

**Project Title:** Nebraska's Six Community Colleges and Aggregate Economic Impact Study

**Timeline:** June 1, 2017 through November 30, 2017

**Amount of Funds Requested:** \$78,000

**Contact Name(s):** Dr. Greg P. Smith, President Central Community College

**Contact(s) Information:**

- Central Community College
- 3134 West Highway 34
- P.O. Box 4903, Grand Island, NE 68802-4903
- O: 308-398-7300; Mobile: 308-390-6908

**Abstract of Proposal:** Unbiased, defensible data is a powerful tool for community support and for grant funding of Nebraska career and technical education programs and students. Funds are requested by the Nebraska Community College Association (NCCA) to contract with Economic Modeling Specialists, Inc. (EMSI) to conduct six socioeconomic impact studies (EIS) plus one aggregate study (SEE ATTACHED PROPOSAL). PFI last funded a similar study in the 2012-13 grant cycle at a cost of \$66,000. It is time for an update.

**Vision and Purpose:** In Appendix B PRI lists five areas of focus. This Economic Impact Study is related to all five areas because it concerns community colleges' ability to continue to receive adequate state aid funding from the Nebraska legislature, to our ability to receive external grant funding, and to our ability to garner community support. All of these activities impact our ability to development and maintain quality career and technical education programs. This project and the associated products and outcomes are described in the attached proposal submitted by EMSI.

**Needs Statement:** Economic Impact Studies were last funded by PFI during the 2012-13 grant cycle. The findings of these studies are now dated. Stakeholders include all of the state's community colleges, their boards of governors, students, alumni, taxpayers, and state and local government. Funding and program development decisions should be made based on reliable, current data. The data must include not only costs but benefits. Periodic Economic Impact Studies accomplish this purpose.

**Goals and Objectives:** Please see the detail in the attached EMSI proposal. The Economic Impact study is designed to produce current, unbiased data in the following areas: operations spending impacts, student spending impacts,

alumni impacts, student investment analysis, taxpayer investment analysis, and social investment analysis. The timelines, activities, work products, etc. are well delineated in the EMSI proposal.

**Impact on Career and Technical Education:** The vast majority of community college students, programs, and awards are in career and technical fields. For example, at my own college (Central Community College), over 90 percent of the over 2,200 certificates, diplomas, and degrees awarded each year are in Career and Technical Education fields.

Nebraska community colleges serve well over 150,000 students (credit and noncredit unduplicated headcount each year). Most of these students are career and technical. Reliable economic impact data assists community colleges to tell their story and continue to secure adequate funding for career and technical education programs and their students.

Nebraska community colleges are the economic engines of the state. The Nebraska Coordinating Commission for Postsecondary Education has estimated that two thirds of the new jobs in Nebraska in 2018 will require more than a high school education but less than a 4-year degree. Nebraska's community colleges have produced over 65,000 (mostly career and technical) graduates in the last 10 years. Ninety-two (92) percent of these graduates stay in state. Nebraska's community colleges produce taxpayers and graduates who are absolutely essential to Nebraska's workforce and economic development needs.

**Statewide Impact:** All Nebraska community colleges are participating in this study. Each community college will receive an individual set of deliverables from EMSI: main report, executive summary, fact sheet, Powerpoint. EMSI will also produce a statewide analysis with the same deliverables.

The results of this study directly or indirectly affect all consortia members and all Nebraska Career Clusters. Collaboration with others and "delivery method" are briefly discussed below in the "Dissemination of Knowledge" section.

**Evaluation:** The Economic Impact Study is scheduled for completion on or before November 30, 2017. Nebraska's community colleges will develop both written and oral reports on the uses and effects of the studies and deliver these outcome analyses to the PFI Leadership Council on or before November 30, 2018 (i.e., within one year of study completion).

**Dissemination of Knowledge:** Nebraska's community colleges are to report out results in the manner specified below by PFI:

"Recipients will report-out results in the following methods:

1. Draft a brief executive summary for publication in the PFI newsletter and/or state/national education association publications
2. Present at the Nebraska Career Education Conference and other state/national conferences
3. Report to the PFI Leadership Council either orally or in written format"

Approximately half of the PFI Leadership Council is comprised of community college chief academic officers. These individuals will report out to the Council. In addition, all reports and products from this study will be publicly available on the NCCA website and on the six (6) individual community college websites. We will also ask the Nebraska Departments of Education and Labor, as well as the Coordinating Commission for Postsecondary Education, to post links to these studies on their websites. Formal presentations on the results of these studies will be made in public meetings of the elected governing boards of the six community colleges. Representatives of the six community colleges would be pleased to present the results of the studies in any other settings upon request. Last, we intend to circulate the results of the studies to various media outlets.

**Budget Plan and Budget Narrative:** The amount requested from PFI is \$78,000. The in-kind match from Nebraska's community colleges will be substantial but is not estimated here because it is not required. The in-kind contributions will include the cost of providing initial input data (mostly by institutional research staff) and administrative review of draft products on the way to arriving at final reports.

For ease of financial transactions I propose that the Nebraska Community College Association (NCCA) will serve as the fiscal agent for this project although that could be amended if desired. NCCA served as the fiscal agent for the last two EMSI studies funded by PFI (2008-09 and 2012-13).

Nebraska's Six Community Colleges and Aggregate  
**Economic Impact Study**

Proposal  
February 7, 2017



409 S. Jackson St.  
Moscow, ID 83843 USA  
Tel: 208-883-3500  
Fax: 208-882-3317  
[EconomicModeling.com](http://EconomicModeling.com)

## **Introduction**

### **About Emsi**

Since our earliest days working with the Association of Community College Trustees to quantify the economic impact of community colleges, Emsi has partnered with hundreds of community colleges. Over those 15 years, we have delivered economic impact studies to the majority of US community colleges, helping higher education leaders garner greater support from communities and governing bodies.

Beyond economic impact studies, we inform decision-makers about academic program supply and demand issues through economic consulting, data analytics, and software. In addition, we supply labor market information and job posting analytics to support student success initiatives. Over 200 colleges use Career Coach, our career pathways software. In 2015 alone, over 1.2 million community college students benefited from our career information, which is embedded in the community colleges' websites and linked to their academic programs and branding. We are committed to continuously improving our products and services to serve the community colleges we work with and, even now, are working to expand our data set to better connect students, colleges, and employers.

Emsi, based in Moscow, Idaho, is owned by CareerBuilder, LLC.

## Solution Overview

Presidents and other institutional executives often need to demonstrate their institution's role in their states or communities, as well as the return that funders receive for their investments. Anecdotes have their place, but when it comes to proving your economic impact, you need proof. Our Economic Impact Study (EIS) puts data behind the economic and social benefits of your institution.

Since it was commissioned by the ACCT more than fifteen years ago, Emsi's EIS model has been used to calculate the economic impact of over half of US community colleges. The EIS estimates your institution's value-add to the region and gives you a clear view of the return on investment for students, taxpayers, and society as a whole. The clean, informative data is easy to integrate into videos, infographics, or other media-ready to ignite any outreach campaign.

### LEVERAGE YOUR ECONOMIC IMPACT

Unbiased, defensible data is a powerful tool for increasing community support. The EIS gives you robust information about your institution's impact on the region.

With an Economic Impact Study, institution leaders can easily:

- Communicate how much income the institution adds to the region
- Measure how graduated students' increased income affects the region
- Understand how the region is impacted by student spending
- Indicate the institution's impact on social savings due to highly educated workers

## Scope of Work

### OVERVIEW

There are two sides to Emsi's Standard Economic Impact Study: an economic impact analysis and an investment analysis.

The economic impact analysis examines the direct and indirect multiplier effects that occur as Nebraska's six community colleges and their employees, and students spend money in the region, as well as the economic benefits generated by alumni who are living and working within the local economy.

Meanwhile, Emsi's investment analysis indicates the strength of Nebraska's six community colleges as an investment from the perspectives of students, taxpayers, and society as a whole. This analysis projects various benefits into the future, discounts them to current dollars, and compares the present values with the costs of generating the benefits.

### Impact Analysis

- **Operations Spending Impacts** – The added net income generated in the region as a result of institution's payroll and purchases for supplies and services.
- **Student Spending Impacts** – The impact of new sales generated by out-of-region and retained students who spend money on food, transportation, and other personal expenses while attending the colleges.
- **Alumni Impacts** – The impact of alumni higher earnings and the increased productivity of local businesses from human capital accumulation in the regional workforce.

### Investment Analysis

- **Student Investment Analysis** – Students enjoy a lifetime of higher earnings. Using various investment measures, we compare the present value of these higher earnings with the costs of their education.
- **Taxpayer Investment Analysis** – State and local taxpayers benefit from increased tax base and avoided social costs due to improved health, lower crime and reduced welfare and unemployment.
- **Social Investment Analysis** – The benefits to society as a whole are measured in terms of total added income, added tax revenues, and social benefits such as improved health, lower crime, and reduced welfare and unemployment.

### Economic Impact Study

The analysis as a whole generates a wealth of information. This information is broken into a number of reports varying in target audience and scope. Each report will be customized with institutional colors and photos. Nebraska's six community colleges will receive individual and aggregate deliverables including:

- **Main report** – Presents all of the findings of the analysis in the context of clearly spelled-out assumptions, theory, and data sources, along with a glossary of terms. The report will be intended mostly for economists and researchers interested in confirming that the approach and documented data sources used are fully credible and transparent.
- **Executive summary** – Contains the major findings written in layperson's terms. This document is suitable for popular and media circulation.
- **Fact sheet** – Summarizes the main results in bullet form. Also designed for a broad audience. In our experience, this is one of the most utilized documents.
- **PowerPoint** – Presents key findings in a manner accessible to a broad audience.

## Timeline

PHASE	TIME FRAME
<b>Project Kickoff</b>	
Emsi prepares and sends data survey to Nebraska's six community colleges and the aggregate data coordinator	-
<b>Data Collection Phase</b>	
Nebraska's six community colleges and the aggregate data coordinator complete data survey	4-6 Weeks
Emsi reviews data, works with Nebraska's six community colleges and the aggregate data coordinator to address data issues	2-4 Weeks
<b>Draft Phase</b>	
Emsi customizes model to reflect Nebraska's six community colleges	2-4 Weeks
Emsi prepares draft reports, sends to Nebraska's six community colleges and the aggregate data coordinator for review	2-4 Weeks
<b>Final Phase</b>	
Nebraska's six community colleges and the aggregate data coordinator review draft, provide final feedback	2-3 Weeks
Emsi incorporates final edits, formats reports, and sends finals to Nebraska's six community colleges and the aggregate data coordinator.	2-3 Weeks
<b>Total</b>	12-24 Weeks

## Emsi's Expertise

### Relevant Experience

#### North Carolina Independent Colleges and Universities

In 2015, Emsi delivered aggregate and individual economic impact studies for the three sectors of North Carolina higher education—the North Carolina Community Colleges, the University of North Carolina System, and the North Carolina Independent Colleges and Universities. This included 110 institutions in total. The results show that North Carolina higher education institutions and their alumni added \$63.5 billion to the North Carolina economy. This is equal to approximately 14.6% of the total Gross State Product of North Carolina, and is equivalent to creating over 1 million new jobs.

#### Contact:

Hope Williams, President; Office: 919-832-5817, Email: [williams@ncicu.org](mailto:williams@ncicu.org)

## Idaho State Board of Education

In 2015, Emsi delivered aggregate economic impact studies of eight institutions across two sectors of Idaho higher education—Idaho’s public four-year institutions and Idaho’s public two-year community and technical colleges. Also included was an aggregate economic impact study of both sectors across Idaho. The results show that Idaho higher education institutions and their alumni added \$4.0 billion to the Idaho economy. This is equal to approximately 7.0% of the total Gross State Product of Idaho, and is equivalent to creating over 82,700 new jobs.

### Contact:

Carson Howell, Director of Research; Office: 208-332-1563, Email: [carson.howell@osbe.idaho.gov](mailto:carson.howell@osbe.idaho.gov)

## Project Team

At Emsi, we take customer service very seriously, as our 95% renewal rates testify. Between carefully prepared product implementation plans, user training and certification, and a representative-to-customer ratio that is three times the industry average, we are committed to blessing our customers throughout the project duration. Key project personnel include:

**Anna Brown** is the Director of Consulting and will provide project oversight of data collection, methodology and modeling, and report writing. Anna has over five years of experience with Emsi conducting economic impact studies and helped manage some of Emsi’s highest profile work. Anna served as the Project Manager for the North Carolina Independent Colleges and Universities and Council of Texas Public University Presidents and Chancellors projects. Her responsibilities include, but are not limited to, designing survey instruments, facilitating data collection, answering data questions, maintaining project deadlines and schedules, and coordinating deliverables. Anna has her Master’s degree in Applied Economics from the University of Idaho. She also holds Bachelor’s degrees in Economics, International Studies, and German from the University of Idaho. She has worked with Emsi since 2010.

**Brandon Crouch** is an Economic Analyst with Emsi and will be the project manager for the study. Brandon has managed the data collection, modeling, communications, and deliverables for numerous economic impact studies, in addition to providing support for many others. Brandon has a Bachelor’s degree in Economics from Utah State University. Prior to his time at Emsi, Brandon worked as a project manager in higher education communications for three and a half years. He has been with Emsi since the spring of 2016.

**Fraser Martens** is the Content Manager and creates the narrative and qualitative aspects of Emsi’s economic impact studies. Fraser created the narrative and qualitative content for the North Carolina Independent Colleges and Universities and Idaho State Board of Education projects. Fraser’s responsibilities include working with representatives from the institution to gather non-economic information about the institution so the report accurately describes the

institution and its relation to the state and region. He also ensures that the report's text balances readability and professionalism so the client can easily communicate the results to a variety of audiences. Fraser received a Master's Degree in Theology and Letters from New St. Andrew's College. He also holds a Bachelor's Degree in Liberal Arts from New St. Andrew's College. He has worked with Emsi since 2013.

## Pricing

The total cost for six individual institution studies and one aggregate report is \$78,000. This amounts to \$13,000 per institution and the aggregate study.