



FORT HAYS STATE UNIVERSITY

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THE DOCKING INSTITUTE OF PUBLIC AFFAIRS

February 12, 2019

Charles Perkins
Dean of Institutional Effectiveness
Barton Community College
245 NE 30 RD
Great Bend, KS 67530

Dear Mr. Perkins,

The Docking Institute of Public Affairs is pleased to provide a review of the Barton Community College economic impact study.

This letter provides a review of information contained in the binder titled "ECONOMIC IMPACT" as well as an Excel spreadsheet used to create the economic impact calculation by Barton Community College staff. The lead reviewer was Dr. Preston Gilson, Professor Emeritus, Fort Hays State University, and Senior Policy Fellow with the Docking Institute. Dr. Gilson was assisted by Mike Walker, Director of the Docking Institute, and Dr. Jian Sun, Assistant Director and Professor of Political Science.

Findings and Recommendations

The Docking Institute supports the direct impact conclusions made in the ECONOMIC IMPACT report. Barton Community College **provides a substantial economic benefit** to Barton County. The information provided shows a direct economic impact of \$3.04 for every \$1 in local tax dollar support for the college. As such, we determine Barton Community College to be a good investment for the people of Barton County.

Given the limitations of using multipliers with the data that is available (see comments that follow below), the Institute recommends focusing on the direct economic impact figures at this time. For example, landowners in Barton County paid \$8,083,163 in local property taxes to support Barton Community College. In return, Barton Community College spent \$7,053,455 for goods and services in Barton County and generated \$12,652,375 in local wages. Students living in Barton County spent \$4,896,450. Therefore, the total direct economic impact is estimated to be \$24,602,280. As noted, for every local tax dollar paid to support Barton Community College \$3.04 was returned to the community.

The Docking Institute finds the information provided and the direct economic impact assessment results made in the ECONOMIC IMPACT report to be acceptable. We appreciate the conservative assumptions made by College staff (such as not including on-campus housing fees in the economic impact calculations given that the fees do not directly contribute to the County).

To properly assess indirect and induced effects, we recommend a focused economic impact study using 2019-2020 data and an outside consultant.

Review of Binder Documents and Further Assistance

The following pages provide a review of the items found in the ECONOMIC IMPACT report binder.

The existing Emsi Main Report from February 2017

The Emsi study is very detailed (one might say overwhelming) and is aimed at an academic audience. For example, Table 2.3 shows that the Total gross off-campus sales differs from the Net off-campus sales by \$28,413. However, the text uses the same approximation (\$23.1 million) for both amounts. This makes for difficult reading by the ordinary person.

This report is quite recent and is based on standard I/O methodology. However, the study area is larger than just Barton County. Because the flows of resources (measured by spending in dollars) are slow to change, there is little need to update such analysis on an annual basis. Indeed, after a number of reports (at, for instance, 3 year intervals) and no substantive changes in the mission and size of the institution it would be appropriate to extend the interval to 5 years. However, if the institution makes substantive changes, then a study within 2 years could be justified.

Although the report references the “Barton Service Area” in the Executive Summary, it is not defined until the Introduction where it is called the “college’s service region.” However, in Chapter 1 there are references to remote physical sites, as well as, online classes. It is not clear how the study accommodates the economic activities associated with these services.

Some estimate of the positive cash flows to the main campus would be helpful.

The Emsi report does not clearly answer the question, “Is Barton Community College a good investment for the people of Barton County?”

The referenced studies

The K-State study is focused on increasing support for the research component of the University. It is of little value to the question of the economic impact of Barton Community College.

A known weakness of the Johnson County Community College study is that it is limited to just Johnson County. The differences between Johnson County and Barton County along almost any metric limit the value of this study vis-a-vis Barton Community College. The source for the multiplier used in the Johnson County study was not stated. Given the county’s location in the Greater Kansas City Metropolitan Area I would not be comfortable using this multiplier. Particularly, since much better multipliers are available specific to the county.

The preliminary work on an in-house study

In the Barton Community College study (2018) Tab B10-14, Table 3015, these metropolitan areas are not comparable to Barton County. The 2018 study focuses on Barton County and does not include the contiguous counties that were a part of the Emsi

study. The smaller area of focus automatically generates a smaller total economic impact as it does not capture leakages to the surrounding counties. Implan could be used to generate estimates for both the single county region and the contiguous region.

The estimated direct impact shown on the first page is correct, given the information provided. However, the amount paid in wages to employees is undoubtedly greater than the amount employees spent in Barton County. We are also uncomfortable with the assumed multipliers. If an economic modeling software is used, the multipliers can be generated at the specific county level based on the economic activity in that particular county. This might justify a new study at a later date.

Further Assistance

Preston Gilson, PhD, is available to discuss these issues in more detail, review his comments, and walk someone through the modifications he made to the spreadsheet. Please call him directly at 417-322-5873.

Thank you,

A handwritten signature in cursive script that reads "Michael S. Walker".

Michael S. Walker, Director
Docking Institute of Public Affairs
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