Contributions of Matanuska-Susitna College

Prepared for:

Matanuska-Susitna College
UNIVERSITY *of* ALASKA ANCHORAGE

McDowell GROUP

Research-Based Consulting

Juneau
Anchorage

October 2009

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Study Summary

Matanuska-Susitna Campus (MSC), part of the University of Alaska Anchorage (UAA), contracted with McDowell Group, an Alaska research and consulting firm, to assess the economic and social impacts of MSC in the Matanuska-Susitna Borough and statewide. In addition to contributing significantly to the regional and Alaska economy, MSC plays an important role in providing technical and academic education, as well as lifelong learning opportunities to residents of the region.

The study reviewed student characteristics, such as enrollment, credit hours, and demographics. MSC revenues and expenditures, and employment and payroll were examined, as well as the impacts campus spending has on the region and the state. Qualitative information was gathered through interviews with local government officials, community leaders, and individuals within the business community to capture their opinions of MSC's impacts on the Mat-Su region and the state. One comment captured the feeling of many of the interviewees:

> *MSC's contribution is pretty straightforward. The university is here to train people, mostly at an associate's level. A lot of people go back to MSC and retool for lots of different reasons. People go, learn, and then apply what they learned, no matter what class they take. It's a driver in the workforce. Generally speaking, the more educated the people of the community are, the better the community can be.*

Key findings from the study are presented below.

Traditional Campus

When compared to the other community campuses in the UA system, the MSC student body more closely resembles a traditional college population. In Fall 2008, the average age of students at MSC was 27 years old, four years younger than the UA average. At most of the community campuses around the state, students tend to be older than the UA system average.

Two-thirds of enrolled students were degree-seeking. At many of the UA community campuses, fewer students tend to be degree-seeking than at MSC. While MSC does not offer bachelor's degrees, many MSC graduates continue their education at other campuses.

As a philosophy, MSC prefers face to face delivery over distance delivery. A majority of enrollment (73 percent) was from students living near the campus and 93 percent of enrollment was by Alaskan students. The campus had the third lowest percentages of distance delivery (8 percent) among the community campuses. Some campuses deliver a significant portion of credit hours via distance (Sitka, 68 percent), (Ketchikan, 61 percent), (Bristol Bay, 45 percent) and (Chukchi, 44 percent).

Workforce Development Benefits Employees and Employers

MSC offers more than 35 occupational endorsements, certificates, and associates degree programs with a focus on career and workforce development. Programs range from office-related technologies, such as architecture and engineering, computer technology, and digital media, to refrigeration and heating, fire and EMS services, and veterinary assistant. Many MSC programs are in High Demand Job Areas (HDJA). These are

fields in Alaska that have been identified as having high demand and above-average pay. MSC is training Alaska residents for employment that is critical to the development of their communities.

Graduate Benefits

According to an Alaska Department of Labor study, average quarterly earnings for MSC graduates increased by 21 percent, from $6,136 to $7,405 after completing a degree at the college. This substantial increase in income likely has a significant effect on the quality of graduates' lives.

Workforce Benefits

Nearly all interviewees for this study mentioned the important role MSC plays in workforce development in the region, especially in construction trades, health care, and professional and technical fields. One interviewee noted: "The ability to educate and inform our workforce and to prepare them for employment is a major plus for our community." Another said: "The nursing program is absolutely essential to the Valley because we have a large privately owned hospital here, and they are one of our largest employers."

CONVENIENT EDUCATIONAL OPPORTUNITIES

The campus is a community asset that improves the quality of life for the communities' residents by providing them with easy access to academic or technical training, which can lead to better paying jobs. Many interviewees mentioned that having a campus located in close proximity to their community was convenient and likely increased the number of residents, both young and old, who have attended classes.

While the interviewees mentioned the relatively close option of UAA, they thought that the physical distance and time commitment to go to Anchorage to further their education would deter many people. One interviewee stated: "Mat-Su affords kids the opportunity for higher education at home. They don't have to drive into Anchorage or go to Fairbanks or go out of state. If I was rethinking my education, I would have stayed home and gone to the local college." Another said: "In terms of furthering their education, people would go somewhere else. The question then remains, are they going to come back? They have to weigh whether they want to lose their downtime driving back and forth, or to stay in the community. The proximity here makes sense for people, if they want to take courses. They can get to class in a timely manner and not waste transportation time."

MSC IS A MAJOR ECONOMIC CONTRIBUTOR TO THE REGION

As one of the top 15 employers in the Mat-Su area, MSC is a significant contributor to payroll and benefit expenditures in the borough. The college employs 160 to 165 employees during the fall and spring semesters. Total MSC payroll and benefits for FY 2008 were about $5.5 million. Virtually all MSC payroll expenditures went to Alaska residents (99.7 percent), with nearly $4.9 million paid to Mat-Su residents.

MSC had total nonpersonnel expenditures of approximately $1.8 million in FY 2008. Approximately 66 percent of all MSC nonpersonnel expenditures were made within the state. Of these expenditures, approximately $625,000 occurred with approximately 85 Mat-Su businesses and entities. Additionally, about $600,000 was spent in other Alaskan communities.

MSC's FY 2008 total direct spending of about $5.5 million within the Mat-Su Borough resulted in total economic activity of about $6.4 million in the borough. MSC's statewide spending of $7.1 million resulted in total economic activity of nearly $10.4 million statewide in FY 2008.

Introduction and Methodology

Introduction

MSC contracted with McDowell Group to assess the economic impact of the college throughout the regional and statewide economies and analyze the school's qualitative benefits to residents of the Mat-Su Valley. Economic impacts include spending by MSC itself and employees, as well as the circulation of those dollars throughout the regional and statewide economies. Qualitative benefits are difficult to measure, but are equally important. They include the campus's production of educated individuals who will enhance the region's workforce, and the enhancement of area residents' quality of life in terms of academic opportunities and events.

MSC is one of three extended campuses for UAA, which is part of the University of Alaska (UA) system, the only public university in Alaska. UA serves nearly 47,000 students annually throughout the state via three regional hubs: University of Alaska Fairbanks (UAF), University of Alaska Anchorage (UAA), and University of Alaska Southeast (UAS).

Serving 1,400 to 1,700 students each semester, MSC offers access to a range of degree and certificate programs on campus, as well programs offered through other UA campuses. MSC focuses on providing outstanding technical and academic preparation. Graduates are prepared to enter the Alaskan workforce or to pursue further academic studies.

Methodology

The economic impact section of this study examines the cumulative effects of MSC-related employment, payroll, and expenditures within the Mat-Su Borough and statewide. This study is similar to the impact analysis of the University of Alaska statewide system, conducted by McDowell Group in 2007. Following the general methodology of that study, regional and statewide economic multipliers were applied to MSC-associated employment and expenditures to measure indirect and induced impacts.

Multipliers are derived from a widely used input/output model, IMPLAN, along with McDowell Group's project experience and analysis.[1] IMPLAN multipliers may be modified, based on McDowell Group experience in measuring multipliers in Alaska rural and urban economies. To assist McDowell Group with this study, MSC, UAA Financial Services, and UA Statewide Budget and Planning provided information on revenue, expenditures (including detailed campus spending and employee payroll and benefits), student enrollment and demographics. Qualitative information was gathered through interviews with local government officials, community leaders and prominent individuals within the business community to capture their opinions of MSC's impacts on the Mat-Su region and the state.

[1] Minnesota IMPLAN Group, Inc., IMPLAN Professional version 2.0

Matanuska-Susitna College

Originally named Palmer Community College when it first opened its doors in 1958, the campus was renamed Matanuska-Susitna College in 1963 when the Matanuska-Susitna Borough was formed. Located halfway between Palmer and Wasilla, the main campus sits on 950 acres in a modern 102,700-square-foot facility. The mission of MSC is to "educate students and prepare them for future learning, employment, and community engagement through a challenging and rigorous curriculum combined with exceptional support."

MSC Degrees, Programs, and Events

In general, MSC degree and certificate programs are offered in conjunction with other UA campuses, requiring students to take a mixture of in-person and distance learning courses. The campus also partners with regional organizations to deliver professional workforce development opportunities. Academic programs accessible from MSC include:

Academic Programs

Occupational Endorsement Certificate — Architectural and Engineering Technology (CAD for Building Construction); CISCO (Certified Network Associate or CNA); Computer Information and Office System (Office Foundations, Bookkeeping Support, Medical Office Support, Office Digital Media, Office Support, Technical Support); Logistics Operations; Refrigeration and Heating Technology (Residential and Light Commercial Heating and Ventilation, Commercial HVAC Systems, Residential and Light Commercial Air-Conditioning and Refrigeration, Commercial Refrigeration Systems); and Veterinary Assistant.

- **Undergraduate Certificate** — Architectural and Engineering Technology (Architectural Drafting, Civil Drafting, Mechanical and Electrical Drafting, Structural Drafting); Refrigeration and Heating Technology; Telecommunications, Electronics and Computer Technology (Computer and Networking Technology).
- **Associate of Applied Science** — Accounting; Architectural and Engineering Technology; Computer Information and Office Systems; Fire and Emergency Service Technology; Human Services; Refrigeration and Heating Technology; Small Business Administration; Telecommunications, Electronics and Computer Technology; and Paramedic Technology.

- **Associate of Arts** — General Studies. AA degrees combine broad studies in written communication, oral communication, humanities, mathematics, natural sciences, and social sciences, with elective coursework selected by the student.

Distinctive Programs

PARAMEDIC TECHNOLOGY PROGRAM (PMED)

The PTP is an AAS program developed in conjunction with the Matanuska-Susitna Borough that began in Fall 2009. The PTP will allow current EMTs to be trained as paramedics to work in the EMS system. Paramedics provide pre-hospital care to ill or injured patients. Students will train with state-of-the-art equipment in classrooms and at local and regional hospitals through clinical rotations and field internships. After graduation and PMED courses, students meet the U.S. Department of Transportation National Standards for Paramedics, and are eligible to take the National Registry examination. Upon passing the exam, the student will be a licensed paramedic. The first class was enrolled to capacity (16 students).

REFRIGERATOR AND HEATING TECHNOLOGY PROGRAM (RH)

The RHTP offers four occupational endorsement certificates, one undergraduate certificate, and an associate of applied science degree in Refrigeration and Heating. Upon completing the degree or certificate, a student will be able use knowledge of heating, air-conditioning, applied physics, mathematics, and electricity and be able to repair modern commercial and residential heating, refrigeration, air-conditioning and ventilation systems. The program emphasizes using the laws of physics related to heating, ventilation, air-conditioning, and refrigeration, using and understanding the tools necessary to complete the job, environmental responsibility in the workplace, and other lessons. The MSC RHTP is the only certified refrigerator and heating program being offered in the state.

VETERINARY ASSISTANT PROGRAM (VETT)

MSC began offering a veterinary assistant occupational endorsement program in Fall 2009. Students are taught how to assist and support veterinarians and the veterinarian technicians during their day to day operations. The program prepares students to deal with animals as patients and people as clients. The students learn about the care, treatment and management of the animals, and customer service, communication skills and clerical duties. Students also learn about the proper handling, nutrition and nursing of large and small animals and are introduced to proper laboratory procedures.

RENEWABLE ENERGY PROGRAM (RE)

Beginning in Spring 2010, MSC will offer an occupational endorsement in Renewable Energy. The program includes eight courses focused on renewable energy including wind, biomass, hydro, solar, and geothermal energy. Students will learn about renewable energy that can then lead them to careers in construction and utilities. It prepares students for employment in renewable energy fields, and allows them to identify energy sources that may be more environmentally friendly. The program focuses on energy efficiency, conservation and safety.

Distance Education

While not the focus of MSC, the campus offers a variety of distance education courses. Courses delivered via distance use web-based instruction, audio conferencing, streaming media, and proctoring services. The campus also uses the UA system of Elluminate Live (E-Live) classes. E-Live classes are web-based and delivered in real-time so that students and the course instructor are interacting simultaneously from different physical locations. In academic year 2008, approximately 8 percent of MSC student credit hours were delivered via distance classes.

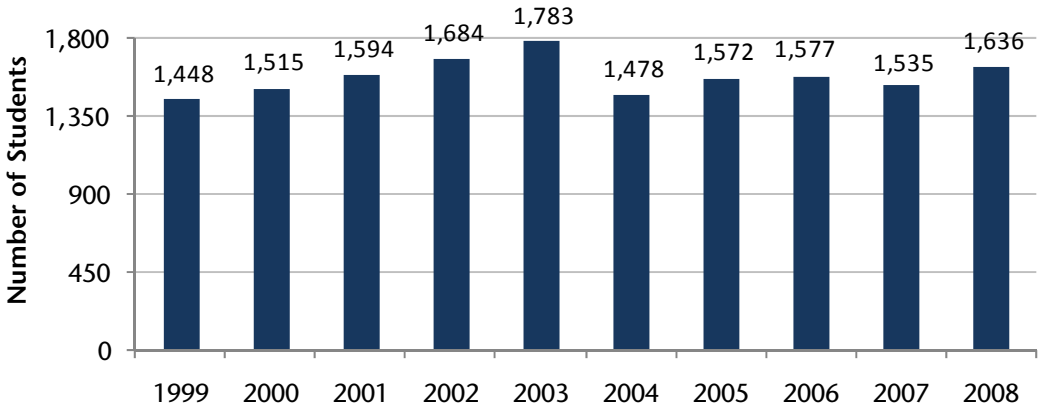
On average, MSC enrolls 1,400 to 1,700 students each semester. This population includes all students receiving instruction from MSC, regardless of their degree program location. For example, some MSC students are enrolled in degree programs based in Fairbanks or Anchorage, but complete general requirements for those degrees or take other classes at MSC.

Student enrollment at MSC is measured in two ways: head count and student credit hours (SCH). Head count measures the number of students enrolled in any number of classes, while SCH accounts for the number of course credits each student is taking. For example, 10 students taking one three-credit course each is reflected by a head count of 10 and total SCH of 30. Ten students taking 12 credits each (full-time) is reflected by a head count of 10 and total SCH of 120. Within the higher education arena, SCH is considered the more accurate measure of a school's production and is more closely associated with its revenue stream. Both measures will be presented in the following section.

Enrollment Trends

The following chart presents 10-year trend information for fall semester student enrollment at MSC. Enrollment steadily increased from 1999 through 2003 by 23 percent, but dropped by 17 percent in 2004. According to the administration, the decline was due to programmatic changes and a revision of admissions requirements. From 2005 through 2008, MSC enrollment again began to increase, rising by 11 percent since its lowest point in 2004.

Figure 1
Student Enrollment Trends, Fall 1999-Fall 2008



Source: UA Statewide Planning and Budget

MSC had Fall 2008 enrollment of 1,636. Spring 2009 enrollment was 1,055. The table below shows fall semester enrollment and SCH trends. Student enrollment increased by 10 percent from Fall 2004 to Fall 2008. SCH increased by 10 percent over the same period.

Table 1
Student Enrollment Trends, Fall 2004-Fall 2008

Year	Head Count	Credit Hours
2004	1,478	10,099
2005	1,572	10,579
2006	1,577	10,323
2007	1,535	10,461
2008	1,636	10,699

Source: UA Statewide Planning and Budget

Student Enrollment Characteristics and Demographics

Student Enrollment Characteristics

In Fall 2008, nearly two-thirds of those enrolled at MSC were part-time students. The majority of enrolled students (66 percent) were degree-seeking. A total of 349 students took at least one noncredit course offered by MSC.

Table 2
Student Enrollment Characteristics, Fall 2008

	Count	% of Total
For-credit enrollment		
Part-time	1,034	63%
Full-time	602	37
Degree-seeking*	1,077	66
Nondegree seeking	559	34
Total enrollment in for-credit classes	**1,636**	**100%**
Total enrollment in noncredit classes**	**349**	

Source: UA Statewide Planning and Budget and UA in Review, 2009

*Degree-seeking status is determined at the UA statewide level; the students counted as degree-seeking are enrolled at MSC but may be degree-seeking at any of the three MAUs (UAF, UAA, UAS).
**Noncredit head count is an unduplicated head count of all students taking one or more noncredit courses. Some of these students also may have been enrolled in for-credit classes.

UA Scholars

In Fall 2007 and 2008 MSC had the second highest enrollment off UA Scholars among all community campuses (77 in Fall 2008). The UA Scholars program began in 1999 with the intention of increasing the percentage of Alaska high school students who attend college and specifically UA. The program awards the top 10 students (academically) at each Alaska high school $11,000 if they attend UA. The program has been very successful increasing overall college attendance and resident enrollment at UA.

Student Demographics

Student Origin

In Fall 2008, 96 percent of the enrolled students originated from within Alaska. Slightly less than 4 percent of students came from other states or countries.

Table 3
Origin of Students, Fall 2008

	Enrollment	% of Total Enrollment
In-state enrollment		
Mat-Su area*	1,187	73%
Other Alaskan communities	389	24
Total in-state enrollment	**1,576**	**96%**
Other U.S. states	45	3
International	15	1
Unknown	-	-
Total enrollment	**1,636**	**100%**

Source: UAA Institutional Research
*Origin is the location of a student when first enrolling at the university and may differ from a student's current citizenship, visa, or state residency status. For Alaska students entering the university, the origin is recorded as a city or village. For students of other states, the origin is recorded as the state from which the student comes. In the case of a foreign student, the origin at entry is recorded as the student's home country.

About 70 to 75 percent of Fall 2008 students were residents of the Mat-Su Valley. Approximately 43 percent were from Wasilla and 26 percent from Palmer. Students from Anchorage and Eagle River comprised about 15 percent of enrollment. A table is included in the appendix of this report listing other Alaska communities of origin not included in the top 15 list below.

Table 4
Top 15 Locations of Student Origin*, Fall 2008

	Students	% of Total Enrolled Students
Wasilla	703	43%
Palmer	419	26
Anchorage	200	12
Eagle River	42	3
Big Lake	28	2
Willow	19	1
Chugiak	18	1
Fairbanks	13	1
Sutton	11	1
Soldotna	9	1
Elmendorf AFB	8	1
Kodiak	8	1
Houston	7	<1
Talkeetna	7	<1
Fort Richardson	6	<1

Source: UAA Institutional Research
*Origin is the location of a student when first enrolling at the university and may differ from a student's current citizenship, visa, or state residency status. For Alaskan students entering the university, the origin is recorded as a city or village. For students of other states, the origin is recorded as the state from which the student comes. In the case of a foreign student, the origin at entry is recorded as the student's home country.

In recent years MSC has seen an increase in enrollment by military personnel. Educational benefits provided in the most recent GI Bill has increased the availability of funding for many of these students. MSC enrolls personnel from Elmendorf, Fort Richardson, Eielson Air force Base and Fort Wainwright.

Student Demographics

Two-thirds of MSC Fall 2008 students were female, three-quarters were white, and roughly one in 10 was Native. The average age was 27, lower than the UA-wide average of 30 years.

Table 5
Student Demographics, Fall 2008

	Count	% of Total
Gender		
Female	1,059	65%
Male	577	35
Ethnicity		
White	1,257	77%
Alaska Native	122	7
Other	117	7
Not reported	140	9
Average age		**27 years old**

Source: UA Statewide Planning and Budget, UA in Review, 2009

Student Success

Graduates

MSC has graduated 70 to 90 students annually from 1999 and 2008. During that 10-year period, MSC awarded 699 associate degrees and 83 certificates. The campus awarded 75 associate degrees and six certificates in Fall 2008.

Table 6
Degrees and Certificates Awarded, FY 2008

Associate degree	75
Certificate	6
Total	**81**

Source: MSC

GRADUATE BENEFITS

MSC provides a valuable service to Alaska businesses and industry through technical training programs. This training also facilitates an increased quality of life for MSC graduates.

A clear indication of the financial benefits to graduates of MSC technical programs was demonstrated in a 2008 study by the Alaska Department of Labor and Workforce Development (DOLWD).[2] After graduation, more MSC graduates were employed, earned higher wages, and tended to remain and work in the state. As part of the study, DOLWD looked at 281 FY 2006 MSC technical program students and compared their level of employment and earnings before completion, and for the period seven to 12 months after exiting MSC. Average quarterly wages increased by 21 percent, from $6,136 to $7,405. While data specific to the residence of MSC graduates was not included in the report, 80 percent of all FY 2006 UA graduates were working in Alaska in 2007.

Table 7
Employment and Earnings Before and After MSC Training Program Completion, FY 2006

	Before	After	% change
Average quarterly earnings	$6,136	$7,405	+21%

Source: Training Program Performance 2006, Alaska Department of Labor and Workforce Development, February 2008

[2] Alaska Department of Labor and Workforce Development, Training Program Performance 2006, February 2008.

MSC-Related Direct Economic Impacts

Direct economic impacts of the campus include MSC's spending in its normal business transactions such as payroll, goods and services, and student aid. Direct impacts also include MSC expenditures on capital projects, such as the construction of new buildings, renovations, and the purchase of equipment.

The analysis of MSC's regional and statewide impacts is premised with a presentation of its revenue and revenue sources.

Revenue

Funding for MSC comes from a number of sources, including State of Alaska general funds, student tuition, and federal receipts. The following table details MSC revenue sources and funding amounts for FY 2007 and FY 2008.

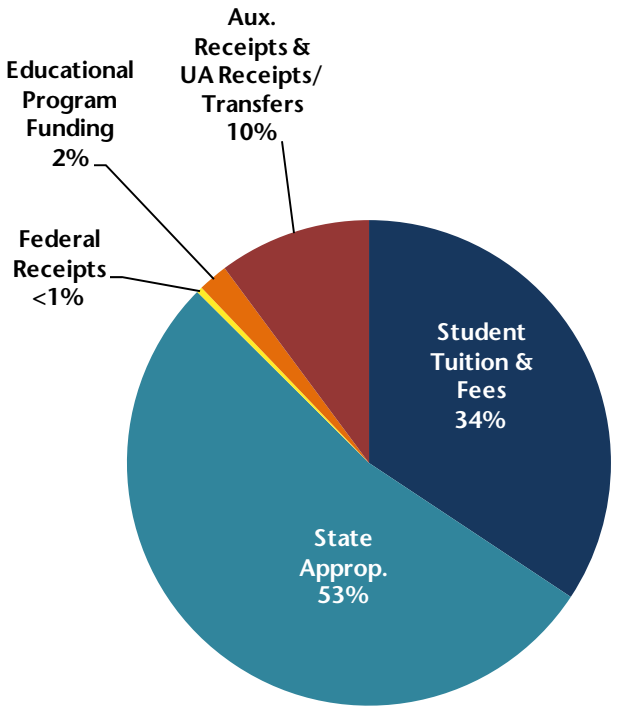
Total revenue for MSC was stable in FY 2007 ($7.3 million) and FY 2008 ($7.4 million). In FY 2008, State appropriations accounted for 53 percent of revenues. At $2.5 million, student tuition and fees were significant and accounted for about one-third of MSC revenues. Student tuition and fees increased 11 percent from FY 2007 to FY 2008.

Table 8
Revenue Sources, by Funding Source, FY 2007-FY 2008

Source	FY 2007	FY 2008
Unrestricted		
State appropriations	$3,751,200	$3,931,400
Student tuition and fees	2,253,500	2,540,500
Educational program funding	65,000	146,200
Indirect cost recovery	-	-
UA receipts	783,300	439,800
UA inter agency receipts	-	-
UA intra agency transfers	-	68,700
Restricted		
Federal receipts	$23,300	$29,400
Auxiliary Receipts	461,700	242,400
Total Revenue	**$7,338,000**	**$7,398,400**

Source: UA Statewide Planning and Budget. Figures have been rounded.

Figure 2
Revenue Sources, by Percentage of Total Funding, FY 2008



Description of Revenue Sources

State appropriations include receipts from the State of Alaska's general operating fund.

Federal receipts include restricted funds, such as grants and contracts, where spending is dictated by the specific federal funding agency.

Student tuition and fees are generated by tuition charged to students for instructional programs, as well as fees charged for specific activities or items, such as materials and labs.

Educational program funding is revenue from a variety of sources used to fund specific educational activities.

Indirect cost recovery revenues are generated from federal and other restricted grants, and are used to help offset administrative and support costs that cannot be efficiently tracked directly to grant programs. When the university receives a grant, it records the revenue for the actual project in restricted receipts and the revenue for indirect costs in indirect cost recovery.

Auxiliary receipts are associated with all self-supported activities of MSC. They include all revenues from bookstore and other operations.

UA receipts and transfers include unrestricted revenues from course and facility-use fees, educational testing fees, revenue from administrative services and other miscellaneous sources.

Expenditures

MSC spending totaled approximately $7.3 million in FY 2008, with the majority of spending ($5.5 million) on wages and benefits. Expenditures on contract services were about $800,000, while commodities were about $600,000, and capital and equipment $300,000. Other spending included travel expenses $45,000 and student aid $31,000.

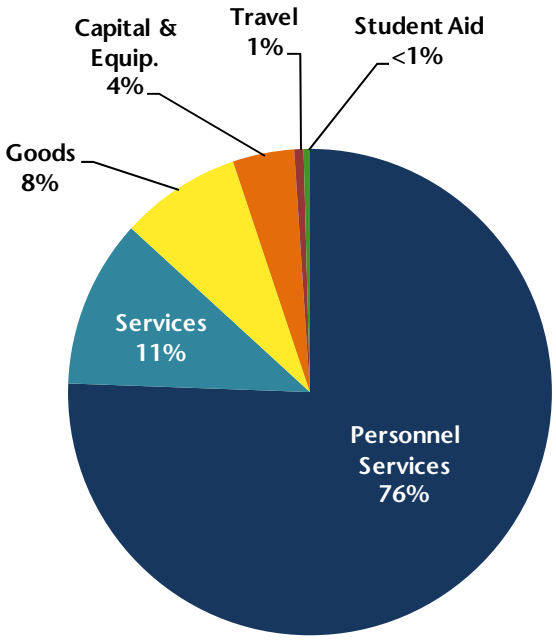
Table 9
Expenditures, FY 2008

Type	Amount	% of Total Spending
Personnel Services (wages and benefits)	$5,539,300	76%
Contracts (services)	823,500	11
Travel	45,000	1
Commodities (goods)	590,900	8
Student aid (tuition waivers)	31,200	<1
Capital and equipment	300,300	4
Total expenditures	**$7,330,200**	**100%**

Source: UA Statewide Planning and Budget

Three-quarters of MSC spending was allocated to personnel services, which included employee payroll and benefits. Eleven percent was spent on services and 8 percent on goods.

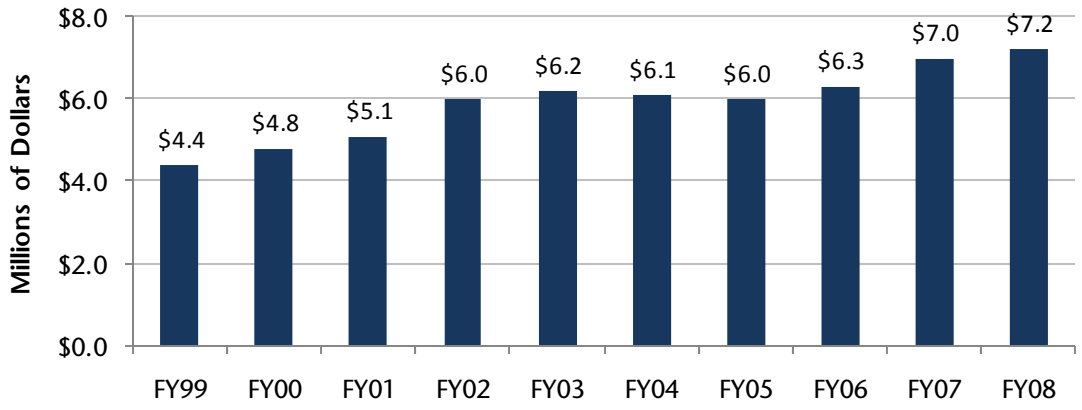
Figure 3.
Expenditures by Percentage of Spending, FY 2008



Expenditure Trends

MSC expenditures have increased by 61 percent from FY 1999 to FY 2008, with a 15 percent increase from FY 2004 to FY 2008. According to campus administration a majority of the increased expenditures were related to increasing rates for employee benefits and utility costs.

Figure 4.
Expenditure Trends, FY1999-FY 2008



Source: UA Statewide Planning and Budget.

Spending on Goods and Services

The study team analyzed detailed data provided by UAA Financial Services for MSC nonpersonnel spending. Ratios were developed for expenditures by location and applied to the MSC spending data in Table 9 of this document.

MSC had total nonpersonnel expenditures of approximately $1.8 million in FY 2008. Approximately 66 percent of all MSC nonpersonnel expenditures were made within the state of Alaska. Of these expenditures, approximately $625,000 occurred with approximately 85 Mat-Su business and entities. Additionally, $602,000 was spent in other Alaskan communities, and $617,000 outside of Alaska.

Table 10
Nonpersonnel Spending by Location, FY 2008

Type	Amount	% of Total Spending
Mat-Su Valley	$572,000	32%
Other Alaskan communities	602,000	34
Outside Alaska	617,000	34
Total non personnel expenditures	**$1,791,000**	**100%**

Source: Statewide Planning and Budget, UAA Financial Services and McDowell Group analysis
Note: Figures have been rounded.

Additional MSC-Related Capital Spending

An additional $403,000 was spent by UAA in FY 2008 for a variety of projects at MSC. This spending, called "Fund 5 accounts", is money spent by UAA on major capital projects on behalf of the campus. These funds, however, are not included in MSC's budget and therefore are not included in the previous table of MSC expenditures. To show the full extent of MSC's spending impacts, the study team included Fund 5 spending in the economic impacts analysis section of this report. There were five projects in FY 2008 with Fund Five expenditures, including architectural and design services for a science lab remodel, a water system upgrade, widening of a campus road, and campus master planning. Additionally, renovations to upgrade the alarm system in the Kerttula Building were completed. All of the work was completed by Anchorage firms.

The table below shows estimated spending on wages and benefits and for capital expenditures on these projects. An estimated $30,000 was paid in wages and benefits in the Mat-Su, the remainder of the spending for the five projects occurred in Anchorage.

Estimating employment related to this spending is difficult. These projects likely generated several temporary full-time jobs in engineering and design in Anchorage and a couple of part-time temporary jobs in the Mat-Su Valley related to the fire alarm system upgrade.

Table 11
Related Capital Spending, FY 2008

Type	Amount
Wages and benefits	$366,000
Capital expenditures (materials, equipment and supplies)	38,000
Total expenditure	$404,000

Source: UAA Facilities Services and McDowell Group analysis. Note: Figures have been rounded.

Employment and Payroll

Employment and Payroll

One of the top 15 employers in Mat-Su, MSC is a significant contributor to payroll and benefit expenditures in the borough. Employment during the Fall 2007 and Spring 2008 semesters averaged about 160 to 165 people. Typical staff levels are illustrated in table below. In Spring 2008, the campus employed 18 regular faculty and 37 regular staff, as well as 65 adjunct faculty, 21 temporary staff, and 24 students.

Table 12
Employment, Spring 2008

	Employment
Faculty regular	18
Faculty temporary	65
Staff regular	37
Staff temporary	21
Student employment	24
Total employment	**165**

Source: UAA Human Resources

When the full academic year is considered (winter break and summer staffing employment is substantially lower), annual average employment at MSC is about 130 to 135 people. Roughly 112 Valley residents are employed, 19 are from other Alaska communities, and two adjuncts reside outside of Alaska.

In FY 2008, most full-time faculty and staff lived in the Mat-Su area, with a few living in Anchorage or Eagle River. Of the roughly 125 adjunct faculty who taught at least one class in FY 2008, three-quarters lived in the Mat-Su Valley. Total MSC payroll and benefits for FY 2008 was about $5.5 million. Virtually all MSC payroll went to Alaska residents (99.7 percent), with nearly $4.9 million (88 percent) paid to Mat-Su residents.

Table 13
Wages and Benefit Spending, FY 2008

Type	Amount	% of Total Payroll Spending
Mat-Su Valley residents	$4,856,000	88%
Other Alaska residents	665,000	12
Residents from outside Alaska	15,000	<1
Total expenditure	**$5,540,000**	**100%**

Source: MSC Administrative Services. Note: Figures have been rounded.

The economic impact estimates below are based on a widely used input/output model, IMPLAN, which estimates multipliers for determining the effects of employment and payroll on regional and statewide economies. There are three types of economic impacts related to MSC spending and employment:

- **Direct impacts:** Campus spending on goods, services, student aid and payroll.
- **Indirect impacts:** Jobs and income to businesses providing goods and services to the campus. For example, vendors who conduct business with MSC in turn buy fuel and other supplies, rent office space, and purchase services from other local providers in support of their day-to-day business operations. This spending creates additional jobs and income in the region (and statewide).
- **Induced impacts:** Jobs and income created as a result of campus employees spending their payroll dollars in the local economy.

Indirect and induced economic impacts, often described as multiplier effects, are important components of the overall economic impact of the MSC campus. In general, however, multiplier effects for Alaska are limited, especially for rural areas, as few goods are actually produced within the state.

MSC Campus Spending Impacts

Based on MSC's annual average direct employment of 112 full-time or part-time individuals in the Mat-Su Borough, the campus had an indirect and induced impact of about 24 additional jobs within the borough. MSC's total in-state, annual average employment was 131 people and resulted in about 72 additional jobs statewide. The additional payroll associated with this indirect and induced employment totaled about $700,000 within the borough and about $2.7 million statewide.

MSC's FY 2008 total direct spending of about $5.5 million within the Mat-Su Borough resulted in total economic activity of about $6.4 million in the borough. MSC's statewide spending of $7.1 million resulted in total economic activity of nearly $10.4 million statewide in FY 2008.

Table 14
Economic Impacts of Campus Spending, FY 2008

	Direct	Indirect & Induced	Total
Matanuska-Susitna Borough			
Employment*	112	24	136
Labor income (payroll & benefits)*	$4,888,000	$695,000	$5,583,000
Campus spending	572,000	248,000	820,000
Total spending impact	**$5,460,000**	**$943,000**	**$6,403,000**
Statewide (including Matanuska-Susitna Borough)			
Employment**	131	72	203
Labor income (payroll & benefits)**	$5,889,000	$2,650,000	$8,539,000
Campus spending**	1,212,000	$654,000	1,866,000
Total spending impact	**$7,100,000**	**$3,304,000**	**$10,405,000**

Source: UA Statewide Planning and Budget, UAA Financial Services, UAA Human Resources and McDowell Group analysis
Note: Figures have been rounded.*Includes approximately $30,000 in Fund Five spending and a few part-time temporary jobs related to fire alarm upgrades in the Kerttula Building.**Includes approximately $336,000 in wages for Fund Five engineering and design work, and $38,000 for work on the previously mentioned alarm system.

Community Value of Matanuska-Susitna Campus

To illustrate the qualitative impact of MSC, the study team conducted interviews with a variety of local community leaders, gathering their opinions on MSC's contribution to their community. Below is a summary of general themes from the interviews.

Workforce Development

Workforce development was the main MSC contribution interviewees noted during the interviews. MSC allows residents to obtain more technical training. This in turn allows locals the opportunity to increase their skill set while providing businesses with a more skilled local workforce. Interviewees noted the following:

> *The ability to educate and inform our workforce and to prepare them for employment is a major plus for our community.*
>
> *They provide us with a good labor force for professional jobs.*
>
> *They are vital in workforce training. They are a vital part of our future. It's the local college. I believe we need to offer more opportunities to keep our youth here because that's our workforce. We have more people moving up here because of the softer economy in the Lower 48, so we need to train our youth and our workforce to take those jobs first.*
>
> *MSC contributes by providing academic opportunities, such as technical classes like the heating and ventilation program.*
>
> *The nursing program is absolutely essential to the Valley because we have a large, privately owned hospital here, and they are one of our largest employers.*

Convenient Educational Opportunities

One area often cited by the interviewees was that MSC allows residents of the Matanuska-Susitna Borough to continue their education close to home. Many of the interviewees noted how MSC was a perfect choice for students looking to start their education. With a college located in the community, students may stay at home and take basic courses before moving to a four-year university. As an interviewee noted, "Many people have gone to a four-year college, and this was the place where they got started. They got the base they needed to move on." Another stated, "We feel very strongly that they provide a good educational option close to home." Others interviewees mentioned:

> *Mat-Su affords kids the opportunity of higher education at home. They don't have to drive into Anchorage or go to Fairbanks or go out of state. If I was rethinking my education, I would have stayed home and gone to the local college.*
>
> *In terms of furthering their education, people would go somewhere else. The question then remains, are they going to come back? They have to weigh whether they want to lose their downtime driving back and*

forth, or to stay in the community. The proximity here makes sense for people, if they want to take courses. They can get to class in a timely manner and not waste transportation time.

They are a resource for a small community and allow students to not have to travel all the way to Anchorage.

People would be required to drive into Anchorage for their education.

In order to have employment in this current world economy, you must have education. To be competitive you need to have an institution nearby. A local campus makes us more attractive in the world economy.

Interviewees stated how they felt fortunate to have a place of higher learning close at hand, and they supported MSC because of this. As one interviewee noted, "The City of Palmer feels very fortunate to have the Mat-Su College here. We always support them without hesitation." Another stated, "I am always mindful of the fact that they are a major asset to the community, to Palmer as well as the rest of the Valley. The cultural value of their existence is very important." As the interviewee noted:

The contribution is pretty straightforward. The university system is here to train people, mostly at an associate's level. They have general education courses from UAA or UAF. A lot of people go back and retool for lots of different reasons. A lot of courses are general interest. People go, learn, and go back and apply what they learn, no matter what class they take. It's a driver in the workforce. Generally speaking, the more educated the people of the community are, the better the community can be.

One interviewee noted that while the school provided education and training for youth and those looking to improve their careers, MSC also offered personal enrichment opportunities for those who are retired. "The school also provides opportunities for Valley seniors to occupy their time. It allows them to learn and educate themselves. My wife is currently taking an art class there and loves it."

COMMUNITY INVOLVEMENT

Interviewees mentioned how faculty and staff are an integral part of communities in the Mat-Su area. A majority of MSC faculty and staff live in the Mat-Su. These employees bring with them a host of skills, talents, and interests that contribute to the quality of life in the Valley. Interviewees made the following comments related to MSC faculty and staff community contributions:

Some faculty members sit on the school board. They provide technical guidance and planning for school-related things, not just the Mat-Su campus.

They sit on a lot of advisory boards, using their expertise to help others.

They are part of the community, active in Rotary and other service clubs.

Campus employees add to the quality of life and the quality of the community.

MSC faculty are required, as part of their contract to spend and average of 20 percent of their time on "service". Service can be work completed for the campus, the UA system or for the community. A semester unit of instruction is 45 hours. This translates into about 9 hours of service per unit.

The following table lists MSC Fall 2008 student communities of origin not included in Table 4.

Alaskan Communities of Origin* Not Listed in the Top 15, Fall 2008

2 to 4 students
Bethel, Craig, Eielson AFB, Glennallen, Homer, Juneau, Kenai, Ketchikan, North Pole, Seward, Sitka, Barrow, Cordova, Dillingham, Fort Wainwright, Girdwood, Nikiski, Skagway, Sterling, and Valdez
1 student
Adak, Alakanuk, Anchor Point, Copper Center, Dutch Harbor, False Pass, Kasilof, King Salmon, Naknek, Napaskiak, Nenana, Petersburg, Port Alsworth, Red Devil, Russian Mission, Saint Paul Island, Salcha, Trapper Creek, Tununak, Ward Cove, and Yakutat

Source: UAA Institutional Research
*Origin is the location of a student when first enrolling at the university and may differ from a student's current citizenship, visa, or state residency status. For Alaskan students entering the university, the origin is recorded as a city or village. For students of other states, the origin is recorded as the state from which the student comes. In the case of a foreign student, the origin at entry is recorded as the student's home country.