

Economic value of having a community college in your area

I used to live in Miami, Oklahoma and very near the main town was a very successful mushroom farm. Now, I don't know if you know how mushrooms are grown, but it involves generous amounts of fertilizer. Stinky fertilizer. And when the wind shifted just right the lovely odor of the farm and its fertilizer would waft through the community. Letters to the Editor from citizens began appearing in the paper about the smell associated with this farm and how it damaged the community. The owner of the farm didn't care for those letters much, as you could guess. So, on the next payday, he paid his many employees in cash rather than check. He had stamped the name of the farm on every dollar (that's illegal in case you are wondering) and encouraged his employees to pay their bills with the marked cash. That cash moved through the town, changing hands as it went from person to person. The letters to the editor then shifted to words of support for the farm. That smell, my friends, was the smell of money. So that business owner showed how his business fed into everyone else's in the area and effectively demonstrated the economic impact of one mushroom farm.

In the next few months the Kansas Board of Regents will be releasing a study about the economic effect our colleges and universities have on this state. They will attempt to answer the question that the mushroom farmer did a bit more directly - does it pay to have a community college in your area? Let me try to answer that for our service area and NCCC without illegally stamping an NC logo on all our outgoing revenue.

This is a simple question with a complex answer. NCCC receives taxes from Neosho County residents. Those who have been students at NCCC or who have family members that have taken classes have experienced a direct benefit from having a college nearby. The cost of tuition while attending community college is often less than half the cost of attending even a public four-year institution, and that's before you factor in the savings of staying at home for a few more years, as opposed to living on-campus at a big university in another town. So it certainly "pays" those families to have a community college close.

But what about those who neither went to college here nor do they have family members that have or will use our college's services. What is in it for them? For this part of my argument, you need to buy into the concept that "a rising tide lifts all boats." The tide I am talking about is money, specifically, when revenue comes into an area that is good for all in that area. How much revenue comes in? Let's look at the numbers.

The college took in almost \$5 million in Neosho County property taxes last year. However, our total audited budget last year was nearly \$21 million! That means NCCC brought an additional \$16 million into our service area above what local citizens gave us. Of that \$16 million, we attracted \$3.4 million in state appropriations and grants (that's other Kansas counties paying taxes to us) and \$6.5 million in federal grants and contracts (that's other states paying taxes to us). We earned about \$3.7 million in tuition and fees from students as well. So about 24% of our budget was provided by local property tax payers, for which we are truly grateful. But we brought in over four times that into our service area and much of that was spent locally.

With those funds we employ 148 full-time workers and 175 part-time employees, the vast majority of which are located at our Chanute campus. Those folks buy things in local businesses, own houses, and pay taxes themselves.

And, of course, we bring in students. Some 3,500 students took classes at NCCC last year alone. Each year we fill our residence halls in Chanute with 230-260 students from other counties and from out of state. They spend money in the area as well. For proof of that, just visit many of our community stores on our residence hall move-in day. You will see a lot of 18 year-olds with Mom and Dad buying everything under the sun for their new room.

Besides residential students we have students driving to our campuses at Chanute and Ottawa and taking on-line classes from all over the state and beyond. In fact, recently we had 99 of the 105 counties in Kansas represented in our student body! Some of those counties have more cows than people so getting all 105 is a bit of a challenge. Those commuters also spend money in our service area. Restaurants, gas stations, and shops are direct beneficiaries of these students.

Beyond students coming into the area, we also host events that bring people and their money in our area. For example, recently we hosted a men's basketball tournament on January 1st and 2nd. We invited three teams who came to Chanute and brought with them, players, coaches, bus drivers, and fans. These folks stayed in our hotels, ate in our restaurants, and shopped in our stores. This was a new tournament we have never tried before. One hotel owner told us he went from having two rooms booked last year at this time, to being nearly full, thanks to the tournament. That is direct economic benefit. We hosted junior girls and boys basketball tournaments in December and saw similar economic effect there as well, as those folks who came for the events and bought things in town.

Having a college in the area does help attract businesses, especially those who need a workforce with a degree or certificate. Often these are higher paying jobs. I recall one business that located in Chanute after contacting our Dean of Outreach and Workforce Development, Brenda Krumm, because they were looking for someone that could offer Work Keys testing, which we do. That was a deciding factor for them.

We also host the Small Business Development office of the region on our campus to help start new businesses in the area bringing more employment and dollars. NCCC houses the Office of Rural Opportunity through the Kansas Department of Commerce which is charged with improving the economic situation of rural communities by attracting businesses, workers and investment.

The last study done on the impact of community college has on its service area in Kansas showed quite a nice return on the investment to the local taxpayer. That study was a while ago so I am anxious to see what the new study finds.

I know for some, this information is little comfort. They have never taken classes from NCCC, and never will, nor will their family. They don't own a business nor are they employed by a business that caters to college students, college employees, or others that are attracted by the college and its events.

To those folks, I ask that they remember the Oklahoma mushroom farm and its dollars moving through the community. Soon everyone in town touched those dollars, as I did living there. I worked at the college, but getting change one day after buying my lunch, I was given a marked bill. It is a safe bet that you too have touched revenue brought into our area by the college.

If you have any questions about this or anything else, please contact me directly at binbody@neosho.edu or just call me at the college at 620 431-2820.