

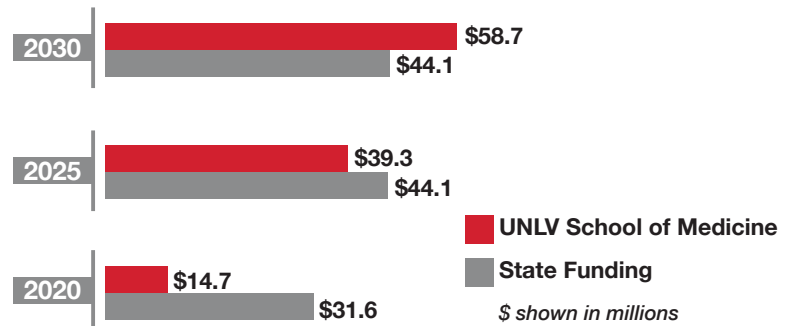
# UNLV SCHOOL OF MEDICINE RETURN ON INVESTMENT TO THE STATE GENERAL FUND

## STATE GENERAL FUND REVENUE

Economic activity in the State of Nevada’s economy from the spending of the UNLV School of Medicine will remain inside the state as well as fresh dollars that will flow inside the state because the medical school will generate general fund revenue through a wide variety of taxes. Tripp Umbach estimates that every fresh dollar in economic impact from the UNLV School of Medicine will generate 4.9% in state general fund revenue. As the UNLV School of Medicine matures, the Return on Investment (ROI) to the State of Nevada’s economy will grow.

- In 2030, Tripp Umbach estimates the UNLV School of Medicine is projected to generate **\$58.7 million** in government revenue.
- With total cost to the state general fund of only **\$44.1 million** in 2030, the UNLV School of Medicine is expected to produce a positive return on state investment (see Figure 1).

**FIGURE 1: PROJECTED TOTAL GOVERNMENT REVENUE IMPACT THE UNLV SCHOOL OF MEDICINE 2020-2030**



## RETURN ON INVESTMENT OF PUBLIC FUNDING BY UNLV SCHOOL OF MEDICINE

Allopathic (MD-granting) Medical Schools generate significant economic impact and state general fund revenue. Nationally, allopathic medical schools generated more than \$5.2 billion in state general fund revenue annually and received approximately \$4.5 billion in that same year from their home states – resulting in a positive return of \$1.16 returned to the states for every dollar invested in their medical schools.<sup>1</sup>

Tripp Umbach<sup>2</sup> estimates from historical data supplied by the Association of American Medical Colleges (AAMC) that an allopathic medical school reaches economic maturity after approximately 15 years. The following mature medical schools located in states with similar population to Nevada have on average a positive ROI to their state general funds for every dollar they receive in state appropriations (see Table 1).

**TABLE 1: ROI TO STATE’S ECONOMY FROM SIX PUBLIC MEDICAL SCHOOLS IN SIMILAR SIZED STATES**

PUBLIC MEDICAL SCHOOL	TOTAL STUDENTS	STATE FUNDS PROVIDED (IN MILLIONS)	STATE REVENUE GENERATED (IN MILLIONS)	RETURN ON PUBLIC INVESTMENT
Alabama – UAB	697	\$45 M	\$54 M	\$1.20
Utah	312	\$30 M	\$34 M	\$1.13
Iowa	587	\$38 M	\$43 M	\$1.13
Colorado	623	\$23 M	\$25 M	\$1.09
New Mexico	334	\$36 M	\$32 M	\$0.89
Arkansas	634	\$38 M	\$33 M	\$0.87
<b>Average</b>	<b>531</b>	<b>\$35 M</b>	<b>\$37 M</b>	<b>\$1.05</b>

\* Important Note: Each of these states within the table have only one publically supported medical school.



1. Association of American Medical Colleges (AAMC): Founded in 1876 and based in Washington, D.C., the AAMC is a not-for-profit association representing all 141 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems, including 51 Department of Veterans Affairs medical centers; and 90 academic and scientific societies/

2. Tripp Umbach is the leading provider of customized consulting reports and strategies for universities, hospitals, academic medical centers, and corporations throughout the United States and internationally, having completed more than 2,000 studies over the past 25 years. Tripp Umbach’s clients include 50 of the top 100 hospitals listed in the 2015 U.S. News & World Report listing of best hospitals, 50 of the 108 research universities in the Carnegie Classification, and 75 medical schools in the United States, Canada, England, and Australia. Tripp Umbach’s corporate clients include General Electric, Blue Cross and Blue Shield, and Ford Motor Company. Tripp Umbach has completed studies in every state and more than 300 markets.



## SUMMARY OF ECONOMIC IMPACT AND ROI FOR UNLV'S SCHOOL OF MEDICINE

National historical data from the AAMC for both new and mature medical schools support Tripp Umbach's projections that by 2030 every dollar in funding provided by the State of Nevada to the UNLV School of Medicine will be returned to the state's general fund (see Table 2 below). In addition, every dollar in state funding for the UNLV School of Medicine will result in more than \$25 fresh dollars in the Nevada economy.

**TABLE 2: ECONOMIC IMPACT AND ROI FOR THE UNLV SCHOOL OF MEDICINE**

	2020	2025	2030
Total Projected Economic Impact of the UNLV School of Medicine	\$301 M	\$803 M	\$1.2 B
State of Nevada General Fund Revenue Generated through Economic Impact of the UNLV School of Medicine	\$14.7 M	\$39.3 M	\$58.7 M
State Funding Provided to the UNLV School of Medicine	\$31.6 M	\$44.1 M	\$44.1 M
ROI to State General Fund Attributable to the UNLV School of Medicine	\$1: \$.47	\$1: \$.90	\$1: \$1.33
ROI to State Economy from General Fund Revenues Provided to the UNLV School of Medicine	\$1: \$9.53	\$1: \$18.21	\$1: \$27.21

## TRIPP UMBACH CONCLUSIONS

As reflected in the tables above, the economic impact of the UNLV School of Medicine will attract fresh dollars into the state's economy and provide a positive return on investment of public dollars in 15 years.

Not included in the estimates above are the multiple economic impacts associated with growth in clinical capacity at existing and new teaching hospitals, benefits of reducing export medical spending, retaining Nevada patients who currently leave the state for advanced treatments, attraction of patients from outside the state who will come to Nevada for advanced treatments, expanded GME, and bio-science economic development through commercialization of research.

Possibly the greatest economic driver is future physicians who remain in the state after completing their training — the overarching mission of this historic statewide program. Each physician who remains in the State of Nevada generates \$67,350 annually in general fund revenue and this is in addition to government revenue generated by the medical school.<sup>2</sup> Finally, the value of improving the health and wellbeing of Nevada citizens now and in the future is beyond scientific measurement as the impact of better health has impacts on workforce productivity and innovation. When all of these additional economic and social benefits are included, the return on investment made by Nevada taxpayers is many times greater than their investment.

2. Tripp Umbach estimate based on \$1.38 million in total economic impact per physician.