



# Economic services for state and local governments



The Economic & Statistical Consulting (ES) professionals in the KPMG LLP (KPMG) Economic and Valuation Services (EVS) practice provide economic services to a variety of state and local governments leveraging the skills of our master's and PhD-level economists, statisticians, and econometricians. Our diverse team has the knowledge, technical skills, and experience to help government agencies extract relevant information, support or validate evidence-based decision making, reduce costs, and assist agencies to effectively and efficiently provide public services to their communities. ES professionals help government agencies by providing a wide range of analytic services, including:

- Economic impact analysis of initiatives or investments
- Cost-benefit analyses to quantify net impact and benefits of programs
- Predictive modeling to improve quality of services, reduce costs, and estimate future demand for services
- Macroeconomic modeling of policy impacts (e.g., Computable General Equilibrium models)
- Survey design, statistical sampling, and data collection
- Analysis of large survey, program, and administrative datasets using SAS, STATA, and SPSS
- Visualization tools and dashboards to monitor performance and progress.

Examples of projects include:



## **Macroeconomic and fiscal policy analysis for the Commonwealth of Puerto Rico**

KPMG was contracted by the Department of the Treasury of the Commonwealth of Puerto Rico to conduct fiscal policy analyses to quantify the economic impact of alternative tax policies (i.e., changes in individual income tax, corporate income tax, and consumption tax) on tax revenues as well as its effect on Puerto Rico's economy. Using its proprietary computable general equilibrium model, KPMG assisted the Commonwealth in its tax policy reform initiative by simulating the interactions of the participants in a modern economy—producers, households, government, exporters, and investors—in response to proposed changes in the tax system.



## **Predictive modeling for the State of Pennsylvania Higher Education Agency**

KPMG assisted this agency, which awards hundreds of thousands of grants to high school students needing assistance in secondary education, with the evaluation of existing processes to estimate future budget requests and award amounts using available demographic and cost information. KPMG supported the agency in its efforts by developing more accurate cost and demand projection models to help improve the agency's operational efficiency and budgeting precision.



### Data analytic support for the Health Services Cost Review Commission (HSCRC)

KPMG served as a data analytics and reporting contractor for HSCRC in Maryland, helping with its implementation of the All-Payer Model as part of the Medicare waiver with the Centers for Medicare & Medicaid Services. KPMG analyzed Medicare enrollment and claims data, the State's hospital discharge database, and HSCRC financial data to prepare reports and visualizations. KPMG's services included reconciliation of Medicare claims with the State's hospital discharge database, calculation of annual growth rates in reimbursements per beneficiary, and analyses of healthcare utilization by county and service lines.



### Survey design and implementation for the New York City Department of Education

KPMG assisted the New York City Department of Education's Office of Accountability with the design, development, administration, collection, and reporting of annual Learning Environment Surveys distributed to more than 1.5 million parents, teachers, and students in New York City. KPMG's responsibilities included conducting focus groups, managing all components of the survey implementation, analyzing survey responses, and preparing reports at school and city levels.



### Economic impact study for a State Transportation Authority

For one of the largest public transit organizations in the United States, KPMG conducted an economic, social, and environmental impact analysis of its five year capital program. The project involved:

- Determination of the investment rate required to sustain and enhance current operations and meet regional demand growth.
- Estimation of the impact of the State Transportation Authority's capital program on the state economy, including job creation.
- Calculation of the social, health, and environmental benefits to the region derived from investments by the authority.



### Forecasting for a Child Foster Care Program

KPMG developed a forecasting tool for a Child Foster Care Program to predict the number of foster care slots and the types of foster care services that the program would need to provide in the future. The tool, a discrete-time survival model, predicts the probability of exit of a child from the program based on the child's characteristics and program history during the forecast period. This tool will allow the Child Foster Care Program to more effectively plan and budget for vendors, facilities, and services.

With years of practical experience, ES professionals offer evidence-based analyses and perspective necessary to support or validate decisions in today's complex business environment.

## Contact us

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