TAXPAYER PERSPECTIVES: COLLEGE OF NEW CALEDONIA

The verdict is in: College of New Caledonia adds more money to the provincial treasury than it takes out. Not only does the college pull its own weight, but it also effectively subsidizes other sectors funded by the taxpayers. Absent CNC, taxes would actually have to be raised in order to maintain services in all other sectors at their current levels.

The return on investment is considered from two taxpayer perspectives: broad and narrow. These are developed more fully below.

Broad Investment Perspective

In the broad perspective all benefits are added together regardless of recipient and compared to the investment made in the form of a benefit / cost ratio. If the ratio is less than one, the investment is not worthwhile; if it is greater than one, the investment can be considered sound.

Some examples: a transportation authority justifies a new road by showing that savings in travel time and vehicle expenses accrued to thousands of drivers exceed the project's cost. Public parks are justified by showing that recreation, scenic and other values accruing to park users exceed the public outlay for park infrastructure, operation, and the net value of extractive resources not used. All benefits are counted, not just those that return to provincial and local government. This is the hallmark of the broad investment perspective.

Applying this perspective to CNC, the impacts of the college benefit different publics, whether students, businesses, or society as a whole. For example, students benefit from higher earnings as long as they are in the workforce, while the public at large benefits from an expanded economy and an assortment of external social benefits (e.g., reduced crime, fewer welfare and unemployment claims, and improved health). All of these are tallied up and compared to the investments made by provincial and local government, or the taxpayers. A broad perspective benefit / cost ratio greater than 1.0 is a minimal indicator of a worthwhile public investment.

College of Ne Caledonia's benefit/cost ratio thus counted is 16. In other ords, the cumulative added value attached to each dollar invested ill have a present value of $16 by the end of the students' orking career.

Narrow Investment Perspective

The narrow investment perspective counts only benefits that can be ... on the books 4( )-28(t)-10.8(h)439(r)-6(h)4.634(