



OPPORTUNITY
VILLAGE

60 YEARS OF IMPROVING LIVES

2014 COMMUNITY IMPACT ASSESSMENT

APPLIED
ANALYSIS





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INTRODUCTION

Opportunity Village is a not-for-profit organization that serves people with intellectual disabilities (referred to herein as “OVIPs”) in southern Nevada to enhance their lives and the lives of the families who care for them. Since 1954, Opportunity Village has been dedicated to helping people with severe intellectual and related disabilities live more meaningful lives. Through vocational training, community employment, day services, advocacy, arts and social recreation, citizens with severe disabilities are able to make new friends, realize future career paths, seek independence and community integration and unleash creative passions.

Applied Analysis conducted a review and analysis of the economic benefits associated with Opportunity Village’s ongoing charitable operations in southern Nevada, as well as its recent capital expenditures. This analysis reflects an update to previous studies prepared for Opportunity Village in 2006, 2008, 2010 and 2012. The study applies conventional economic and fiscal analyses to estimate the economic impacts inuring to the community as a result of Opportunity Village’s efforts, including increases in employment, personal income and economic output (or general business activity). Additionally, previous studies referred to the unique social functions of Opportunity Village, which result in real cost savings for the community, particularly when compared with alternative government programs serving people with significant physical and intellectual disabilities, or the absence of care altogether. The analysis undertaken here follows a similar set of procedures, replacing key assumptions with more current estimates and expanding the analysis where appropriate.

Opportunity Village has provided extensive information on wages paid to its OVIPs and staff, service caseloads, rates of escalation, as well as operating revenues and expenditures. These data provide the foundational elements for the analyses undertaken and are supplemented by various other information sources, including without limitation, State of Nevada budget documents, population growth data from the UNLV Center for Business and Economic Research, input-output modeling data from the Minnesota IMPLAN Group, and several studies that have been undertaken dealing with the care, cost and impacts of helping those with intellectual disabilities live as normal of a life as possible.

While we have attempted to touch on many community impact issues in this summary report, it should not be viewed as a comprehensive assessment. For those living with severe intellectual disabilities, their families, friends and caregivers, the economic, fiscal and social challenges are most often individualized and very often far reaching. No two OVIPs are the same, nor are the challenges they face in attempting to find their place in a world that all too often stereotypes, misunderstands or simply chooses to ignore them. Perhaps most importantly, Opportunity Village gives these members of society the ability to contribute to the community and gain the personal satisfaction that comes with self-sufficiency. Putting a dollar value to such efforts would undoubtedly understate their value and renders any such impact analysis incomplete.



Meet Anthony: Working in the Community Employment Resource Center - Stepping stone to a job

In 2014, Anthony celebrated a big milestone: 20 years of working for the same company, Walmart. While others his age are transitioning to retirement, Anthony happily goes to work where his job task is to sweep the sales floor. He is physically active and fit because of his job, which keeps him on the move.

Anthony is an example of an OVIP who successfully works in the community. Opportunity Village provides him support by offering follow-along services with a job coach visiting him and his employer twice per month. Before securing the job at Walmart 20 years ago, Anthony worked in the Employment Resource Center at Opportunity Village's Oakey campus.

Full of personality, Anthony is a quiet man with a gentle voice who lives with his sister and brother-in-law. He shares his enthusiasm for sports (the New York Yankees and New York Knicks are his favorite teams) with his coworkers as well as other current events.

IMPACTS IN SUMMARY

- Opportunity Village Reduces the Demand for Public Health and Human Services in Southern Nevada.** Opportunity Village provides services to southern Nevadans living with severe intellectual disabilities and their families. The majority of these programs are funded by the work-related activities of the individuals participating in the program and the charitable donations of local individuals and organizations. If, in the absence of Opportunity Village, state or local governments were required to provide similar services, the increased public cost would be at least \$34.6 million annually. These figures assume that Opportunity Village OVIPs could be absorbed by overcrowded, underfunded state programs, and that state service providers could provide a similar level of service within their existing framework.
- Opportunity Village Reduces the Demand for Other State and Local Services.** In the last year alone, client demand for Opportunity Village services has increased 25 percent. In the absence of providing services and opportunities to those living with severe intellectual disabilities, it is likely that state and local governments would realize increased costs for homelessness, poverty, health care and criminal justice. While difficult to measure with any level of precision, it is reasonable to anticipate these costs would be measured in the tens of millions annually.
- Opportunity Village Has a Positive Economic Impact on Southern Nevada.** Opportunity Village directly employs 409 staff and 1,975 OVIPs (a total of 2,384 positions). Including the direct, indirect and induced impacts of the organization's operations, 2,574 jobs are supported throughout southern Nevada. Opportunity Village also generates direct wages and salary payments totaling more than \$18.2 million annually. Of this total, \$14.4 million is paid to staff and \$3.9 million is earned by OVIPs. When the multiplier effect of this spending is considered, the organization supports roughly \$26.2 million in wage and salary payments to southern Nevada workers. Finally, Opportunity Village also has a positive impact on overall business activity. It is estimated that for every \$100 dollars in direct economic activity, Opportunity Village generates an additional \$80 in economic activity in other sectors of the economy; a combined (i.e., direct, indirect and induced) annual economic impact of \$54.4 million.
- Opportunity Village Has Significant Societal Impacts.** Opportunity Village is a charitable, nonprofit organization that has touched the lives of tens of thousands of southern Nevadans living with severe intellectual disabilities during the past 60 years. It has brought the community together for a good and meaningful purpose and has made great strides toward not only reducing the stigma associated with intellectual disability but replacing it with a continuum of care, hope and community pride. Opportunity Village also provides a unique opportunity for those living with severe intellectual disabilities to attain marketable job skills, secure employment and increased independence and self-esteem. It is difficult, if not impossible, to put a value on this type of societal impact.

ABOUT OPPORTUNITY VILLAGE

Opportunity Village was founded in 1954 by a small group of local families seeking to improve the lives of their children with intellectual disabilities. Since then, Opportunity Village has grown to become Nevada's largest private, not-for-profit community rehabilitation program, serving 1,600 people daily and more than 3,000 people annually through vocational training, community job placement, advocacy and social-recreation programs.

More than just a charity, Opportunity Village operates four employment resource centers and one thrift store in southern Nevada. It also operates a vehicle donation program, trains and places hundreds of adults with disabilities in jobs throughout the community, and hosts some of the most popular special events in Las Vegas, including the annual Magical Forest and the Las Vegas Great Santa Run. Through diligence, commitment and continued community support, Opportunity Village has helped some of southern Nevada's most vulnerable citizens integrate into society, offering a paycheck, a feeling of achievement and a sense of independence.

Opportunity Village's resource centers serve hundreds of people with intellectual and related physical disabilities. Opportunity Village's detail-oriented OVIPs are adept at completing various large-quantity contracts for business and government customers throughout southern Nevada. A highly-trained, professional staff supervises and evaluates OVIPs as they progress through a development program. Each OVIP's capabilities are evaluated to ensure they are employed to the best of their ability and given an opportunity to succeed. Services provided at Opportunity Village resource centers include shredding and document destruction, mailing services, packaging and assembly of various products, sewing and manufacturing small items (e.g., coin bags or promotional buttons) and more. Also worth noting is that upon achieving a pre-determined level of proficiency, many OVIPs transition to outside employment. Opportunity Village OVIPs are gainfully employed throughout the community at places like McCarran International Airport, the Clark County Government Center and the Red Rock Canyon Visitor Center, performing janitorial, landscaping, bus cleaning, housekeeping, food preparation and many other services.

Opportunity Village is almost entirely self-funded. This is a reflection not only of the organization's credibility and track record of professionalism, but it also mirrors the community's ongoing commitment to helping those with intellectual disabilities. Opportunity Village has consistently strived to distance its OVIPs from the "can't do" stigma associated with disability, encouraging them to follow their dreams, whether they include community or facility-based employment, social recreation, music, art or just the chance to be independent.

The efforts of Opportunity Village, its contributors, OVIPs, paid staff and volunteers have been recognized locally and nationally. The organization has been awarded one or more "Best of Las Vegas" awards every year since 2000, and it has held claim to "Las Vegas' Best Community Organization" for more than 15 consecutive years.



Meet Carmel: The Social Butterfly Journey of Growth

Carmel's journey into adulthood reflects her personality. With her naturally vivacious and bubbly personality, she has been making great strides with Opportunity Village at her side.

Her first experience with Opportunity Village was as a high school student participating in the Job Discovery Program (JDP), where she was called a "social butterfly" for frequently making plans with her friends at JDP and sharing her ideas, stories and videos. After high school, she moved on to the Employment Resource Center at Opportunity Village's Oakey campus where she continued to learn job skills and make new friends while smiling along the way.

Her naturally warm and outgoing personality and positive attitude are positive attributes when working with others. She is now sharing her upbeat, friendly personality with travelers at McCarran International Airport in her job as a restroom attendant. She enjoys her job, the opportunity to meet new people, and takes pride in earning a paycheck.

APPROACH AND METHODOLOGY

This report utilizes generally reported operating, budget and employment information for Opportunity Village to analyze the economic, fiscal, and social impacts associated with organizational operations.

ECONOMIC IMPACTS

For the purposes of this report, economic impacts refer to jobs, wages and business activity (or output) generated throughout Clark County as a result of Opportunity Village's annual operations. Economic impacts are commonly classified as direct, indirect or induced. Each is described below:

1. **Direct impacts** reflect changes in the final demand for services. In the Opportunity Village context, direct employees are the organization's staff and many of its OVIPs. Direct wages are the monies they earn that are paid by the organization, and direct output is the value of the goods or services they produce. These, however, are not the only measurable economic impacts associated with the operations of Opportunity Village.
2. **Indirect impacts** are secondary impacts generated by the businesses supporting the economic activities associated with Opportunity Village. Supplier companies that provide the materials used by Opportunity Village OVIPs, for example, are considered indirect employees to the extent their jobs are dependent, in full or in part, on the suppliers' income generated by Opportunity Village related purchases. Similarly, monies paid to a food catering company for an event hosted by Opportunity Village are considered indirect impacts of Opportunity Village's activities.
3. Finally, consideration of **induced impacts** is also important. Induced economic impacts are created when direct employees (in this case Opportunity Village staff and OVIPs) spend their direct earnings to purchase goods and services. This would include buying food at a grocery store, the purchase of a movie ticket, payments for health care services or other similar consumer purchases. These purchases support jobs and general economic activity that would not be realized but for the existence of Opportunity Village.
4. **Total effects** are the sum of direct, indirect and induced effects.

The relationship of these primary (direct) and secondary (indirect and induced) impacts is sometimes referred to as the "ripple effect," respecting the reality that changes do not occur in a vacuum and that what impacts one industry will very likely impact others. To measure these impacts, an input-output model developed and maintained by the Minnesota IMPLAN Group, Inc. ("IMPLAN") was utilized. This model is one of three widely used and generally accepted in the area of economic impact analysis.

Input-output models, as is the case with all econometric models, are not without their limitations. The statistical model used in this analysis, IMPLAN, for example, assumes that capital and labor are used in fixed proportions. This means that for every job created or lost, a fixed change in investment, income and employment results. In reality, developers, consumers and governments respond to stimuli in complex ways, including changing the mix of capital or labor, as well as the types and frequencies of investment. Importantly, each impacting force has its own unique characteristics, affecting how consumers and businesses respond to the given change.

FISCAL IMPACTS

Fiscal impacts, by comparison, are associated with public revenues and public service demands. Public service demands include, without limitation, police and fire protection, the maintenance of roads, the cost of building schools and educating children, economic development costs and the cost of providing health and human services. Public revenues include taxes, fees and other levies imposed on individuals and businesses within a particular jurisdiction. When public revenues exceed the cost of services demanded, a policy or development decision is said to have a net positive fiscal impact. Conversely, when a policy decision's associated service demands exceed the revenues generated, a net negative fiscal impact is said to exist.

By contrast to economic impacts, fiscal impacts reflect only the direct consequence of an activity. This is attributed to the "near impossibility" of accurately predicting the secondary fiscal consequences, as well as the potential for double counting. While Opportunity Village does not generate public revenues per se, it directly offsets a service that would otherwise have to be provided by state or local governments, and/or defers the very significant fiscal consequences associated with non-treatment of those living with severe intellectual disabilities.

SOCIAL IMPACTS

Social impacts are less concrete than either fiscal or economic impacts. They include quality-of-life issues stemming from the utility of time and retention or maximization of well-being. While not easily measurable, social impacts are by no means ethereal. It is widely recognized that there is great value associated with having safe streets, low levels of pollution, comprehensive education and quality mental health care.



Meet Charmane Volunteering through Project Enable

Charmane likes coming to Opportunity Village where she can volunteer in the community, spend time with her friends and earn a paycheck through Project Enable. As a member of Enable since 2010, she has the opportunity to pursue her own interests, learn, make friends and help others while volunteering at other nonprofit organizations.

Volunteering in the community is one of the program's cornerstones and something that Charmane immensely enjoys. Helping makes her feel good. She is happy to serve lunch and to help clean the tables at the Las Vegas Rescue Mission, and she likes bagging food as a volunteer at southern Nevada food bank Three Square.

Back at the Opportunity Village campus, she spends time with her friends and enjoys dancing to Richard Simmons workout videos. On payday, she loves shopping with her mom.

Project Enable gives her a place to belong – something that we all seek.

ECONOMIC IMPACT CONSIDERATIONS

Generally speaking, economic impacts include changes in employment, wages and output. Economic impacts are commonly classified as direct, indirect or induced. A summary of each analysis is provided in the subsections that follow.

ONGOING OPERATIONS

EMPLOYMENT

The question of economic impact properly begins with a look at Opportunity Village's direct employment (staff and OVIPs employed by Opportunity Village). During FY 2014, Opportunity Village employed 409 staff and reported 1,975 OVIPs, totaling 2,384 direct employees and OVIPs. This employment base has expanded significantly over time. During FY 2005, the organization employed 256 staff and 542 OVIPs. As such, during the past 10 years, the organization's number of staff and OVIPs reported a compound annual growth rate of 5.3 percent and 15.5 percent, respectively.

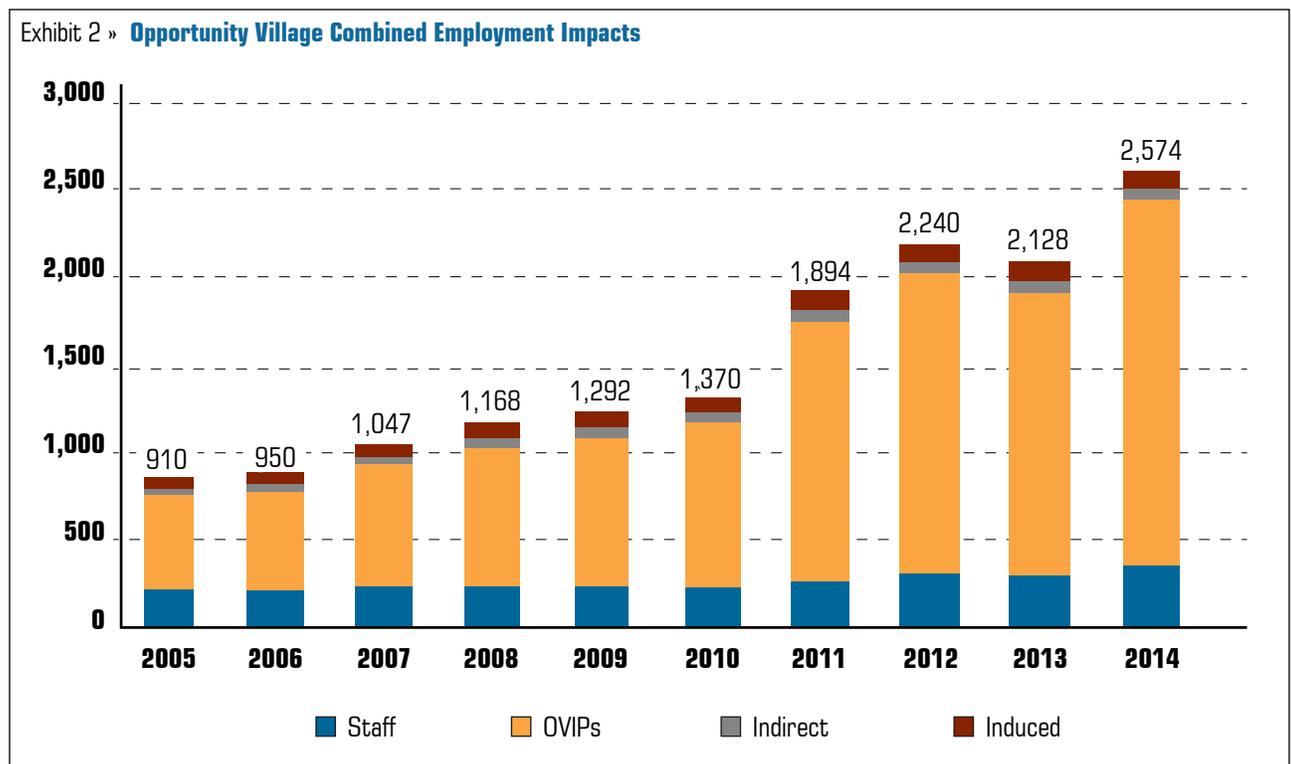
Exhibit 1 » **Opportunity Village Direct Employment**

Fiscal Year	Staff	OVIPs	Total	OVIP-to Staff Ratio
2005	256	542	798	2.12
2006	258	567	825	2.20
2007	275	644	919	2.34
2008	285	743	1,028	2.61
2009	281	858	1,139	3.05
2010	278	935	1,213	3.36
2011	318	1,408	1,726	4.43
2012	359	1,695	2,054	4.72
2013	358	1,583	1,941	4.42
2014	409	1,975	2,384	4.83
Compound Annual Growth Rates:				
10-Year (2005-2014)	5.3%	15.5%	12.9%	9.6%
5-Year (2010-2014)	10.1%	20.6%	18.4%	9.5%

Several factors have contributed to the considerable growth in the number of OVIPs served over the last several years. Most significantly, Opportunity Village has expanded capacity for core service offerings through the recent addition of the Ralph & Betty Engelstad campus in southwest Las Vegas and the continued expansion of the main Oakey campus. Opportunity Village also created and expanded the capacity of new personal enrichment programs such as the Art & Enrichment (A&E) program, which has stimulated OVIPs to come to Opportunity Village for recreational and development activities in addition to core service offerings. Further increasing the demand for Opportunity Village services is the diminished ability of the State to provide long-term support due to the recession. Opportunity Village is fortunate in its ability to provide diverse, high-quality services to people with intellectual and physical disabilities.

It is important to note that not all employees work full time, and the average OVIP earned approximately \$1,991 during 2014. These are relatively low wages, which tends to limit the extent of the “ripple” effect stemming from the economic activity being analyzed. For purposes of this analysis, staff and OVIP activities were translated into full-time equivalent positions using average wage rates. Having made these adjustments, an estimated 2,574 employees are impacted either directly or indirectly by Opportunity Village’s operations. Indirect and induced impacts, which are expressed in full-time equivalent terms, contribute 190 positions to those sourced to the organization’s operations. The positions offered to OVIPs by Opportunity Village are invaluable because the nationwide unemployment rate among people living with a disability in 2013 was 13.2 percent, higher than the rate for those with no disability (7.1 percent).¹

Note that in the chart below, Opportunity Village staff and OVIPs reflect actual staffing levels, while indirect and induced employment are shown as full-time equivalents. For purposes of comparison, in 2014, staff and OVIPs would have totaled approximately 485 full-time equivalent positions. Thus, it is estimated that one position was created in other sectors of the Clark County economy for every 2.8 Opportunity Village staff positions and one additional position was also created for every 45.9 OVIPs actively employed by Opportunity Village.



¹ Bureau of Labor Statistics, U.S. Department of Labor, Persons With a Disability: Labor Force Characteristics - 2013 News Release (2014); available at: <http://www.bls.gov/news.release/pdf/disabl.pdf>

PERSONAL INCOME

Personal income is loosely defined as wages and salaries paid to employees or earned by proprietors of an enterprise. During 2014, Opportunity Village paid its staff and OVIPs a combined \$18.3 million, which represented a compound annual growth rate of 7.5 percent during the past 10 years and 6.5 percent during the past five years.

Not surprisingly, wages and salaries are the single-largest expenditure for the organization, accounting for nearly 55 percent of its total outflows.² Wages for both staff and OVIPs were modest, reflecting the type of business conducted and the nature of employment being considered. An average staff employee earned roughly \$35,120 during 2014, while an average employed OVIP earned just \$1,991. During the past 5

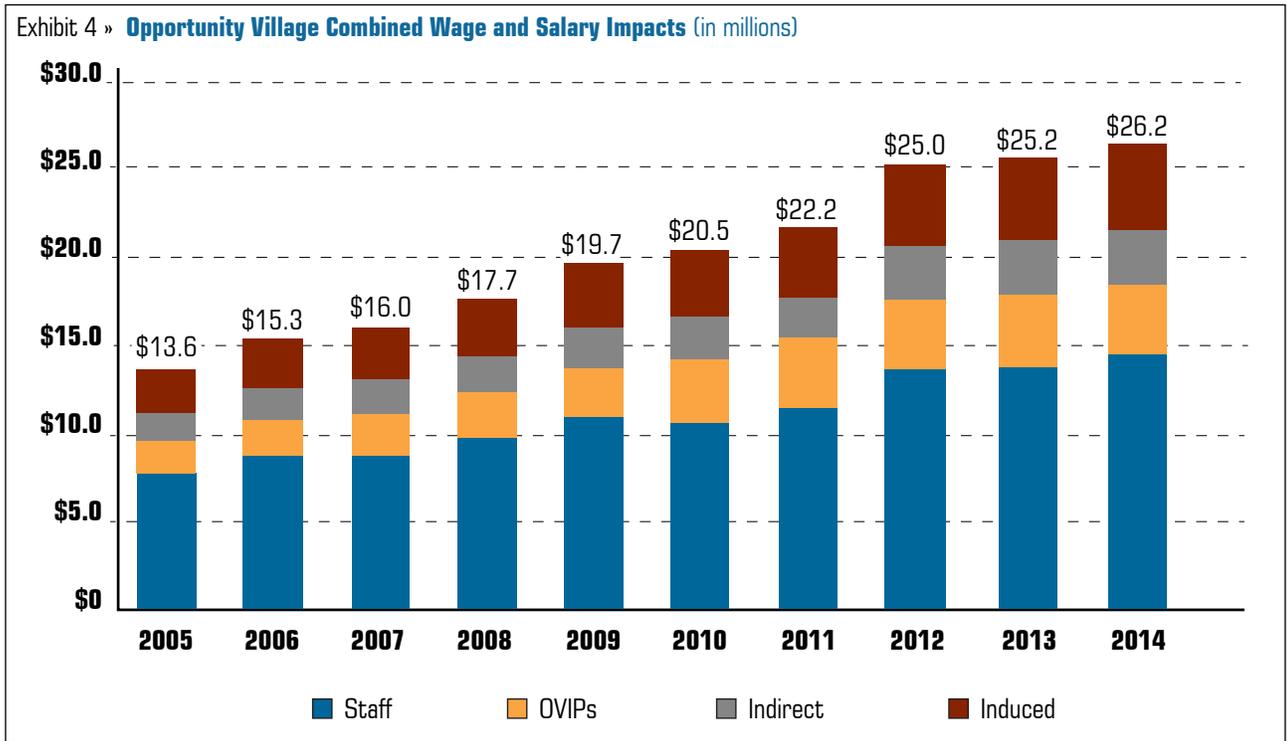
Exhibit 3 » Opportunity Village Direct Wage and Salary Payments

Fiscal Year	Total Wages and Salaries			Wages and Salaries Per Capita		
	Staff	OVIPs	Total	Staff	OVIPs	Total
2005	\$7,657,826	\$1,846,651	\$9,504,477	\$29,913	\$3,407	\$11,910
2006	\$8,691,740	\$2,001,245	\$10,692,985	\$33,689	\$3,530	\$12,961
2007	\$8,766,680	\$2,399,558	\$11,166,238	\$31,879	\$3,726	\$12,150
2008	\$9,763,902	\$2,572,196	\$12,336,098	\$34,259	\$3,462	\$12,000
2009	\$10,986,350	\$2,766,328	\$13,752,678	\$39,097	\$3,224	\$12,074
2010	\$10,630,231	\$3,606,161	\$14,236,392	\$38,238	\$3,857	\$11,737
2011	\$11,694,213	\$3,795,199	\$15,489,412	\$36,774	\$2,695	\$8,974
2012	\$13,467,929	\$3,932,325	\$17,400,254	\$37,515	\$2,320	\$8,471
2013	\$13,581,032	\$4,186,133	\$17,767,165	\$37,936	\$2,644	\$9,154
2014	\$14,364,282	\$3,931,257	\$18,295,539	\$35,120	\$1,991	\$7,674
Compound Annual Growth Rates:						
10-Year (2005-2014)	7.2%	8.8%	7.5%	1.8%	-5.8%	-4.8%
5-Year (2010-2014)	7.8%	2.2%	6.5%	-2.1%	-15.2%	-10.1%

years, combined per capita wages and salaries for staff and OVIPs have actually declined as the ratio of OVIPs-to-staff has increased.

Considering total wage and salary impacts (i.e., direct, indirect and induced impacts), the values are significantly larger. For every \$100 paid out in wages and salaries to direct Opportunity Village employees, roughly \$43 dollars are generated in wage and salary payments in other sectors of the economy. Importantly, the vast majority of monies earned by Opportunity Village employees and the organization's OVIPs are spent in southern Nevada. In total, wages and salaries sourced either directly or indirectly to Opportunity Village operations totaled \$26.2 million, roughly 28 percent greater than the value reported in 2010 (\$20.5 million) and 1.9 times the value reported in 2005 (\$13.6 million).

² Note that Opportunity Village operates as two separate organizations, Opportunity Village, Inc. and Opportunity Village Foundation, Inc. The figure noted reflects the value of both entities when combined.



ECONOMIC OUTPUT

The final economic consideration is economic output, commonly referred to as business output, business sales or business activity. While these may be imperfect definitions for a value that seeks to measure the total amount of value added, what is important is that the value reflects the volume of productivity. Opportunity Village operates two separate entities, Opportunity Village, Inc. and Opportunity Village Foundation, Inc. Combined, these entities reported annual expenditures totaling \$33.3 million; and, in a nonprofit context, the value of output is at least equal to the cost of the inputs (or expenditures).

Consistent with the theme present throughout this section of the report, the business activity created directly by Opportunity Village creates economic activity in southern Nevada. This includes activity in supplier firms as well as activity in businesses that capture dollars as a result of staff and OVIP expenditures in the economy. It is estimated that for every \$100 dollars in direct economic activity, Opportunity Village generates an additional \$80 in economic activity in other sectors of southern Nevada’s economy. Stated otherwise, the \$30.2 million in direct activity generates a total of \$54.4 million in combined (i.e., direct, indirect and induced) business activity.

In each year since 2005, with the exception of 2010, Opportunity Village has experienced modest increases in annual operating expenses. During the same 10-year period, the number of OVIP's served increased from 542 to 1,975, a total change of 264.4 percent, or an average annualized growth rate of 15.5 percent per year. This increase has dramatically reduced operating expenses per OVIP. In 2014, Opportunity Village's operating expenses per OVIP were \$16,405, less than half the amount Opportunity Village paid per OVIP in 2005. If Opportunity Village were to incur the same operating expenses per OVIP in 2014 that it did in 2005, Opportunity Village would serve approximately 1,095 fewer OVIPs. In sum, Opportunity Village is able to serve an increasing number of OVIP's for less than it did a decade ago, allowing the organization to serve significantly more people living with disabilities.

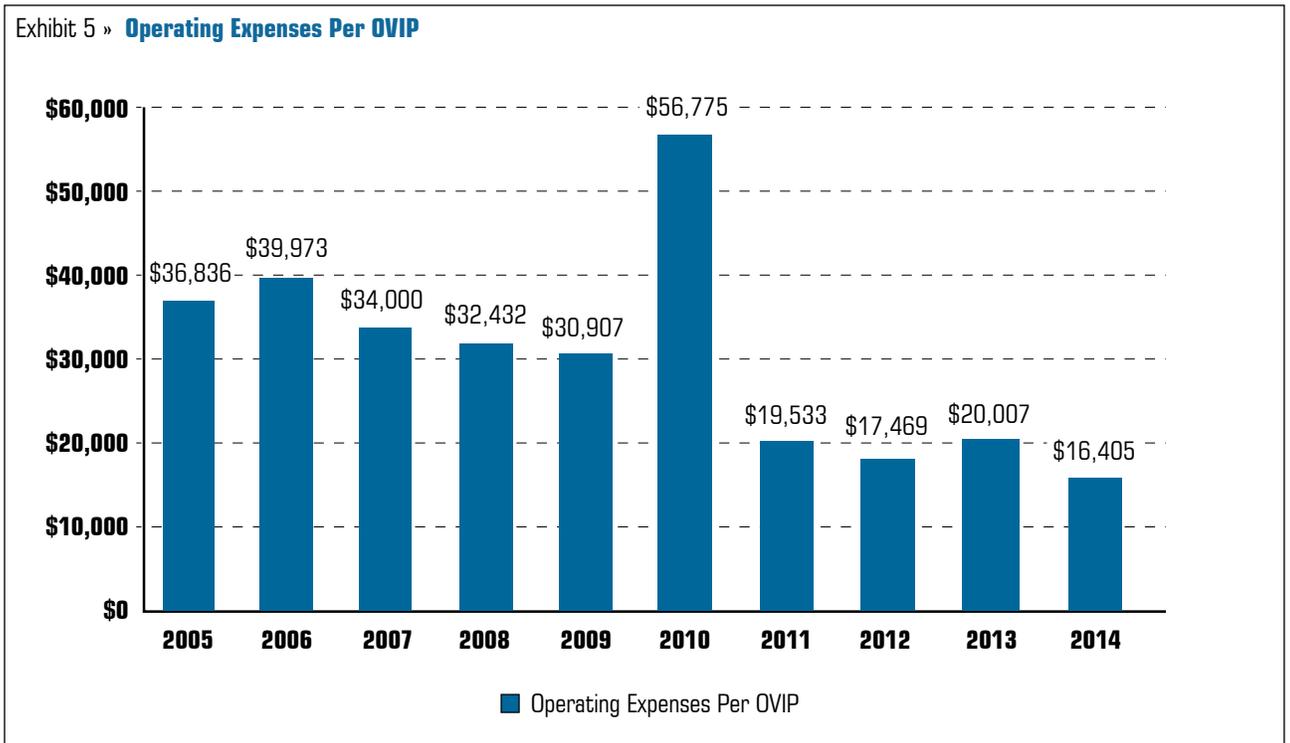
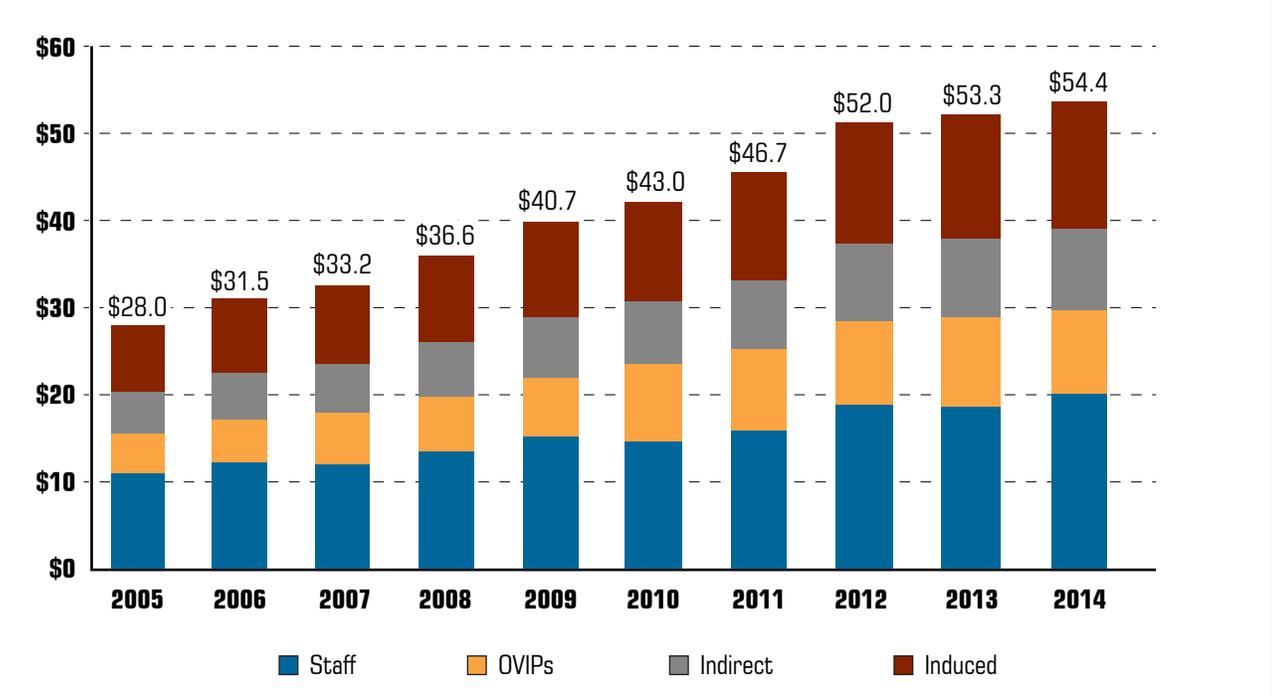


Exhibit 6 » **Opportunity Village Annual Operating Expenditures (Local Direct Output)**

	Opportunity Village	Opportunity Village Foundation	Total	Operating Expenses Per OVIP
2005	\$14,485,897	\$5,479,355	\$19,965,252	\$36,836
2006	\$16,547,342	\$6,117,092	\$22,664,434	\$39,973
2007	\$16,478,542	\$5,417,170	\$21,895,712	\$34,000
2008	\$18,261,788	\$5,835,200	\$24,096,988	\$32,432
2009	\$20,016,027	\$6,502,279	\$26,518,306	\$30,907
2010	\$21,930,360	\$31,154,166	\$53,084,526	\$56,775
2011	\$23,184,049	\$4,318,677	\$27,502,726	\$19,533
2012	\$25,028,549	\$4,581,523	\$29,610,072	\$17,469
2013	\$27,312,535	\$4,358,758	\$31,671,293	\$20,007
2014	\$26,116,832	\$6,283,132	\$32,399,964	\$16,405
Compound Annual Growth Rates:				
10-Year (2005-2014)	6.8%	1.5%	5.5%	-8.6%
5-Year (2010-2014)	4.5%	-33.0%	-11.6%	-26.7%

Exhibit 7 » **Opportunity Village Combined Business Activity (Local Output) Impacts (in millions)**



2014 CAPITAL CAMPAIGN ECONOMIC IMPACT CONSIDERATIONS

CAMPAIGN OVERVIEW

As previously reported, The Christopher’s Crossing Capital Campaign (the “campaign”) is an effort to ensure Opportunity Village’s campuses are able to meet demand from the Las Vegas area. This is divided into three construction and endowment phases, with Phase I focusing on expansion and new residences at the Engelstad campus in the southwest valley, Phase II focusing on employment centers throughout the valley, and Phase III focusing on expansion and housing at the northwest campus. An additional Phase IV fundraising effort exclusively includes endowments and operations contributions. A summary of the expansion plans and anticipated construction costs are in Exhibit 7.

Exhibit 8 » Capital Campaign Construction Spending	
Phase I: Engelstad Expansion	
Housing At Engelstad	\$15.0 million
Engelstad Expansion	\$3.5 million
Phase II: Employment Centers	
Employment Center Northwest	\$20.0 million
Employment Center Henderson #2	\$7.0 million
Employment Center Oakey Retrofit	\$7.5 million
Phase III: Northwest Expansion	
Housing Northwest	\$12.0 million
Arts & Enrichment Northwest	\$15.0 million
Total Construction Spending	\$83.0 million

CONSTRUCTION ECONOMIC IMPACTS

The impacts from the capital campaign’s expansion, construction and renovation of facilities contribute significant economic impacts to the community. Construction during the campaign is expected to generate 455 direct job-years of employment. After induced and indirect impacts are considered, a total of 875 job-years of employment will be produced by the campaign. The summary of these one-time impacts are included in Exhibit 8.

Exhibit 9 » Capital Campaign Construction Employment (Job-Years)				
	Direct	Indirect	Induced	Total
Phase I	116	55	57	228
Phase II	192	77	94	362
Phase III	147	66	72	285
All Phases	455	198	222	875



Meet Eric:
Looking to the Future
 Job Discovery
 experience leads to
 internship opportunity

Eric has taken the opportunity to learn in stride. He experienced different types of vocational experiences through Opportunity Village’s Job Discovery Program and then joined Job Discovery Program II to continue his training at Heritage Park Senior Facility. He has learned food sanitation service skills as well as bussing and customer service skills in the cafeteria.

Eric is now furthering his vocational education through the Internship to Work program with Aramark at MGM Corporate Center. Opportunity Village continues to help Eric, providing job search assistance and follow-along services that will ensure his success.

Eric brings a high level of competency that he learned through Job Discovery along with his charming personality to his internship. He enjoys working on a team with others and enjoys different environments. These are attributes that will help him succeed.

Employment during construction is estimated to generate \$33.2 million in direct construction-related wages and salary impacts. Adding the indirect and induced wage and salary impacts brings the total to \$54.1 million in wage and salary impacts during the construction, renovation and expansion of Opportunity Village’s facilities. Exhibit 9 summarizes the projected labor income impacts during construction.

Exhibit 10 » Capital Campaign Construction Labor Income Impact (Millions \$)

	Direct	Indirect	Induced	Total
Phase I	8.4	2.8	2.5	13.8
Phase II	14.0	4.5	4.2	22.8
Phase III	10.7	3.6	3.2	17.5
All Phases	33.2	10.9	9.9	54.1

The combined impacts associated with the job creation, wages and salaries to be paid and other business activity expected to be undertaken by Opportunity Village during the construction phase are estimated to generate \$83.0 million in direct economic output and \$137.3 million in combined direct, indirect and induced impacts. Exhibit 10 summarizes the estimated one-time economic outputs associated with construction during the campaign.

Exhibit 11 » Capital Campaign Construction Output Impact (Millions \$)

	Direct	Indirect	Induced	Total
Phase I	21.5	6.9	7.2	35.6
Phase II	34.5	10.7	11.9	57.1
Phase III	27.0	8.6	9.1	44.7
All Phases	83.0	26.1	28.2	137.3

See appendices for more detailed information on the impacts of Phases I, II and III

FISCAL IMPACT CONSIDERATIONS

A fiscal impact analysis considers the balance between public contributions and the demand for public services. Because Opportunity Village is a nonprofit organization, the analysis differs from one performed for a traditional for-profit enterprise. If Opportunity Village were not to provide the services it does, it is likely that the OVIPs assisted by the organization would either go without help or government service providers would be forced to fill the gap. Before exploring these alternatives more closely, it makes sense to put some perspective around the cost of providing care to those living with developmental disabilities, including those with severe intellectual disabilities.

Developmental disabilities are generally defined as chronic conditions that initially manifest in people aged 18 years or younger and result in impairment of physical health, mental health, cognition, speech, language or self-care.³ The majority of people with developmental disabilities require long-term supportive care or services. In a 2006 study, RTI International and the U.S. Center for Disease Control analyzed data from multiple surveys and reports to estimate the direct and indirect economic costs associated with four types of developmental disabilities in the United States. On the basis of that analysis, they estimated lifetime costs of \$51.2 billion for people born in 2000 with mental retardation, \$11.5 billion for people with cerebral palsy, \$1.9 billion for people with hearing loss and \$2.6 billion for people with vision impairment.⁴ Per-person cost estimates were developed for each of the four developmental disabilities in six age groups. Present value estimates were derived by discounting future costs back to 2003 dollars utilizing a 3 percent

discount rate. Average lifetime costs, per person were estimated at \$1.0 million for people with mental retardation, \$921,000 for people with cerebral palsy, \$417,000 for people with hearing loss, and \$566,000 for people with vision impairment.⁵

These figures included direct and indirect costs; however, they did not include other expenses, such as hospital outpatient visits, emergency department visits, residential care and family out-of-pocket expenses.⁶ Thus, these figures can reasonably be viewed as conservative. Direct costs included medical and non-medical costs such as physician visits, inpatient hospital stays, assistive devices and home and automobile modifications. Indirect costs included the productivity losses in workplaces and households that occur when persons with developmental disabilities die prematurely, are unable to work or are limited in the amount or type of work they can perform. While the extent to which Opportunity Village reduces these direct and indirect costs is beyond the scope of this analysis, there is every indication that it significantly impacts many of them. This includes not only a healthier lifestyle among those the organization serves but also substantial increases in individual productivity among those living with severe intellectual disabilities.

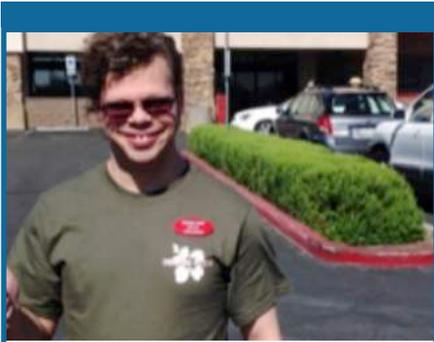
The first question that must be addressed when considering the fiscal impacts of Opportunity Village is whether or not, if they were to choose to do so, state and/or local governments could provide the same level of service in absence of the organization. There is a substantial body of work to indicate that governments tend to be, at best, no more efficient than the private

³ M. Yeargin-Allsopp and CC Murphy. A multiple-source method for studying the prevalence of developmental disabilities in children: the Metropolitan Atlanta Developmental Disabilities Study. *Pediatrics* (1992); 89:624-630.

⁴ AA Honeycutt, S.D. Grosse, et al. Economic costs of mental retardation, cerebral palsy, hearing loss, and vision impairment. In: Altman BM, Barnartt SN, Hendershot G, Larson S, eds. *Using Survey Data to Study Disability: Results from the National Health Interview Survey on Disability*. London, England: Elsevier Science Ltd., (2003) Pgs. 207--28. Errata, Volume 53, No. 3 (2006) available at <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5303a4.htm>

⁵ Id.

⁶ Id.



Meet Nick Learning through Job Discovery

Nick was a high school student when he first experienced what Opportunity Village offers: an opportunity to learn life and job skills. In high school, Nick had limited opportunities for hands-on vocational education, and unlike many of his classmates, he did not have a career plan. Job Discovery changed that.

He learned valuable job and life skills through this unique education program that connects high school students with moderate to severe intellectual and related disabilities to hands-on service learning opportunities at local not-for-profit organizations. Nick learned while volunteering at St. Rose San Martin Hospital for two-plus years.

Now Nick is employed at Trader Joe's, where he greets customers, stocks merchandise, helps customers with carry outs and much more. He is a sensitive, sincere young man who cares about others and loves to make customers feel welcome. Opportunity Village continues to encourage Nick by providing follow-along services with a job coach that visits him and his supervisors. Opportunity Village is committed to his success.

sector.⁷ Additionally, Opportunity Village receives a substantial amount of its funding from private-sector donations and other fundraising activities. During fiscal year 2014, approximately \$9.0 million in Opportunity Village Foundation revenue was sourced to organizations and individuals (\$1.2 million), fundraising activities (\$4.3 million) and capital campaigns (\$3.5 million).⁸ While it is certainly conceivable that a government operator could capture a portion of these philanthropic dollars, it is much more likely that the government would support these services with general fund dollars. Thus, to sustain current levels of service, governments would have to either shift resources away from other programs or generate additional revenues through traditional or new channels. This, of course, assumes that state and local government would opt to develop, maintain, operate and manage work centers and thrift outlets similar to what is currently done by Opportunity Village.

The analysis above contemplates that governments can pay their employees at rates equal to what Opportunity Village is currently paying. Evidence available today would also tend to suggest that this is unlikely. According to data available from the Nevada Department of Employment, Training and Rehabilitation, private sector occupations within "residential mental health facilities" reported an average annual salary of \$24,900 for the 12 months ending December 2014. Public sector employees with the same occupational classification reported annual earnings of \$56,626.

Certainly there is more to this disparity than a mere inequity in the relative rate of pay; the degree of volunteerism, for example, would tend to put downward pressure on average earnings in the private sector. This having been said, Opportunity Village staff reported an average annual income of \$35,120 during 2014, a modest amount compared to the alternative.

Somewhat comparable are the services provided by the state of Nevada Aging and Disability Services Division (ADSD). ADSD provides multiple levels of mental health care through inpatient and outpatient programs statewide. Consumers requiring intensive care are supported by inpatient services and intensive outpatient programs. Other outpatient programs help the developmentally disabled gain greater independence, confidence and the ability to function in the community. While not a perfect match, these programs are somewhat similar to those provided at Opportunity Village. It is noted that, as of FY 2011, Nevada spends \$57.72 per capita on developmental services benefiting citizens with mental disabilities, compared to a national average of \$182.13.⁹ It is anticipated that in FY 2016, the State of Nevada will provide services to 5,718 individuals with developmental disabilities. The Governor's proposed budget for servicing citizens with developmental disabilities in FY 2016 is approximately \$128 million.¹⁰ These dollars are used for service coordination, supportive living arrangements, family respite and community job and day training programs. On a per OVIP basis, this averages out to roughly \$22,378 per year. Thus, at its most basic,

⁷ Id. See J. Harris, Does privatization promote efficiency? It depends. *Government Finance Review* (2003); see also G.F. Segal, *The Florida Model: Competing to raise efficiency, lower costs*. Reason Public Policy Institute (2005); World Bank, *Impact of Privatization in Competitive Industries* available at: <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2860> (noting that experience and research have shown that privatizing state-owned firms in competitive sectors can be an effective way to correct economic inefficiencies, enhance competitiveness, and spur growth.); see also A. Moore, *Troubles with Prisons Show Merits of Privatization*. The Heartland Institute (2000); General Accounting Office of the United States, *Health Education and Human Services Division, Social Services Privatization Ethics and Accountability in State Contracting*. GAO/HEHS-99-41 (1999); see also Accounting Office of the United States, *General Government Division, Privatization Lessons Learned by State and Local Governments*. GAO/GGD-97-48 (1997).

⁸ Opportunity Village Foundation, Inc.

⁹ Braddock et al., *Coleman Institute and Department of Psychiatry, University of Colorado*, 2013; Nevada, *United States profiles FY 2011*

¹⁰ 2015-2017 Executive Budget for the State of Nevada (2015).

one could argue that Opportunity Village saves Nevada taxpayers as much as \$44.2 million annually by defraying assistance costs that might otherwise fall to the state (\$22,378 per OVIP per year × 1,975 OVIPs in 2014 = \$44.2 million per year.) Again, it is important to realize there is not a one-for-one cost offset and there is no guarantee that state legislators would opt to continue these programs at current levels; in fact, the Developmental Services Agency, along with several other state agencies, has been dealing with significant and prolonged budget challenges for most of the past decade.

It is also important to note that Opportunity Village receives more than \$9.6 million annually in government assistance. Subtracting this amount from the impact totals provided above results in an estimated net benefit to the community of approximately \$34.6 million annually.

From a fiscal and social impact standpoint, the worst-case scenario is not that providing services becomes more expensive; rather, it is that the services provided disappear. Evidence abounds that life for those with severe intellectual disabilities, and their families, is made significantly harder in the absence of a public support structure. In the year 2012, an estimated 12.1 percent of civilian non-institutionalized men and women, aged 16 to 64 in the United States reported a work limitation disability; only 33.5 percent of them were employed and 28.4 percent of those individuals lived in families where the family income fell below the poverty line.¹¹ In Nevada, the statistics fare slightly better. Some 10.6 percent of working age Nevadans reported a work limitation disability, and 36.1 percent of them were employed.¹²

During the late 1970s and into the early 1980s, the debate over the merits of long-term institutionalization was in its prime.¹³ The idea of institutionalizing those with severe intellectual disabilities for the majority of their adult life has become an archaic notion, and it is well settled analytically that the deinstitutionalization movement has had significant positive fiscal benefits (particularly to state governments).¹⁴ Organizations such as Opportunity Village help to provide the life skills that are

¹¹ Erickson, W. Lee, C., & von Schrader, S. (2014). 2012 Disability Status Report: United States. Ithaca, NY: Cornell University Employment and Disability Institute (EDI).

¹² Id.

¹³ See P.M. Layde, S.D. Von Allmen, G.P. Oakley Jr., Congenital hypothyroidism control programs. A cost-benefit analysis. *Journal of the American Medical Association* (1979); see also The Center on Human Policy, *The Community Imperative: A Refutation of All Arguments in Support of Institutionalizing Anybody Because of Mental Retardation*. Syracuse University. (1979); see also J. Murphy and W. Datel, *A Cost Benefit Analysis of Community versus Institutional Living* (1979).

¹⁴ Id.; see also J.K. Thomas, An overview of Washington state's group homes for developmentally disabled persons, in Sigelman, C.K. (Ed.). *Group homes for the mentally retarded*, (Monograph No. 1). Lubbock, TX: Texas Tech. University, Training Center in Mental Retardation, (1973).



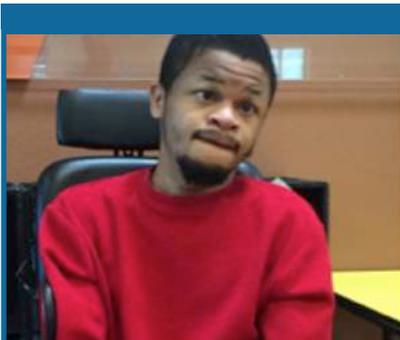
Meet Samuel: Working in the Community Pathway to Work

Samuel is an ambitious young man with his sights set on doing a terrific job. He was one of the first members of Opportunity Village's new Pathway to Work training program launched in 2014 at Boulder Station Hotel & Casino. After successfully completing the program, he was invited to apply for a position at the hotel-casino and joined the Boulder Station team as a porter in September.

Samuel takes pride in his work and can be seen working diligently in all areas of the property – sweeping the casino floor, cleaning restrooms, cleaning the bingo room and providing customer service. Opportunity Village continues to encourage him, with a job coach providing follow-along support twice a month.

He is confident and charismatic, saying that he doesn't ever want to work anywhere else. However, one day Samuel would like to become a trainer so he can teach new team members how to do their jobs.

For Samuel, Pathway to Work was just that ... job training and support that led to employment.



Meet Tony '#23' in PRIDE

Tony is an avid sports fan. His interest in sports is evident on his wheelchair. "#23" is placed on the back of its seat as a nod to one of his favorite basketball players, Michael Jordan.

During the past five years, he has been a member of Opportunity Village's PRIDE program, which gives him an opportunity to explore his personal interests in a secure place where his unique needs can be met. He likes getting out of his #23 wheelchair and walk using assistive equipment, which increases his physical activity and strengthens his legs and core muscles. Tony also enjoys going on community outings, especially to watch the thousands of fish swim in the reef aquarium at the Silverton.

PRIDE doesn't only help Tony. The program also helps his family with whom he lives by offering the peace of mind in knowing that he has a safe place to go during the day – a place where he feels happy and proud.

essential for many people living with these types of disabilities to function in society. Unfortunately, this is not the case for all of those with severe intellectual disabilities, and some observers have made persuasive arguments that jails have become modern mental institutions.¹⁵ Although it is important to draw a distinction between the individuals with developmental disabilities and individuals diagnosed with mental illness, communities faced with an increasing number of homeless and special needs cases often struggle with how best to help intellectually disabled adults who have few, if any, options beyond seeking government assistance.¹⁶

Opportunity Village does not provide welfare-type assistance for individuals with disabilities; it provides an opportunity for those individuals to decrease their assistance from state and local governments and live happier, healthier and more productive lives. The organization provides a direct benefit to the OVIPs served (\$3.9 million in 2014), which reduced their respective demands on state and local governments. Adding to this the amount of money generated for client services through private donations and work center activities boosts the public benefits to more than \$44.9 million annually. Finally, these estimates assume that government could provide the same level of service at an equal cost. In fact, a search of service organizations in southern Nevada serving those with disabilities reveal that while southern Nevada has many entities that offer assistance to the disabled, services are typically limited to home health care assistance, respite care, assistance filing for government benefit payments, transportation assistance and assisted living facilities. No other organization in Clark County provides a comprehensive suite of services specifically designed to help mentally disabled people live as full of a life as possible. Without the services of Opportunity Village, the quality of life for those served would be severely impacted, and it can be reasonably inferred that the demand for government services at other points of contact such as hospitals, homeless shelters or prisons would also be impacted.

¹⁵ See National Association of Counties (NACCO), Counties renew call for national commission to study non-violent mentally ill in county jails. (2006); Tennessee Association of Criminal Defense Lawyers, Jails and Prisons The New Mental Institutions. (2003); see also U.S. Department of Justice, Office of Justice Programs, Mental Health Problems of Prisoners and Jail Inmates. (2006); see also King County Auditor's Report, Services and Treatment Alternatives for Developmentally Disabled Offenders Incarcerated in the King County Correctional Facility. Report 94-8; see also T. Mawhorr, Disabled Offenders and Work Release: An Exploratory Examination. Criminal Justice Review, Vol. 22, No. 1, 34-48 (1997).

¹⁶ See, e.g., T. Mawhorr, Disabled Offenders and Work Release: An Exploratory Examination. Criminal Justice Review, Vol. 22, No. 1, 34-48 (1997); see also Nevada State Legislature, Fiscal Analysis Division 2005-07 Appropriations Report (2005). Pg. 213. (noting "In a continuing effort to place clients in a less restricted, community-supported environment, the 2005 Legislature concurred with the Governor's recommendation to eliminate ten ICF/MR beds at SRC and six ICF/MR beds at DRC. A total of 20.53 FTE positions were eliminated as a result of the bed reductions. According to the division, the individuals displaced from the eliminated beds will be transitioned into community residential placements along with jobs and day training programs. In addition, a total of 60 individuals currently residing in privately-owned institutional care facilities with funding support provided through the Medicaid budget will transition to community residential placements supported by the three regional center budgets. These actions continue the state's efforts to comply with the U.S. Supreme Court's Olmstead Decision.) By way of comparison, the cost to incarcerate a single prisoner is between \$17,000 and \$18,000 per year.

SOCIAL IMPACT CONSIDERATIONS

The social impacts associated with the services provided by Opportunity Village have been alluded to throughout this summary report. They include, without limitation, increased quality of life for those living with developmental disabilities, their families and caregivers; increased rates of employment and productivity among those with severe intellectual disabilities; reduced incidence of homelessness and poverty among individuals with developmental disabilities; and reduced demands for state and local health and human services.

It is unnecessary to revisit each of these issues again here; however, it is worth noting that these social conditions are present even though many Nevadans are fortunate enough to never have to deal with them directly. Opportunity Village is a charitable, nonprofit organization that has touched the lives of thousands of southern Nevadans living with severe intellectual disabilities during the past 60 years; and, of perhaps equal importance, it has brought the community together for a good and meaningful purpose. The organization has made great strides toward reducing the stigma associated with intellectual disability and replaced it with a continuum of care, hope and community pride. It is difficult, if not impossible, to put a value to this type of societal impact.



Meet William: Working Hard Employment Resource Center leads to OV staff position

William came to Opportunity Village a few years ago after moving to southern Nevada from Colorado. He proved himself a dedicated worker at the Employment Resource Center on the Oakey campus while working on a playing card defacing contract for major casinos and assisting with product delivery and other tasks in the warehouse.

His work ethic did not go unnoticed. In December 2014, he joined the Opportunity Village staff as an assistant warehouse specialist after completing the application and interview process just like other employees. As part of his job requirements, he became certified to operate the fork lift. Like his coworkers, he qualifies for health insurance, vacation and other benefits.

William has his eyes set on obtaining his Nevada driver's license and saving money to purchase a home of his own.

Opportunity Village is proud to have William on our team.

APPENDIX A: DETAILED IMPACTS PHASE I

Exhibit 12 » **Phase I Construction Output Impact** (Millions \$)

	Direct	Indirect	Induced	Total
Housing at Engelstad	15.0	4.9	4.9	24.8
Engelstad Expansion	3.5	1.1	1.2	5.8
Capacity Building	3.0	0.9	1.0	5.0
Total Phase I	21.5	6.9	7.2	35.6

Exhibit 13 » **Phase I Labor Income Impact** (Millions \$)

	Direct	Indirect	Induced	Total
Housing at Engelstad	5.8	2.0	1.7	9.5
Engelstad Expansion	1.4	0.5	0.4	2.3
Capacity Building	1.2	0.4	0.4	2.0
Total Phase I	8.4	2.8	2.5	13.8

Exhibit 14 » **Phase I Employment Impact** (Job-Years)

	Direct	Indirect	Induced	Total
Housing at Engelstad	80	41	39	159
Engelstad Expansion	19	8	9	7
Capacity Building	17	7	8	32
Total Phase I	116	55	57	228

APPENDIX B: DETAILED IMPACTS PHASE II

Exhibit 15 » **Phase II Construction Output Impact** (Millions \$)

	Direct	Indirect	Induced	Total
Employment Center Northwest	20.0	6.2	6.9	33.1
Employment Center Henderson #2	7.0	2.2	2.4	11.6
Employment Center Oakey Retrofit	7.5	2.3	2.6	12.4
Total Phase II	34.5	10.7	11.9	57.1

Exhibit 16 » **Phase II Labor Income Impact** (Millions \$)

	Direct	Indirect	Induced	Total
Employment Center Northwest	8.1	2.6	2.4	13.2
Employment Center Henderson #2	2.9	0.9	0.9	4.6
Employment Center Oakey Retrofit	3.1	1.0	0.9	5.0
Total Phase II	14.0	4.5	4.2	22.8

Exhibit 17 » **Phase II Employment Impact** (Job-Years)

	Direct	Indirect	Induced	Total
Employment Center Northwest	111	45	54	210
Employment Center Henderson #2	39	16	19	74
Employment Center Oakey Retrofit	42	17	20	79
Total Phase II	192	77	94	362

APPENDIX C: DETAILED IMPACTS PHASE III

Exhibit 18 » Phase III Construction Output Impact (Millions \$)				
	Direct	Indirect	Induced	Total
Housing Northwest	12.0	3.9	4.0	19.9
Arts & Enrichment Northwest	15.0	4.6	5.2	24.8
Total Phase III	27.0	8.6	9.1	44.7

Exhibit 19 » Phase III Labor Income Impact (Millions \$)				
	Direct	Indirect	Induced	Total
Housing Northwest	4.6	1.6	1.4	7.6
Arts & Enrichment Northwest	6.1	2.0	1.8	9.9
Total Phase III	10.7	3.6	3.2	17.5

Exhibit 20 » Phase III Employment Impact (Job-Years)				
	Direct	Indirect	Induced	Total
Housing Northwest	64	32	31	127
Arts & Enrichment Northwest	83	34	41	158
Total Phase III	147	66	72	285



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