in employment, public health, crime, housing and concentrated poverty.

To address these critical deficiencies, the Report contended that Kansas City must, quite literally, get its act together. Unifying strategies in research, education, economic development and social justice had to be pursued on both sides of the state line. No single university, for example, could carry forward the city’s research needs, or its need for a first-rate urban university deeply engaged in bolstering the city’s strengths and addressing its weaknesses. Institutions on both sides of the state line had to learn to work together, to cooperate at a strategic level even as they might continue to compete. Zero-sum thinking had to be replaced with confidence in the growing prosperity and regional vitality that cooperation could produce. Kansas City’s modesty had to give way to a determination to be world-class in research and economic development in key areas.

Of all the broad areas of research, education and innovation that might benefit Kansas City, the Report was clear that the life sciences and medicine offered the greatest promise. With the Stowers Institute on a path to greatness, with the University of Kansas Medical Center (KUMC) capable of becoming one of the country’s top 50 academic medical centers, with the University of Missouri-Kansas City (UMKC) playing an important complementary research role, and with the city’s excellent hospitals properly aligned, the Report contended that Kansas City could become one of the country’s top 20 life sciences and medicine centers. This would bring huge benefits to the city.

Other areas of research and advanced education should also be built up, the Report contended. Of these, the most beneficial would be the information sciences, engineering, nanoscience, telecommunications, the visual and performing arts, and business and economics.

The second thrust of the Report was that Kansas City urgently needs to turn around its history of failed public education in the urban core. As knowledge has replaced land, energy and industrial infrastructure as the foundation for the wealth of nations, cities and individuals, education has become the key to opportunity. Individuals without a strong capacity for life-long learning face a bleak future. Educational failure was not lethal to individuals or cities when good industrial jobs were available for hard-working people lacking a good education. Today such jobs are shrinking fast. Accordingly, the Report argued that Kansas City’s universities and colleges, the business community, the philanthropic community, and civic institutions must take direct responsibility for improvement of public education in the urban core. Continued failure will cause ever greater

social and economic problems, and ever greater denials of access and opportunity.

## **B. PROGRESS AND CHALLENGES: An Overview**

Before taking a look at the events of the past year, it may be helpful to provide a brief overview. The greatest progress has been in the life sciences, where events of the past year amply support the Report's contention that Kansas City can become one of the country's top 20 life sciences centers. The Stowers Institute made extraordinary progress. Its researchers were highly productive and it has added a number of world-class scientists to its roster. If Kansas City and its two parent states give Stowers the scientific environment and support it deserves, Stowers is on a path to greatness. A major step in that direction was Missouri's passage of Amendment 2, the Missouri Stem Cell Initiative.

KUMC also had a banner year. It made huge strides toward its goal of becoming one of the country's top 50 academic medical centers, with special strength in basic life science research. National Institutes of Health (NIH) funding increased by more than 20 percent, it had a splendid year in faculty recruiting, and the state of Kansas added major new operating funding support to KUMC's cancer research effort.

One year later, it is gratifying to report that Kansas State University (K-State) figures prominently in Kansas City's future. The Report urged the region to "build on K-State's strong animal health programs" and on its "research efforts in bio-terrorism and agro-terrorism." K-State made significant strides in that regard when the city of Olathe in Johnson County agreed to donate real estate on which the university would construct a food safety and security facility. This facility could quickly attain national stature. The Greater Kansas City life sciences effort would benefit greatly by the construction of such a facility and by K-State's initiatives generally in the areas of food safety and animal health.

In addition, the University of Kansas Edwards Campus in south Overland Park continues to experience growth. It has solid leadership and benefits from strong civic support. Its leadership is focusing on the possibility of undertaking new initiatives in the areas of business and engineering. This is consistent with the course we urged in the Report. Again, this expansion of Edwards Campus programming could only benefit the region.

It is easy to envision a kind of "education and research triangle" emerging in Johnson County: A strong and growing KUMC Cancer Center in the northeast part of the county, a nationally important K-State food and animal safety facility in Olathe, and a vibrant Edwards Campus in south Overland Park offering

enhanced academic programs. This "triangle" would greatly enhance KUMC at its primary campus in Wyandotte County, providing strong opportunities for economic growth in northeast Kansas. Moreover, the benefits that these programs would bring to the entire Greater Kansas City region are hard to exaggerate.

Significant advancements continue at some of Kansas City's key private institutions. Midwest Research Institute (MRI) continues to grow in both scope and depth of its research capacity. It is about to launch a major capital improvement plan and this will further contribute to Kansas City's growing reputation as a research center. Kansas City University of Medicine and Biosciences (KCUMB) has energetic leadership that will keep its momentum strong. The Center for Practical Bioethics has added considerable strength to its research capacity thanks to the receipt of a \$3 million endowment from the Francis Family Foundation in 2005. As the life science economy grows in Kansas City, so will the complexity of the ethical issues surrounding the research. The Center should serve as a valuable resource to this community.

Finally, there is considerable excitement regarding a consortium of leadership organizations to address the potential of Kansas City in a specific area of the life sciences continuum – animal health research. The Greater Kansas City Chamber of Commerce, the Kansas City Area Life Sciences Institute (KCALSI) and the Kansas City Area Development Corporation have started the Animal Health Initiative that brings together corporations, universities, governments and civic leadership in the two states to build on the region's remarkable private sector strength in animal health. Kansas City area companies account for an amazing 30 percent of total sales in the \$14.5 billion global animal health market. The veterinary schools at K-State and the University of Missouri-Columbia (UM-Columbia) form bookends to what could be one of the nation's leading research corridors in animal health that brings together corporations, universities, entrepreneurs and investment. Comparative health research is a growing field and basic researchers at Stowers and KUMC are involved in this exciting venture. If the scale and diversity of this industry were combined with significant academic research capacity, the gains in innovation and economic development for the region would be significant.

For UMKC, the past year was one of great promise. A new chancellor arrived and is off to a fine start in giving UMKC an essential element it has lacked for years: leadership with continuity of purpose that pulls the total community – area residents, students, faculty, corporations and foundations – together behind

the university. On a second front essential to UMKC's progress, governance that gives Kansas City a stake and a say in the university, there also has been a major advance. The creation of a private endowment structure for UMKC, along the lines of what exists at most public universities, is a watershed in the history of UMKC.

The Report argued that UMKC should set its sights on becoming a first-rate urban university deeply involved in the most important challenges and opportunities facing the community. Of these, by far the most pressing is the dismal failure of educational opportunity for Kansas City's growing African-American and Latino populations. UMKC has taken the critical first step in becoming an engaged urban institution in launching the Institute for Urban Education. The community's skepticism about whether UMKC has the will or know-how to make good on the Institute for Urban Education is changing to admiration. This effort, currently in its beginning stages, has promise if it can be developed to serve more of the urban population. It is now time for admiration to turn into financial and civic support.

The failure of public education in the urban core has long been Kansas City's most serious problem. After so many years, so many brave plans, so many dollars, so many superintendents, so many dashed hopes, so many children failed, it takes courage to indulge in hope. And yet, there are good reasons to hope.

A new superintendent has arrived in Kansas City, Mo., with a compelling educational vision, the courage to press for real change, and administrative energy. The school board has committed to support him as he presses for needed, difficult changes. UMKC has committed itself to help. Kansas City's excellent Metropolitan Community College is in detailed discussions with the superintendent about how they can be of assistance. National and local foundations have come forward with financial support. The Kansas City, Missouri School District feels like it might be turning around at last.

The Kansas City, Kan., (KCK) school system has garnered national attention from well-informed education philanthropies for its reform effort "First Things First." KCK should be pleased with its increased graduation rates, decreased dropout rates, and gains in reading proficiency on state tests. The results to date are encouraging, but KCK must do more to move struggling students forward and raise the bar for those students who are doing well. The attitude in KCK has dramatically shifted toward college readiness for all its students. Now the district must confront the tough questions to support students in achieving college readiness. The leadership and the community need to meet these tough

challenges with continued energy and enthusiasm.

Kansas City was also the beneficiary of a \$5 million Department of Labor Workforce Innovation in Regional Economic Development (WIRED) grant. While the main purpose of the grant is workforce development, it also supports education efforts on a number of fronts, specifically focused on science and math programs. The grant brings together KCALSI, community colleges, universities, corporations and education-support organizations, such as the Full Employment Council, together to develop curricula that meet both student and workforce needs. This will provide opportunities for more students to find meaningful employment in the burgeoning life science economy.

Civic leadership was the foundation of every aspiration voiced in the Report. One year later, it is clear that civic leadership comes together more naturally behind some of the Report's strategic goals than others. Of the three major strategic recommendations of the Report, civic leadership has rallied most powerfully around the goal of making Kansas City a leading life sciences center. This is perhaps not surprising. Advances in the life sciences promise profound humanitarian benefits; federal funding provides a compelling incentive; economic development follows scientific discoveries. Moreover, there is a leadership organization, KCALSI. Now is the time for KCALSI to fully realize its mission and be *the* primary keeper of the region's life science agenda. This will take a concentrated effort to raise money and facilitate the relationships between stakeholders. Determined civic leadership is required to achieve Kansas City's promise in the life sciences. Kansas City is very fortunate in the quality and commitment of its civic leaders focused on building life sciences.

The second strategic goal for civic leadership was to help UMKC move ahead. This is happening. For all its difficulties in the past, UMKC has had a well-organized board of trustees and a devoted, if relatively small, group of philanthropic supporters. In addition, UMKC has had excellent programs in the performing arts, with close ties to arts organizations, which produces natural ties to the community. Also, its nationally recognized dental school has had a long history of university-to-community outreach. With the university, at both the system and campus levels, welcoming a more serious role for the Kansas City community in governance, and with strong new leadership, the UMKC trustees have become invigorated over the past year. Moreover, the philanthropic community has coalesced around the prospect of a private endowment board with fiduciary responsibilities. These are very promising developments.

Civic leadership to support transformation of core urban pre-kindergarten—

12 public education – the third large strategic recommendation of the Report – is much harder to come by. The elected school boards have their appropriate statutory roles to play, and are critical to the success of any reform agenda. But the elected school boards have neither the political nor the civic capital needed to move public education forward in Kansas City. Political and civic leadership needs to organize all elements of the Kansas City community to drive for improvement in the region’s urban public schools. This will not be easy. The Aspen Institute-led process launched by the Greater Kansas City Community Foundation is a good start, but it lacked significant commitment from business leadership. A significant weakness of urban education is that there is not coordination, integration and alignment for students to move through the education system. Now the Community Foundation should tackle the leadership issue head-on and convene a strong group of civic leaders to support K–12 public education reform, perhaps assisted by a group of objective national expert advisors. This group must raise the bar beginning with urban districts, making sure that the educational pipeline is seamless from pre-kindergarten to post-secondary levels.

Furthermore, whether in life sciences, in public education or at UMKC, civic leadership must take a muscular political approach in Kansas and in Missouri. Many of the recommendations have policy implications that will be hard-fought. The Report recommended a political effort that is bipartisan, high minded and bare knuckled. Given the nature of exercising political muscle, civic leaders cannot delegate or be above the fray in enhancing the power of Kansas City in the two capitols.

An additional and necessary element of civic support for the strategic goals set out in the Report is philanthropy. Here the record of the past year is mixed. Both national and local philanthropies have lined up behind public education in Kansas City. Although very little philanthropy has lined up to date behind the life sciences strategy, there are signs of progress toward the kind of major effort that is required. Moreover, although not technically a philanthropic commitment, the support of Virginia and Jim Stowers for the Missouri Stem Cell Initiative has presented the life sciences ambitions of Kansas City with a very great gift. Now is the time for a major life sciences philanthropic effort to come together. If it does not come together now, given all the favorable conditions, people will assume that it is not going to happen.

Aside from the ongoing investment of Henry Bloch, philanthropic support of UMKC has not been forthcoming. With one exception, there has not been

much new philanthropic support for the new leadership and new governance at UMKC. The exception is the Kauffman Foundation’s \$12.5 million matching gift to the Institute for Entrepreneurship and Innovation centered in the Henry W. Bloch School of Business and Public Administration. This gift must be matched one-to-one to be effective. Because the Kauffman Foundation has said it will rescind this gift if it is not matched by September 30, 2007, the gift is a two-edged sword. If it is matched, it will give the Bloch School a tremendous lift in an area of great academic and economic importance. On the other hand, failure to match will be seen as a significant failure of leadership by the university, the Bloch School and the philanthropic community. There is urgent work to do to avoid this.

The Report’s call for cooperation and collaboration among institutions on both sides of the state line has proven challenging, especially for Kansas City’s hospitals which have tended to view their counterparts as competitors rather than as potential partners in research and education. There has been recent progress in these discussions, but the time has come for resolution. The Report’s call for major philanthropic and state investment to build research capacity has not been fulfilled, although there has been progress on this, as well. However, if these and other challenges to achievement of the Report’s recommendations are not met fairly soon, the momentum of the past year’s successes will dissipate.

### C. GETTING IT “RIGHTER”

Events of the past year have also suggested a couple of respects in which the strategies recommended by the Report should be supplemented. More attention should have been given to animal health and plant biology in the life sciences strategy, given the translational significance of discoveries in one area of life science to another. Also, the impressive strength and variety of Kansas City’s private sector in animal health should have been given more emphasis. For example, the University of Missouri (MU) system, University of Kansas (KU) and K-State should be locating research and education activities in veterinary medicine and agricultural biosecurity in Kansas City.

The task force had a lively debate a year-and-a-half ago about how much to say about the MU system. We decided to say rather little, because we thought there was little receptivity in either Columbia or Jefferson City to fresh strategic thinking about the system. Perhaps this has changed. The Board of Curators is in the midst of change. The President of the system has announced his resignation.

Times of transition can be times open to new strategic thinking.

The emergence of Kansas City as a major life sciences center, along with the city's impressive private sector strengths in engineering, telecommunications, the information sciences and the professions, should cause MU to think in a fresh way about how it is organized. MU is not likely to flourish in the 21<sup>st</sup> century with a 19<sup>th</sup> century organization. Of course, the power of inertia is very great in public universities. The academic *status quo* always has vociferous defenders. Yet, Missouri has only to look across the state line to see KU and K-State aligning their academic strategies to the future rather than the past. It is time to say that the current organization of the MU system does not make sense for the university, for any of its four campuses, for the state of Missouri as a whole, and for Kansas City in particular. Moreover, the state's unwillingness to invest in the university reflects a tacit strategy to let the university decline. Last year, Missouri's revenues were up nearly 9.2 percent, but it eked out only a 2.5 percent increase for the university. Missouri ranks 46<sup>th</sup> among the states in per capita higher education funding, investing less than half of what Kansas and Nebraska invest per capita. Does the state really want its flagship public university to keep losing ground? Does a system of four campuses need a strong executive capacity at the system level, or is this wasteful and inhibiting to strong leadership on the campuses? The time is ripe for the Governor and the Curators to ask for a fundamental strategic assessment of MU.



## II. Life Sciences

The Report urged that Kansas City should aim high in its research, technology transfer and economic development strategies, aspiring in a decade to be one of America's top 20 life sciences centers. Accomplishments since the Report was published offer strong support for the feasibility of the ambitious life sciences strategy recommended. The two institutions carrying the main responsibility for research – the Stowers Institute and KUMC – each had banner years.

Long-overdue negotiations to align the research and education mission of KUMC with *all* the important research hospitals in Kansas City, on both sides of the state line, are underway.

In addition, there are signs that Kansas City philanthropy may rise to the challenge of providing the major investment necessary to make KUMC the world-class academic medical center that Kansas City needs. However, if either the hospital negotiations or the philanthropic effort fails, a malaise will displace the strong sense of momentum Kansas City now enjoys in the life sciences. Too much is at stake for either to be permitted to fail.

### A. STOWERS

The Stowers Institute had the sort of year one might expect from an institution on a path to becoming the largest private medical research enterprise in the world, with a quality of scientists, facilities and instrumentation second to none. Last year alone, more than 60 papers and one book authored by Stowers researchers were published in the most important science journals, attesting to the extraordinary productivity of the institute's scientists. Already, *Nature* has singled out six Stowers scientists for discoveries that rank among the most important hundred in the history of biology in the past century. This is an extraordinary concentration of talent in an enterprise that began operations only six years ago.

Stowers is recruiting successfully at the highest competitive levels. Five world-class lab leaders were recruited in the face of competition from the best life science universities in the world. Kansas City has never been the home of a member of the American Academy of Arts and Sciences in the 222-year history

of the academy. Now Kansas City has four – all at Stowers. Kansas City has never had a scientist designated for support by the Howard Hughes Medical Institute, a group widely regarded as the best life scientists in the world. Stowers has three investigators who have won this distinction.

And Stowers will soon have more. The passage of the Missouri Stem Cell Initiative clears a potential roadblock to undertaking the full, ethically-appropriate range of research in cell biology. This will enhance Stowers' ability to recruit the very best scientists. On top of all the other accomplishments of the past year, the passage of this initiative makes 2006 truly a year of remarkable progress for Stowers and for life sciences research in Kansas City. Missouri legislators need to respect the voters' choice and stop debating this issue, allowing the state, the country and the globe the potential of life-saving cures. Governor Matt Blunt should be applauded for his leadership on this issue to date, and he will need to show that leadership again in upcoming sessions to keep a few lawmakers from pursuing a path against the will of the voters.

Stowers' success will radiate out into other academic medical institutions in Kansas City. Few things are more contagious than excellence. An example: Dr. Olivier Pourquié, credited by *Nature* with one of the 24 most important discoveries in developmental biology in the past 100 years, is one of the world's leading researchers in understanding the genetic processes of forming the spine and rib cage in prenatal development. In infants, defects in this process cause congenital scoliosis, malformations in the vertebrae and ribs that can have dreadful consequences. The most creative clinical researchers and physicians in bone biology and pediatric orthopedics will want to collaborate with Dr. Pourquié on the frontiers of developing knowledge concerning vertebral defects, and to translate his laboratory's discoveries into cures for afflicted children. That is only one example of how the work of the Stowers Institute transforms the recruiting environment at KUMC, the bone biology group at UMKC, and the researchers and physicians at Children's Mercy Hospital.

### B. THE KU MEDICAL CENTER

KUMC had a splendid year. The Report laid out an ambitious strategy for lifting KUMC to a top 50 academic medical center, with top 25 capacity in basic life science research. One year is not a lot to go on measured against a 10-year strategy, but KUMC's performance last year, on top of its progress over the past five years, is further strong evidence that the Report did not exaggerate KUMC's

promise. Enhancing that promise is KUMC's close relationship with Stowers. Nineteen of Stowers' 21 principal investigators have academic appointments at KUMC. Executive Vice Chancellor Barbara Atkinson has displayed strong leadership in keeping KUMC focused on meeting its ambitious targets.

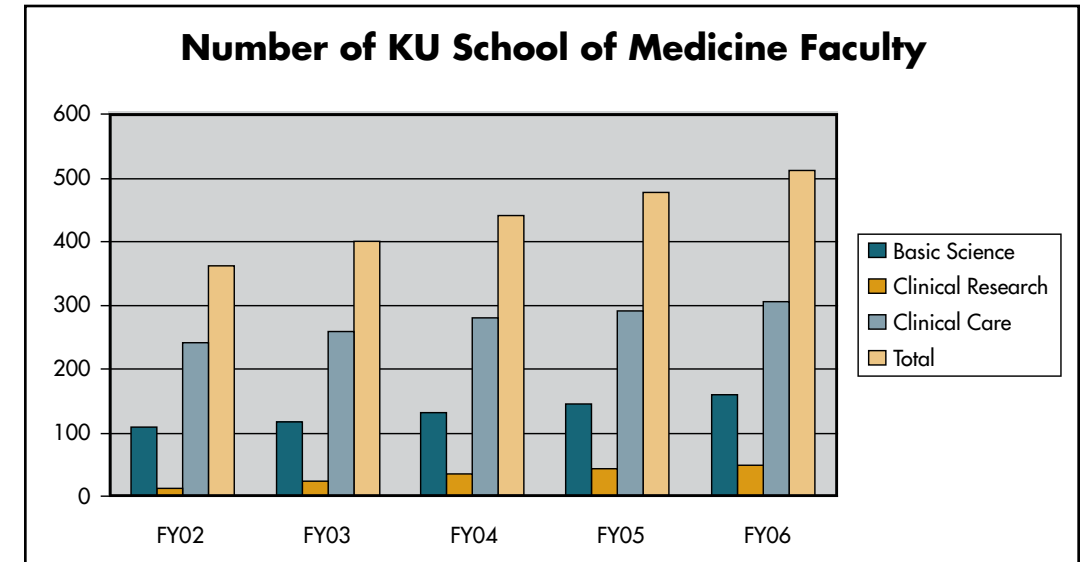
KUMC's NIH funding rose from \$38.4 million in fiscal year (FY) 2005 to \$46.7 million in FY 2006, a 22 percent increase in a year when NIH funding nationally was flat. KUMC ranked 81<sup>st</sup> among American medical centers in NIH funding in FY 2005. Although the rankings for FY 2006 are not yet published, KUMC is sure to move up smartly because of the large increase in NIH funding. The Report recommended that KUMC should double its NIH funding in the five years 2005-2010, and then double it again in the next five years. The past year's NIH funding increase was right on target.

KUMC had a spectacular year in faculty recruiting. Last year, KUMC recruited 22 basic sciences researchers, nine clinical researchers, and 48 clinical practitioners. Some of these faculty were recruited into new positions (12 in basic sciences, six in clinical research and 15 in clinical care), while the rest were recruited as replacements for those retiring or leaving. This means that of 79 total recruitments, 33 were placed into new positions; of the 31 research positions filled, over half were recruited into new positions. Already in the current academic year KUMC has recruited six new basic science faculty, one new clinical researcher and 43 new clinical practitioners. Eleven of these 50 positions are new. Ten additional research appointments are pending. Obviously, the word is out in the life sciences and medicine community that Kansas City has a great future.

The Report recommended that KUMC add 100 new researchers over the five years 2005-2010. Last year, KUMC achieved fully one-half of its five-year recruiting goal. This will pay tremendous dividends in externally funded research in the future.

KUMC made progress on other fronts, as well. It will open its new 200,000 square foot research laboratory next month. Again, this is on-target in terms of the Report's recommendations for new research facilities. The Report also called for the state of Kansas to add \$10 million to KUMC's operating budget base over the course of a decade. Last year, Governor Kathleen Sebelius and the state legislature added \$5 million – meeting half of the decade's operating funding target in only one year. The Governor and the Kansas Legislature deserve great credit for their support of KUMC's rise to national prominence.

It is surprising how few people in Kansas City are aware that the KUMC has transformed itself in recent years. The chart tracking faculty recruitment in recent years tells the remarkable story: in four years, basic science researchers up 50 percent, clinical researchers up 350 percent, clinical care up 25 percent.



Transformation of this magnitude is very rare in the usually sedate world of the academy. When added to the unique power of the Stowers Institute, KUMC's transformation explains why the Task Force thought examples such as San Diego and Seattle were not out-of-reach comparisons for Kansas City as models for emulation.

In one important area, KUMC did not make significant progress last year. The Report recommended that KUMC match the growth of its research faculty by doubling the number of Ph.D. students, from 100 to 200, to over a five-year period. First-rate graduate students provide a strong inducement to first-rate faculty. KUMC needs to move the number and quality of its Ph.D. students in parallel with the growth of its research faculty. KU, the state and the Kansas City community should put a high priority on enhanced recruiting efforts, increased stipends and other supports that will bring top-quality life sciences graduate students in greater numbers to Kansas City. One promising strategy other universities have employed is increased recruiting efforts abroad, particularly in Asia where so many first-rate students are eager to attend world-class graduate programs at American universities.

### C. TWO-STATE COOPERATION

The Report called for alignment of KUMC's research and education mission with Kansas City's excellent hospitals on both sides of the state line. To achieve national prominence as a leading academic medical center, to broaden its translational and clinical research and educational capacity, and to have the scale of clinical activity necessary for such goals as national cancer center designation, KUMC needs productive partnerships with St. Luke's Health System, Children's Mercy Hospital and Truman Medical Center (Truman), as well as with its primary teaching hospital partner, University of Kansas Hospital (KU Hospital). The Report argued that cooperation among all the hospitals with KUMC was in everyone's long-term interest, because a world-class academic medical center in Kansas City would greatly enhance the reputations and clinical excellence of all involved. For this reason, the Report called for Kansas City's medical institutions to be leaders in moving beyond outdated and unproductive habits of zero-sum thinking, two-state competition and institutional and personal animosity. This has proven to be difficult. But no one – and certainly not the authors of the Report – thought it would be easy.

That the discussions of new partnerships across the state line between KUMC and all of Kansas City's important research hospitals have been tortuous is no secret to anyone who reads the newspapers. But as this update is being written, there are encouraging signs that zero-sum anxieties are giving way to a less encumbered vision of cooperation across the state line that benefits all. And what is giving the brighter vision traction is the promise that Kansas City can truly be a center of excellence and dynamic development in the life sciences and medicine.

Those discussions have focused on KU Hospital, St. Luke's and Children's Mercy.

It is now time that the critical importance of Truman be recognized. It plays an extraordinarily important role in providing health care in the urban core and has made significant progress in recent years under strong leadership. Truman will play a central role in KUMC's and UMKC's efforts to build strength in public health. Kansas City is not going to flourish in the life sciences and see the benefits extend to the *full* community without Truman playing a major part. Truman should be immediately included in the discussions that are taking place on the alignment of KUMC's mission with hospitals on both sides of the state line.

It is equally important that the UMKC School of Medicine be included in these discussions. Alignment of the research and education capacity of KUMC with all Kansas City's hospitals must be accomplished in a way that protects the academic mission of UMKC School of Medicine.

These are complex issues requiring careful deliberation. Make no mistake, however, the alignment must be achieved. The authors of the Report were clear that KUMC would achieve National Cancer Institute designation as a comprehensive cancer center *only* if KUMC acquired the additional clinical capacity that collaboration with hospitals on the Missouri side of the state line would bring. If the efforts to promote such collaboration fail, KUMC will not achieve the comprehensive center designation. This view is supported by Dr. Roy Jensen of the University of Kansas Cancer Center and by the expert advisory board put together by KCALSI.

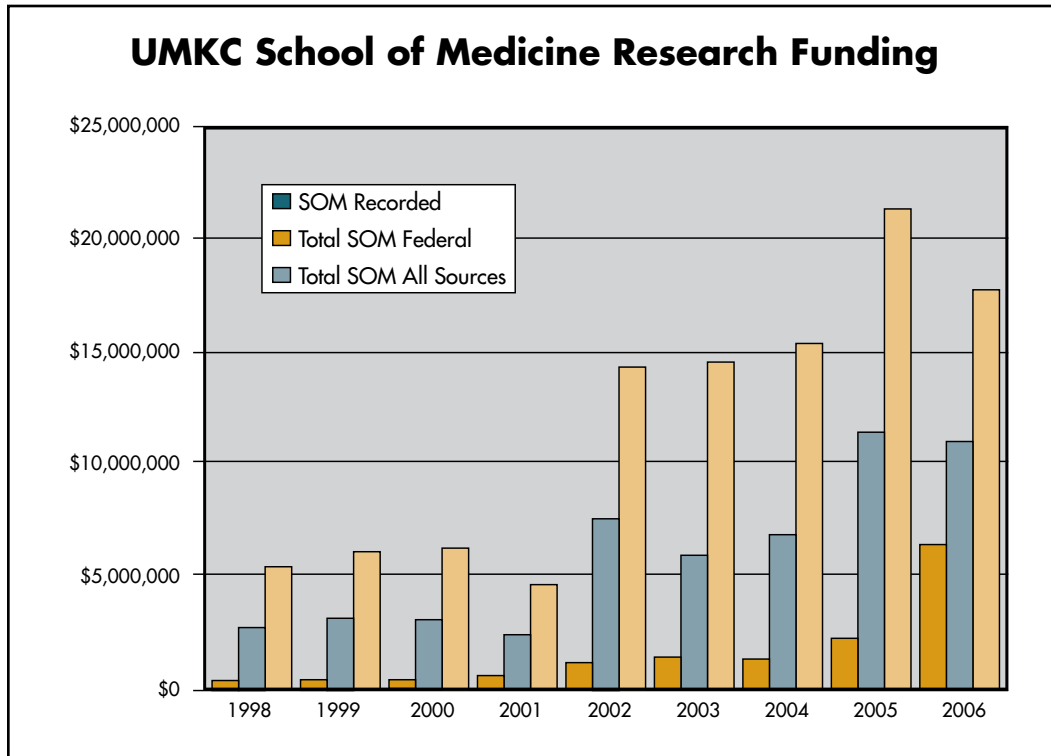
What is true of cancer is true of every important area of clinical care. KUMC needs the clinical care capacity of all Kansas City's major hospitals to compete as a leading national medical center.

Apart from the hospitals' discussions, there have been encouraging signs of teamwork in the life sciences. KUMC and UMKC are working together in what appears to be a new spirit of partnership. UMKC has announced that its primary strategic focus in the life sciences will be translational research, to complement the basic science strengths of Stowers and KUMC. UMKC will also build its basic research in several areas of special strength, such as bone biology. KUMC reached out to give UMKC a role in its NIH application for a clinical research center when UMKC's NIH application was turned down. KUMC recently received notice that its clinical research center grant will be funded. Currently KUMC and UMKC are working together on five active and six planned or submitted grants between the two campuses. Partnership committees have been set up to map out further collaborations. KU has also established a strong two-state cooperative program in childhood obesity with Children's Mercy Hospital and Truman.

UMKC has also taken firm steps to reverse its initial failure to collaborate with Stowers. Pending recruitments at UMKC, including for the life sciences leader urgently needed, are being planned and pursued in cooperation with Stowers. Stronger research collaborations that will greatly strengthen UMKC's research mission will surely result.

Although there was slippage last year, over the past decade life sciences

research funding has been trending up nicely at the UMKC School of Medicine, especially if affiliated hospital funding is counted.



#### D. PHILANTHROPY

The Report urged that the next great accomplishment in Kansas City's proud tradition of philanthropy should be an unprecedented investment in the life sciences, primarily directed to lifting KUMC to top 50 prominence. The Report called for a \$175 million philanthropic investment by Kansas City. The Report probably understated what is needed, but the investment would no doubt leverage additional funding. Such a philanthropic commitment would be matched by KU and would encourage the state of Kansas to make substantial further financial support for KUMC, amounting to roughly a \$1 billion investment. The Report predicted this investment would quadruple KUMC's external research funding over a decade, moving from \$76 million in 2005 to roughly \$300 million annually in 2015. The economic and reputational benefits for Kansas City would be huge. It is hard to imagine a more compelling philanthropic investment.

In recent months, Kansas City business leaders, such as Tom McDonnell and Irv Hockaday, Community Foundation donors and the Hall Family Foundation

seem to be gaining momentum on a significant life sciences fundraising plan. Discussions have been held back by a perception that KUMC did not have a carefully articulated philanthropic investment plan. KU has responded with a serious planning effort and now has a detailed draft of its life sciences plan. This must be discussed with philanthropic and political leaders so a plan can come together quickly. A plan with the scale to show how much all of Kansas City will benefit from being a leader in the life sciences is crucial to persuade people and institutions to break away from zero-sum thinking, from doubts about whether Kansas City can achieve true national excellence as a research and development leader, and from skepticism about whether Kansas City's philanthropic community has what it takes to swing for the fences. Kansas City has a window of opportunity in the life sciences that is wide open today. Windows of opportunity stay open only so long as optimism keeps them open. Without progress on philanthropy soon, today's hard-won optimism will dissipate quickly.

If the leading philanthropic institutions put together an ambitious life science plan, it will attract widespread support. The success of "Back in the Swing," an innovative retail-therapy shopping event that supports cancer survivorship programs, has attracted thousands of supporters throughout the region. More than \$600,000 was raised in 2006 through a remarkable combination of grassroots giving (thousands buying 20 percent off discount cards for \$25) and a generous Hall Family Foundation match. More of this activity can and must be done throughout the region.



### III. UMKC

The Report argued that UMKC needed substantial change if it was to make progress toward its stated mission of being a first-rate urban university, deeply engaged in all the major challenges and opportunities in Kansas City. The Report detailed a number of substantial concerns regarding UMKC, ranging from lack of continuity in leadership to a failure of funding at the state level to a lack of a serious strategy for institutional development. There is no need to revisit those concerns in detail in this update.

The important point to make in this update is that in the year since the Report, UMKC has made a lot of progress. A new chancellor has arrived and is off to a great start. With energy and good ideas for engagement, Dr. Guy Bailey has reached out to urban public education leaders, to the business and philanthropic communities, to other Kansas City higher education institutions and to the city's African-American and Latino communities. The UMKC trustees are reinvigorated. The MU system has given Dr. Bailey running room for leadership. He is putting together a sound strategy for the life sciences. Kansas City is fortunate to have such promising leadership for UMKC, given the institution's recent difficulties. The entire regional community should support Dr. Bailey.

Good progress has also been made in creating a governance structure for UMKC that gives Kansas City a voice and a stake in the institution. The Report recommended the creation of a private 501(c)(3) endowment board that would have fiduciary responsibility for managing and deploying philanthropic investment in UMKC. Most public universities have created such boards, which can provide the strategic direction and continuity of leadership that public governance systems often lack. The legal structure for such an endowment has been recently created. The new UMKC Foundation is operational and is now taking steps to ensure it has the right governing board and fundraising capacity to meet its potential. This is a watershed development for the university. The Report viewed this change in governance as the essential condition for UMKC to make progress on all fronts. The MU system deserves credit for welcoming this development.

Of all the areas in which UMKC should engage with the community, the

Report argued that urban public education was the most important. The most distressing thing about UMKC that members of the Task Force heard last year was that no public education leader in Kansas City considered UMKC to be engaged, or even particularly interested, in urban public education. Also distressing to hear was UMKC's challenging history with African-American and Latino faculty hires.

Things are beginning to change. The Institute for Urban Education at UMKC is winning support as a program of promise, administered by UMKC with energy and effective leadership; and reflecting the university's strong commitment to improve public education in the urban core. The Institute offers full scholarships and a special academic program that includes field work to able students from the urban core who promise to teach in urban schools after graduation. Its success can only be judged in the long run. The first two classes are filled with strong student recruits from urban school districts. School officials are impressed by the quality of the program and look forward to having those teachers in their schools in four years. The Institute plans to expand its activities to other districts and include training for urban principals and for current teachers.

UMKC has had to fund the Institute largely on its own. There have been only a couple of relatively modest philanthropic contributions. The Institute deserves support and should be taken to scale. Otherwise, it will graduate only a very small, but important, portion of the quality teachers needed to truly change the course of urban education.

In addition to its focus on urban education, UMKC must also continue to focus on building academic excellence. Aside from the arts, UMKC's most promising opportunity lies in the study of entrepreneurship. This is also an area with great potential for engagement with the community. The Institute for Entrepreneurship and Innovation centered in the Bloch School of Business and Public Administration is already strong and boasts several scholars with national reputations.

Because the Kauffman Foundation is the world's leading center of research on entrepreneurship, if UMKC organized a strategy of collaboration with Kauffman, the result would be world-class academic distinction. It could also put faculty and students into highly educational and productive activities in the growing pipeline of entrepreneurial business creation that will result from Kansas City's growing stature as a life sciences research center.

It is important to the economic development ambitions of the life sciences strategy for the entrepreneurship effort to succeed. Powerful basic research capacity is essential, but it is not sufficient to ensure economic development.

Regions need what economists have termed "absorptive capacity," the ability to take advantage of research discoveries by turning them into technologies that spur new business creation.<sup>1</sup>

The Kauffman Foundation has sought to provide the financial platform for such an effort with a \$12.5 million challenge grant to the Institute for Entrepreneurship and Innovation, which needs to be matched one-to-one. If matched, the \$25 million could make the Bloch School a leading center for entrepreneurship among American business schools. It is hard to imagine a more exciting opportunity for the Bloch School.

There appears to have been only modest progress to date in matching the Kauffman Foundation gift. The Kauffman Foundation, understandably, has said that if the match is not in place by September 30, 2007, the pledge will be rescinded. This would be a major setback for the Bloch School and UMKC. Much more is at stake than \$25 million. The faculty leaders of the entrepreneurship program at the Bloch School would be justified in concluding that the School is not going to be a leader. They would probably leave. Other philanthropists might well turn away. The failure will be seen not only as a failure of leadership at the school, but of the chancellor, as well. The sense of promise that now surrounds UMKC will give way to a return of the pessimism that lingered before. The philanthropic and civic community beyond the Kauffman Foundation will have failed in the first test of whether it is willing to help UMKC move to national prominence in a very important academic area.

UMKC needs help to avoid this failure. In 2006, many potential donors were approached, but no significant funding was committed. Some donors have stated they were not presented with a comprehensive strategy. The Institute must present a clear and compelling plan that outlines how it will enhance entrepreneurial activity throughout the region. Clearly, the leadership of the Bloch School has had difficulty raising the match funding. Moreover, Dr. Bailey is new to the community thus making it difficult for him to be an effective fundraiser for now.

Therefore, it falls to civic leadership to raise the match. It ought to be possible for civic leaders to raise the \$10 million or so left unmatched as of this writing, payable over the five-year period that is necessary to match the Kauffman Foundation pledge. The new UMKC Foundation endowment board should take immediate personal responsibility for ensuring the success of this effort.

<sup>1</sup> For a good discussion, see Richard Florida, Gary Gates, Brian Knudsen, Kevin Stolarick, *The University and the Creative Economy* (2006)

## IV. Urban Public Education



The year since the Report was issued has been one of change and promise in the KCMO and KCK school districts that serve the largest number of disadvantaged students in the urban core. New superintendents in both districts have brought energy, fresh academic programs and a focus on student achievement. National and local foundations are supporting academic progress. Higher education institutions are showing a new level of resolution to help, by forming partnerships and collaborating with the schools with an emphasis on preparing students for college level work. The business community seems to be deepening its commitments to help. Strong civic leadership for K-12 improvement is in formation. At long last, there is a basis for hope.

The Report's focus was on higher education in Kansas City, and it viewed public education through the lens of higher education's capacity to help. It is gratifying to report one year later that Kansas City's higher education institutions are showing a dramatically increased concern to help improve Kansas City's public education. This is one of the most important ways in which higher education can serve the entire Kansas City community.

UMKC's successful launch of the Institute for Urban Education should in years ahead provide the urban districts with well-prepared young teachers familiar with the challenges of urban public education. However, the Institute is not large enough to provide the scale of new teaching capacity needed to improve the schools. It should be a very high priority for Kansas City philanthropy to help the Institute achieve a scale that can make a difference. Preparation of good teachers is the best way for UMKC to contribute to public education in Kansas City. The additional training and evaluation models that the Institute is planning on providing to future principals are well-conceived. Principals set the tone for the schools, hold teachers and students accountable, yet are often overlooked in the education pipeline.

The Metropolitan Community College in Kansas City, Mo., is in a position to play a more immediate catalytic role. Their students and their academic programs are much closer to the reality of urban public education than the somewhat more removed milieu of a moderately selective public baccalaureate

institution such as UMKC. The Report urged that Kansas City's excellent community colleges engage in detailed discussions with the KCMO and KCK districts to plan for an array of direct interventions in the public schools. These discussions are taking place, and ambitious plans are being formulated. Study groups that include the KCMO superintendent, his top staff, and community college leaders have looked carefully at New York and other cities to see how higher education institutions are working with the public schools.

Promising ideas under discussion include community college assessments of students starting in high school (or even sooner), leading to community college teaching and remediation programs for high school students, including summer immersion programs, on critical college-readiness issues such as English proficiency for students from non-English speaking families, literacy and writing ability, and mastery of algebra and geometry. The community colleges should take the lead in working with Kansas City's universities and colleges to be sure that the high schools' curriculum is aligned with academic standards required for success in college. All the colleges should help with professional development for public school teachers, particularly in math and science.

The challenge for the community colleges will be funding. The Report urged that the community colleges explore tax-base funding for intervention in the schools. Since the community colleges are likely to be the most effective interveners to improve educational outcomes, increase graduation rates and raise college success levels, use of tax-base funding should have public support. Some immediate philanthropic support may be necessary for the community colleges until state funding is increased or a local levy increase is passed by the voters.

In addition, the Report called for regular summit meetings of all the university and college leaders in Kansas City to discuss the contribution of each institution to improvement of public education. There should be an annual public report detailing each institution's effort. At least one such summit meeting has been held. The leaders of the community should insist that this be a regular and productive undertaking. These meetings should follow the practice of the twice-yearly meetings of the Ivy League: only the leader of the institution can attend, no representatives.

Civic leadership has a vital role to play in improving public education throughout the region, and would do well to focus on the urban core. The politics of public education are so volatile that civic leadership is likely to be the primary source for continuity of strategy, for setting realistic measures of progress and for honest, clear reports to the community. This will not be easy. Public education

is a minefield of competing interests and suspicion among various stakeholders. Almost any conceivable leadership effort will be seen by some as threatening, insufficiently inclusive, and not well-informed. So be it. Civic leadership is absolutely vital for public education improvement. The public must support well-researched and aggressive educational reform that is adequately funded or it will be difficult for any entity, including higher education, to make a sustained difference.

There are encouraging signs that this leadership will emerge. The Civic Council initiated the Partnership for Regional Educational Preparation (PREP-KC), which offers philanthropic investors, including the Gates Foundation and many local philanthropies, a mechanism to support public education in both KCK and KCMO. PREP-KC is a good organizing and fundraising intermediary, offering technical assistance for teachers and career-oriented small learning communities for both districts. However, it must continue to ask tough questions about its effectiveness and improve on the reforms it has implemented to date. Working in cooperation with the superintendents and other partners (such as the community colleges), PREP-KC can increase its effectiveness and better leverage its private funding.

Sara Martinez Tucker, one of the authors of the Report, now Undersecretary of Education, suggested that all of the urban education stakeholders (districts, intermediaries and supportive organizations) work together to outline a more comprehensive pre-kindergarten to post-secondary approach. She advocated for stronger linkages at each stage of the education pipeline, as well as more collaboration between institutions and programs. To meet this challenge, the Community Foundation supported a process led by the nationally recognized Aspen Institute. It was a good start, but much more needs to be done.

The Kauffman Foundation is working to establish a high level research consortium that will help determine progress and improve education reform efforts. Another good step is forming around asking the right questions and gathering the right data is necessary to improve public education. Data can be sliced and diced so many ways that a community can lose sight of the basic questions necessary to support the education of kids.

Unfortunately, there is no identifiable leadership institution in public education that can drive a cohesive pre-kindergarten to post-secondary strategy. Simply stated, education needs the organizing equivalent of the KCALSI. It seems that the Community Foundation is in the best position to convene the diverse leadership necessary to address this deficiency and help to put together a

civic strategy for public education. The key objectives of such leadership would be:

1. To understand and evaluate the performance and the problems of the KCMO and KCK districts;
2. To set realistic goals and timetables for improvement;
3. To generate assistance for public education from all possible sources;
4. To provide continuity of strategy for the school districts;
5. To insist that all Kansas City institutions, especially the universities and colleges, contribute meaningfully to public education improvement;
6. To assure alignment of academic standards between schools and colleges;
7. To provide regular, honest reports on what is or is not happening;
8. To recognize and honor success and build accountability; and
9. To deeply engage businesses in education solutions.

The failure of urban education has deep roots in Kansas City. It will not be solved in a few years. The Community Foundation should commit to convene and support thoughtful civic leadership to focus on urban education for a very long time. There could be no more important way to fulfill its promise as the “community’s foundation.”



# V. Conclusion: The Year Ahead

*“Time to Get It Right”* called for a 10-year sustained, ambitious, determined effort by Kansas City’s educational institutions, its philanthropic community, its civic leaders and its two parent states to build to research capacity, university engagement with the city and educational opportunity. After a first year marked by many successes, there is urgent work to do in the second.

## A. TIME FOR PHILANTHROPY TO GET IT RIGHT

Kansas City can take pride in the progress in research and education that has taken place in the past year. This is in strong measure a tribute to the leadership of the board and staff of the Community Foundation to keep the primary issues visible and moving forward. But progress will wind down, and may actually retreat, if philanthropy does not become proactive on both the life sciences strategy and at UMKC to meet the Kauffman Foundation matching gift to the Bloch School. Both KUMC and UMKC need to mobilize to present compelling plans for philanthropic investment. These opportunities for philanthropic investment have a lot in common. In both, philanthropic investment will powerfully leverage other federal, state and philanthropic dollars to flow in support. In both, philanthropic investments will lead to significantly stronger collaboration between Kansas City institutions and its two universities. In both, philanthropic investment will greatly enhance Kansas City’s reputation for research power and academic excellence. In both, economic development will be the result.

The Report considered Kansas City’s extraordinary history of philanthropy, and scale of current philanthropic potential, to be perhaps Kansas City’s greatest asset in building the higher education strategy Kansas City needs to flourish in the global knowledge economy of the 21<sup>st</sup> century. The major philanthropic institutions, donors at the Community Foundation, and individual and family foundations must act with focus if the objectives of the Report and this follow up are to be met. One year later, there are beginning to be doubts about whether philanthropy will take a leadership role. These doubts must be laid to rest, and soon.

## B. THE UNIVERSITY OF MISSOURI

In the past year, Missouri Governor Matt Blunt proposed a Lewis and Clark Discovery Initiative that would pump more than \$400 million into capital improvements at Missouri institutions of higher education. He deserves credit for proposing such an initiative.

The initiative included funds for construction of a business incubator that could, as the Report put it, “take basic discoveries from the laboratories, translate them into drugs and therapeutic devices . . . and get them in the hands of enterprises that can take them to market.” It is pleasing that the latest version of the initiative included funds for construction of a Health Sciences Center at UMKC that would house classrooms and research labs, as well as wet laboratory space, another area of focus in the Report.

The Governor also exhibited vision by proposing in the most recent version of the initiative an allocation of funds to community colleges. The allocation of funds to community colleges would be a very positive development for this area.

Apart from the benefits that the Lewis and Clark Discovery Initiative would bring to this region, the MU system leaders should think in a fresh way about what the emergence of Kansas City as a major life sciences center means for the university. Other states – Alabama, Texas, Illinois, California, to name only a few – have responded to the promise and the needs of their cities by fundamental restructuring of their public universities, particularly by increasing the number of flagship medical centers. These states understand that great academic medical centers benefit from being in cities where they have broad clinical bases and can collaborate with private industry, where faculty and students want to live, and where the entrepreneurial pipeline is dynamic. In major cities, medical centers can best serve to advance the state’s interest in promoting externally-funded research in economic development and in public health.

MU’s history of having its only flagship medical center in the middle of the state, far from either of Missouri’s major cities, has not significantly diminished St. Louis, because Washington University is one of the most powerful life sciences and medicine centers in the world. Moreover, St. Louis University is a strong regional research and education institution. But MU’s history has significantly diminished Kansas City.

Unless MU adopts a new strategy, Kansas City’s momentum in the life sciences is about to bypass it to the benefit of the KU. Why would MU not want to have a leading, research-intensive medical center work in close collaboration with the world’s largest private medical research enterprise, and with the state’s

second largest cluster of hospitals? Why would the university not want to have a great academic medical center where it can flourish, receive the most financial support, and do the most to serve the state's citizens? The answer cannot be that the university was not set up that way over one-hundred years ago, and that the inertia of history cannot be overcome.

Inertia is indeed a formidable force in public universities. It would take determined leadership to build UMKC medical school as a research-centered institution, coordinating closely with Columbia, and enabling it to progress along the lines of the medical centers at the University of Alabama at Birmingham, University of Illinois at Chicago, University of Texas Southwestern in Dallas or UCLA. UM-Columbia's standing would have to be protected and additional investments would be needed in both schools. However, the benefits for the university as a whole and for the state of Missouri clearly outweigh the costs.

The same arguments can be made about engineering, telecommunications, information sciences, law and business. Missouri needs, and would benefit greatly from more than one first-rate public research university in all these areas – one at Columbia, Rolla or one in Kansas City. These considerations make a compelling case for a fundamental strategic assessment of the MU system.

The bottom line is that for Kansas City to meet its full potential, it needs the strong presence of the MU system and the Kansas universities. The region is not supported by states with the wealth or population to build the capacity from scratch.

### C. THE UNIVERSITY OF KANSAS

KU had the foresight a century ago to locate its academic medical center in Kansas City. It should take advantage of this strategic location by building as much of its life sciences enterprise as possible at KUMC. Bioengineering, cancer research, bioinformatics and public health all would be most advantaged if located in proximity to KUMC.

Kansas leaders need to create a sound strategy for the Kansas Bioscience Authority concerning KUMC. It seems clear, given the extraordinary progress made by KUMC in recent years, that KUMC should figure prominently in the plans of the Authority. And yet, that kind of support from the Authority has not been apparent. Governor Sebelius, Kansas legislative leadership, and the leaders of KUMC and the Kansas Bioscience Authority need to get together to plan an appropriate strategy for the authority's support of KUMC.

Discussion of a possible "research triangle" in Johnson County, bringing

together KU, K-State and KUMC around cancer research technology, engineering, bioengineering, animal health and agriculture biosecurity, and translational research, should be encouraged by Kansas City. The prospect of Johnson County tax-base funding to support this enterprise is greatly to be encouraged. The economic development and external research funding such an enterprise would generate would repay a public tax contribution many times over.

### D. PAST IS PRELUDE

When one observes the past year's progress in Kansas City on so many fronts vital to the city's future in the global knowledge economy, it is tempting to predict great things for the future. But stubborn challenges must be overcome. A great collective philanthropic effort can never be counted as predictable simply because it makes eminent good sense. Philanthropy is always an act of generosity and commitment to the public good, and not a matter of economic or social calculus. And policy makers at the state level, as well as university leaders, have many pressures on them other than doing what makes for the best future. And yet the momentum of Kansas City makes a compelling case for the rightness and feasibility of the ambitious educational strategies set out in "*Time to Get It Right.*" If Kansas City can become unified, if leaders will lead, if philanthropists have vision, and if the two parent states pursue sound policies for development, Kansas City will get it right.