Date: November 12, 2008
To: Medical Education Interim Committee Members
From: Phil Stiffler Sr.
Economic Excellence Coordinator, City of Meridian
(208) 884-2468 x230
pstiffler@meridiancity.org

Economic Development - With a targeted industry approach, a diverse team of engaged stakeholders, attractive infrastructure and compelling assets in place to fuel this economic engine, we will attract secure and rewarding family wage jobs. Meridian's chief executive officer, Mayor Tammy de Weerd, and our pro-growth City Council want you to know we are excited about what the future may hold for us as your partner in driving innovation and in growing the Idaho economy.

- Health care will be the state's fastest-growing, largest and highest-paying industry between 2006 and 2016, with nursing as the hottest occupation.

- According to the Idaho Department of Labor, there will be a need for more than 500 registered nurses (with a median hourly wage of $25 per hour) every year on average – excluding chronic vacancies – and a 43 percent growth rate for pharmacists.

- Readily available data show that for every $1 invested in advanced health sciences education, $2.30 is returned to the investor.

- Our existing investment in the health sciences isn't enough to enable us to fully capitalize on this reality. Idaho's growth ratio of physicians per capita, a key indicator of physician access, is 49th in the U.S.

- A report from the American Academy of Family Physicians found that the economic impact of each family physician in Idaho is $812,189 per year. Adverse economic impact can be based on healthcare dollars leaving Idaho as its residents go to other states for needed care. Additionally, it can come from the inability to participate fully in growing bio-tech industries – and its ability to attract, retain and expand science and technology assets and leverage them for economic development.

- A report commissioned by the Association of American Medical Colleges (AAMC) cited the 2005 total economic impact of AAMC members (traditional medical schools and teaching hospitals) as more than $451 billion.

- AAMC members provide more than 3 million full-time jobs and create significant tax revenue for their states and local communities.

- Retention of physicians is strongest when they receive both their medical school training and their residency training in the same state. "If students stay in one state for medical school and their residencies, there is an 80 percent chance that they will stay there."

- AAMC has called for a 30 percent increase in the training and preparation of new physicians by 2015 to meet the U.S. demand.

- Although healthcare is becoming an increasingly important component of the economy, it is relatively underrepresented in the Idaho gross state product. Idaho ranks 35th in the nation in this important statistic. Our ranking suggests that a disproportionate share of spending on healthcare is leaving the state rather than being retained in Idaho to help build the economy.

- Based on a May 2008 Economic Development article in Governing.com, the "eds and meds" have two attributes much appreciated by local political leaders: They have money to spend, and they stay put. As New Haven, Rochester, Philadelphia, Baltimore and other struggling cities all found to their good fortune during the depths of the urban crisis, universities and large medical centers don't get bought out or relocated by their owners. And as their resources have swelled — last year, 76 universities around the country had endowments exceeding $1 billion.

- Universities and medical centers are more than just steadfast employers and major land developers. They are "the generators of development across the city," coming to shape local economies through the research and activities they sponsor. Universities and research institutions undergird what Carolyn Adams from the *Governing* article calls "networks of knowledge and entrepreneurship that create new products and processes." In other words, they convene faculty, students, researchers, investors, entrepreneurs and others who can share ideas and dream up new ventures.

- Grants and contracts for sponsored research provide a major part of the funding for U.S. medical schools. AAMC reported that in 2004-2005, medical schools received $21.1 billion in research grants and contracts.

- Coupled with the stable incomes they provide and the cultural vibrancy they stimulate, it's no surprise that universities have come to anchor many cities' prospects for growth.

- In the last four years alone, some $5 million in care has been delivered by Idaho State University-Boise Family Dentistry Clinic. The dental residency program has made a huge difference in lives of lower-income Idahoans, treating approximately 500 *new* patients each academic year.

- ISU has 177,000 square feet of new space being remodeled in Meridian, where 25 health professions programs will make their home in 2009. We believe health sciences and technologies create opportunity for Meridian and Idaho to provide direct public benefit, to promote regional development, to encourage networking among research institutions and local business, to spur new technology industries, and to create dynamic environments supportive of entrepreneurs and health professionals.

- Idaho State University is already a partner in Meridian's move into the health sciences. This legislature has been wise to pool investment with private donors to create a major higher education facility that will be a key asset to advance health sciences/technology economic development and the complimentary businesses that thrive alongside higher education infrastructures.