

Economic Impact of the Vermont Law School on the Vermont State Economy

Report prepared for Vermont Law School
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Executive Summary Prepared by Vermont Law School (VLS):

- VLS contributes \$30 million in direct expenditures into the Vermont economy out of a total expenditure base of \$39 million, from its 13-acre campus located in South Royalton, Vermont.
- VLS employs 145 persons in 2014, with total payroll and labor related expenses of \$18 million, of which \$15 million or 82 percent, was paid to Vermont recipients (Table 1). This direct income grows to \$19.2 million in personal income and tax payments after considering secondary impacts.
- The high proportion of direct in-state spending gives rise to an employment multiplier of 2.9, generating an additional 245 jobs throughout Vermont for a total of 376 jobs that VLS supports for Vermont residents.
- VLS's 550 full-time students and 110 summer students spent a total of \$12.2 million in Vermont in 2014. This includes nearly \$4 million in direct rental income to property owners and \$3 million spent at local stores and restaurants.
- Visitors to VLS spent nearly \$342,000 directly in Vermont in 2014, including prospective students, family members, friends, alumni and some of the 150 students in VLS's distance learning programs.
- The impact of VLS can also be measured as the amount of gross state product (GSP) that is attributable to VLS operations. VLS had a GSP of \$20.6 million in 2014. This is an estimate of the school's economic contribution to the value of good and services ultimately purchased by VLS.
- A \$32 million output figure can be derived, strictly in Vermont, in 2014, by including the value of Vermont purchased goods and services used in VLS operations. Output is the measure of transactions involved in supplying goods and services to VLS
- VLS "enhances Vermont's reputation as a state associated with high quality post-secondary education services and helps promote the 'Vermont Brand', which is characterized by a high level of environmental quality."

**PROPOSAL FOR STATE ECONOMIC DEVELOPMENT ASSISTANCE TO
VERMONT LAW SCHOOL
TO CREATE JOBS IN VERMONT AND EXPAND OUR CUSTOMER BASE**

The Concept

Vermont Law School will invest \$5 million over three years to create one of the nation’s first truly hybrid residential/online programs in law and policy graduate education. Students will enjoy an education they can customize, finish in as few as two years here in Vermont, or start here and complete online while they work, reducing their student debt. We will also take steps to bolster our best-in-nation environmental program, broaden our graduate offerings, and enhance our 21st century educational curriculum and job placement.

Our internal resources and a funded federal loan will cover \$4.5 million, or 90 percent of the \$5 million required. We ask that the State of Vermont invest the remaining 10 percent or \$500,000 on a one-time basis to bring to completion this pivotal economic development program.

The “Brain Gain”

These investments will enable new groups of national and international students to enroll in our Vermont-based programs. Our experience tells us that many of them will elect to stay in Vermont. Right now 10 percent of our students come from Vermont, but after spending time here, 20 percent elect to stay in Vermont. These investments will grow those numbers, contributing to a much needed “brain gain” for the state.

Economic Development and Jobs in Rural Vermont

This is the business model that Vermont knowledge industries must pursue: Serve a national and international customer base, but bring the revenue back to the state, generate the jobs, and strengthen core physical facilities here in this amazing and beautiful rural community.

The Program

The details of the program are set out in the attached description. In summary form, the total program cost is \$5 million. In FY16 and FY17 we will have invested about \$500,000. In FY18 through FY20, we will invest the additional \$4.5 million. The program:

<i>Blended Hybrid Residential-Online Program:</i> Hybrid curriculum development; software & hardware for virtual classrooms, databases, enterprise software, web development, and network enhancement.	\$2,245,000
<i>Environmental Program Improvements and Expansion:</i> Faculty, outreach, administrative support, hardware, and software.	\$1,270,000
<i>New Graduate Degrees, Programs and Services:</i> New course development, faculty, hardware, and software.	\$1,485,000
TOTAL:	\$5,000,000

The sources as proposed for the \$5 million are:

▪ Vermont Law School	\$ 2,000,000
▪ US Dept. of Ag.-Rural Development loan (funded)	\$ 2,500,000
▪ State of Vermont (proposed)	<u>\$ 500,000</u>
TOTAL:	\$ 5,000,000