



May 4, 2011

Barton Community College's Solid Return on Taxpayer Investment

Nearing the end of the 41st spring semester at Barton Community College, it provides ideal opportunity to reflect on the benefit of the College from a taxpayer perspective. As I referenced in a previous letter nearly two months ago, the College underwent a third-party evaluation by Economic Modeling Specialists Inc., based in Idaho. EMSI is a leader in providing measurement tools that utilize scientific learning formulas allowing colleges to gauge their economic worth to their respective communities.

There are many additional benefits outlined in the report conducted on Barton, but in this letter the Trustees are focusing on the specific benefits to taxpayers. Benefits that expand beyond the taxpayer perspective will be covered in greater detail in subsequent letters.

Our community's college was not founded because of a mandate brought about by higher-education experts. It did not arise out of a push by pro-education bureaucrats or any other outside entities. Instead, our college originated with a dream, a concept and then a grassroots effort by the majority of our community who wanted to ensure educational opportunities for all. Collectively, we the taxpayers are the root reason why Barton Community College exists today. We continue to provide roughly a third of Barton's annual operating budget. A fair question to be asked by all of us: What is the return on investment for our financial commitment? The EMSI data helps us answer that question.

Under the taxpayer perspective, only benefits that accrue to state and local governments are counted, namely increased tax collections and reduced government expenditures. It's important to note as well that government often must undertake activities needed by the public, which may be costly, and therefore, not provided in the marketplace. Because of that aspect, positive economic returns are generally not expected from government investments. That isn't the case with Barton, however. The EMSI study shows an internal rate of return of 7.6 percent and a benefit/cost ratio of 2.1. That means for every \$1 of state and local tax money invested in our College, that investment returns \$2.10 to taxpayers.

As a reference point to Barton's strong position regarding its value to taxpayers, EMSI reports that a rate of 3 percent and a benefit/cost ratio of 1 would mean that an institution is just paying its way.

The study provides additional information and charts, considering other factors related to Barton's return on investment to taxpayers. Those vary from 7.2 percent for "real" rates, excluding certain factors, to 10.7 percent for "nominal" rates. No matter the method, though, the bottom line is that each consideration provides confirmation that taxpayers receive exceptional value from investing in Barton.

We encourage you to read the EMSI main report, or any of the breakout reports that have been published. You can access those online at the web address, economicstudy.bartonccc.edu. If you have questions, or wish to receive any portion of the reports in the mail, call the President's Office at 620-792-9302.

The Board of Trustees is interested in sharing the EMSI information with groups in our service area. Contact the President's Office if you would like a Board member speak to your group or if you have questions. We look forward to sharing more of the information with you.

Sincerely,

A handwritten signature in black ink that reads "Paul Maneth". The signature is written in a cursive style with a large, looped initial "P".

Paul E. Maneth, Ph.D.
Chairman
Board of Trustees