
Higher Education Needs Assessment Study of the South I-35 Corridor – Minnesota

FINAL REPORT

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TABLE OF CONTENTS

	PAGE
1.0 PROJECT BACKGROUND	1-1
1.1 Overview of Project	1-1
1.2 Review of Prior Market Research Prepared by the MnSCU Office of the Chancellor.....	1-2
2.0 REVIEW OF ECONOMIC DATA AND CURRENT HIGHER EDUCATION PROGRAMS IN THE FOUR-COUNTY AREA	2-1
2.1 Economic Profile of the South I-35 Corridor.....	2-1
2.2 Occupational Projections and Predicted Job Growth	2-3
2.3 Population Growth and Projected Growth.....	2-6
2.4 Current Educational Attainment Levels.....	2-8
2.5 Primary and Secondary School Enrollments.....	2-9
2.6 Higher Education in the Four-County Area	2-9
2.7 Conclusions.....	2-13
3.0 EMPLOYER AND COMMUNITY PERSPECTIVES	3-1
3.1 Overview	3-1
3.2 Community Forums.....	3-1
3.3 Community and Education Leaders Perspectives	3-2
3.4 High School Guidance Counselor Perspectives	3-5
3.5 Employer Interview Results.....	3-6
3.6 Employer Survey Results.....	3-8
3.7 Conclusions.....	3-14
4.0 STUDENT PERSPECTIVES	4-1
4.1 Overview	4-1
4.2 Student Survey Methodology	4-1
4.3 Student Survey Results.....	4-2
4.4 Conclusions.....	4-7
5.0 CONCLUSIONS AND RECOMMENDATIONS	5-1
5.1 Overview of Findings.....	5-1
5.2 Building Blocks to Assist MnSCU in Serving the South I-35 Region.....	5-5
5.3 Challenges Facing MnSCU in Serving the South I-35 Corridor	5-6
5.4 Factors in Considering Options for Serving the South I-35 Corridor.....	5-7
5.5 Recommendations	5-10

APPENDICES

- Appendix A: Personal Interviews by Type
- Appendix B: Major Employers by Community

1.0 PROJECT BACKGROUND

1.0 PROJECT BACKGROUND

1.1 Overview of Project

The Minnesota State Colleges and Universities system (MnSCU) is made up of 32 colleges and universities. These schools enrolled a total of 369,090 credit and noncredit students in 2004-2005 according to system data. MnSCU officials are considering the possible expansion of higher education opportunities and resources along the South I-35 corridor that includes Rice, Steele, Dodge, and Waseca counties. To help guide these planning efforts, the MnSCU Chancellor's Office has contracted with MGT to assess the demand for higher education in this four-county region.

To identify the higher education needs in the four-county area, MGT employed a methodology that gauged the needs of the community, gathered opinions and perceptions from community and education leaders, identified interest and need among local employers and students, and incorporated these findings with demographic, education, and business trends. Specifically, the methodology included:

- Analyzing demographic and employment trends in the region, such as population data and employment trends (see Chapter 2.0).
- Convening community forums in Owatonna (Steele County) and in Faribault (Rice County) (see Chapter 3.0).
- Conducting interviews with members of the local business community, current secondary and postsecondary education providers in the area, and political leaders across the region (see Chapter 3.0).
- Surveying local employers and local students currently enrolled at MnSCU colleges and universities (see Chapters 3.0 and 4.0, respectively).

Chapter 5.0 considers the different delivery options available to meet the identified higher education needs of the region, assesses each one, and identifies those most appropriate for consideration along the South I-35 corridor. Results from this study will help MnSCU officials determine a reasonable course of action to better meet the current and future education and training needs of the region. Chapter 6.0 also presents conclusions and MGT's recommendations with regard to the option deemed most applicable to the circumstances.

1.2 Review of Prior Market Research Prepared by the MnSCU Office of the Chancellor

In March 2006, as part of Phase 1 of this project, the Chancellor's Office conducted a general market profile of a six-county region in the Southeast portion of Minnesota bordering I-35. The six counties included were Rice, Waseca, Steele, Dodge, Freeborn, and Mower. The market profile examined demographic and economic trends, higher education participation rates in system institutions, academic program inventories, and facilities data. The main observations and highlights may be summarized as follows:

- Population migration into the area is contributing to the area's population growth. Rice County has experienced the largest net migration, with 10.3 per 100 people between 1990 and 2000.
- The age group most likely to attend college (ages 15 to 34) is projected to grow by 11.5 percent by 2010 (about 5,500 persons) compared with the 2000 figure.
- A large share of the region's employment is concentrated in manufacturing.
- Steele County's participation rate in credit courses at MnSCU institutions is higher than both the statewide average participation level and the other participation rates across the six-county region.
- Class offerings at the Owatonna College and University Center (OCUC) are dominated by undergraduate lower division for-credit courses offered by Riverland Community College.

The main findings of MGT's market analysis are similar to the results observed in the MnSCU Phase 1 analysis. However, the MGT report attempts to bring together other existing data and needs assessment information gathered directly from key stakeholders and constituents in the area under review. This will facilitate assessing possible gaps between the current higher education offerings and the expressed need and projected demand derived from local employer and student input. Further, it should be noted that the MGT report focuses on a smaller geographic region—the four-county area consisting of Dodge, Rice, Steele, and Waseca counties, and hereinafter referred to as the *South I-35 corridor*.

**2.0 REVIEW OF ECONOMIC DATA
AND CURRENT HIGHER
EDUCATION PROGRAMS IN THE
FOUR-COUNTY AREA**

2.0 REVIEW OF ECONOMIC DATA AND CURRENT HIGHER EDUCATION PROGRAMS IN THE FOUR-COUNTY AREA

2.1 Economic Profile of the South I-35 Corridor

As earlier mentioned, the region consists of four counties (Dodge, Rice, Steele and Waseca) located along Interstate-35 (I-35) in southern Minnesota. The major city/population center in each county lies within 60 to 75 miles of the Twin Cities metropolitan area. It is not uncommon for many residents of these counties to commute into the metro area for work, personal business, or social/entertainment opportunities. In 2005, the combined population of the four counties was estimated to be 136,356 residents, or about 2.7 percent of the total population of Minnesota, and roughly 5.7 percent of the state population excluding the seven-county metro area. The general unemployment rate in the four counties ranged from 3.8 percent to 4.4 percent in 2005, similar to the state unemployment rate of 4 percent.

The counties have a diverse industrial mix, which differs from the state level in some areas. Each of the counties has a much higher concentration of manufacturing jobs when compared to the overall state level. In 2005, 13.2 percent of jobs in Minnesota were in the manufacturing sector. In contrast, 17 percent of the jobs in Waseca County, and between 21, 24, and 29 percent of the jobs in Rice, Dodge, and Steele counties respectively were in manufacturing (**Exhibit 2-1**).

**EXHIBIT 2-1
INDUSTRY DISTRIBUTION OF JOBS IN 2004**

Industry (NAICS)	Annual Industry Distribution of Jobs in 2004 (NAICS)				
	Minnesota	Dodge	Rice	Steele	Waseca
Agriculture, forestry, hunting	0.6%	D	0.9%	0.7%	D
Mining	0.2%	D	0.2%	0.1%	D
Construction	5.2%	8.8%	6.3%	3.8%	2.5%
Manufacturing	13.2%	24.4%	20.6%	29.3%	16.8%
Wholesale trade	5.0%	8.8%	4.1%	2.9%	2.4%
Retail trade	11.6%	8.8%	12.3%	15.5%	9.1%
Transportation, warehousing	3.8%	0.7%	0.5%	0.3%	0.6%
Utilities	0.5%	D	D	D	D
Information	2.5%	1.0%	1.0%	0.8%	16.0%
Finance and Insurance	5.3%	2.6%	2.0%	8.8%	2.3%
Real Estate, rental, leasing	1.5%	0.4%	0.5%	1.0%	0.4%
Professional, technical services	4.6%	1.4%	D	0.7%	D
Mgmt. of companies, enterprises	2.4%	0.4%	D	N/A	D
Administrative, waste services	4.7%	1.9%	1.9%	4.2%	4.0%
Educational services	7.6%	D	8.6%	0.4%	D
Health care, social assistance	13.8%	D	9.6%	8.7%	D
Arts, entertainment, recreation	1.8%	1.1%	1.1%	0.9%	0.7%
Accommodation and food services	7.9%	7.5%	7.5%	7.3%	4.4%
Other services, exc. public admin.	3.3%	3.8%	2.8%	2.6%	2.1%
Public administration	4.5%	5.3%	3.8%	3.0%	6.9%

Source: U.S. Bureau of Labor Statistics, 2004.

D = Not shown to avoid disclosure of confidential information.

Some of Steele County's largest employers are in the insurance and finance industries. Accordingly, we see that Steele County has 8.8 percent of its jobs in the finance and insurance sector compared with less than 5 percent at the state level and for the other counties of this region. Similarly, because one of Waseca's largest employers is in the information business, 16 percent of the jobs in Waseca County fall within the information sector, compared to less than 2.5 percent for the state overall and for the other three counties. This diverse mix of industries, combined with the general growth in health care jobs throughout the state, indicates that the economy needs to sustain a workforce with diverse skills. However, manufacturing is still a predominant sector across the region, and this dictates a continuation of historical trends in providing technical and skills training opportunities locally.

Occupational projections, population trends, educational attainment levels, and secondary school enrollments are all typical indicators of potential demand for post-secondary education opportunities in an area. The main trends for these four important markers are:

- Across the four-county area, employment projections for 2005-2015 indicate that there are numerous openings for positions in areas requiring skills training but not a degree. Examples of this are sales, office support, production, and food prep and service.
- Between 2000 and 2005, the population in the four-county area grew at a modest pace (6.9%), resulting in a population gain of just over 8,700 residents in five years. Meanwhile, the college-aged population segment (age 15 to 34) is projected to grow by 19.7 percent in the 30-year time-span between 2000 and 2030 (a gain of over 7,200).
- In 2000, the portion of residents in the four-county area obtaining a bachelor's degree was substantially less than the state average (specific county attainment ranged from 67% to 81% of the full state level), indicating a gap in education completion levels.
- Generally, secondary school enrollments are projected to decline in Minnesota, but some of the lowest rates of decline occur in the southeast section of the state, which includes parts of the four-county area identified in this study.
- The above trends generally indicate moderate higher education demand stemming from population, education, and the occupation projection trends.

The next four sections look more closely at occupational projections, recent population growth, projected growth in the college-aged population, educational attainment levels, and primary and secondary school enrollments.

2.2 Occupational Projections and Predicted Job Growth

The following two exhibits illustrate recent 10-year projections (2005-2015) of new jobs and replacement jobs (due to retirement and turnover) by industry sector for the four-county area in the South I-35 corridor. These occupational projection data are one way of identifying areas of employment that are predicted to grow, correlating them to various levels of training and education typically required of an appropriately skilled employee.

Exhibit 2-2 presents the high-growth job markets within the four-county region (displayed in descending order by total projected jobs). The “top 5” are sales, office support, production, management, and food prep and service. All but the Management category do not typically require a four-year degree. These four occupational clusters represent nearly 13,000 jobs or roughly 41 percent of all positions to open over the 10-year period. Estimated job openings in management positions exceed 2,700 and for the most part require a college degree plus experience. A good portion of those jobs are often filled from within or through recruitment from outside the company or area. The sixth ranked job cluster is in education, which requires a baccalaureate degree and often a graduate degree. According to these data, roughly 2,200 local positions will need to be filled through year 2015.

**EXHIBIT 2-2
OCCUPATION PROJECTIONS (2005-2015)
SORTED BY TOTAL JOB GROWTH
DODGE, RICE, STEELE, AND WASECA COUNTIES**

INDUSTRY SECTOR/OCCUPATIONAL CLUSTER	2005	2015	NEW JOBS	REPLACE- MENT JOBS	NEW + REP JOBS	RANK ORDER
Sales and related occupations	7,135	8,742	1,607	2,287	3,894	1
Office and administrative support occupations	10,020	11,190	1,170	2,514	3,684	2
Production occupations	8,430	9,036	606	2,235	2,841	3
Management occupations	7,712	8,973	1,261	1,449	2,710	4
Food preparation and serving related occupations	4,666	5,425	759	1,818	2,577	5
Education, training, and library occupations	5,217	6,293	1,077	1,110	2,187	6
Transportation and material moving occupations	4,958	5,667	708	1,109	1,817	7
Construction and extraction occupations	4,152	4,902	750	781	1,531	8
Healthcare practitioners and technical occupations	3,138	3,969	831	572	1,403	9
Installation, maintenance, and repair occupations	2,695	3,359	664	656	1,320	10
Business and financial operations occupations	3,091	3,806	715	539	1,254	11
Personal care and service occupations	2,681	3,298	617	620	1,237	12
Building and grounds cleaning and maintenance occupations	2,706	3,317	610	539	1,149	13
Healthcare support occupations	1,601	2,164	563	240	803	14
Community and social services occupations	1,306	1,787	482	243	725	15
Architecture and engineering occupations	1,099	1,416	317	263	580	16
Protective service occupations	1,028	1,204	176	358	534	17
Arts, design, entertainment, sports, and media occupations	1,320	1,572	252	250	502	18
Computer and mathematical science occupations	883	1,173	289	134	423	19
Life, physical, and social science occupations	684	830	146	160	306	20
Farming, fishing, and forestry occupations	1,036	990	-47	293	246	21
Military occupations	536	486	-50	130	80	22
Legal occupations	324	360	36	38	74	23
Total	76,420	89,958	13,538	18,338	31,877	
# Per Year			1,354	1,834	3,188	

Source: Data by CCbenefits Inc. and provided to MGT by MnSCU.

Review of Economic Data & Current Higher Education Programs in the Four-County Area

It should be noted that replacement jobs will outnumber newly created positions by about 4,800 through 2015. This is particularly evident in office support, production, and food preparation, where two-thirds or more of the projected need will be for replacement jobs, indicating a high attrition rate in those local industry sectors.

A further examination of the occupational projection data reveals that only four of the top job growth sectors that require a bachelor's degree or higher generate 1,000 or more positions to be filled over the 10-year period. These include management, education, healthcare (practitioners and technical occupations), and business and financial operations. These industry clusters account for just over 7,500 jobs (new and replacement) or 24 percent of all area job growth through year 2015. **Exhibit 2-3** depicts the local job growth projections separated by those that typically require a Bachelor's degree or higher versus those that require less than a four-year degree. It is estimated that 10,164 job openings across the 10-year period will require a four-year, graduate or professional degree. This is about one-third of all job openings in the time period, and roughly translates to just over 1,000 per year, if distributed annually.

**EXHIBIT 2-3
OCCUPATION PROJECTIONS (2005-2015)
SORTED BY DEGREE VS. NON-DEGREE REQUIREMENTS
DODGE, RICE, STEELE, AND WASECA COUNTIES**

INDUSTRY SECTOR/OCCUPATIONAL CLUSTER- DEGREE REQUIRED*	2005	2015	NEW JOBS	REPLACE- MENT JOBS	NEW + REP JOBS	RANK ORDER
Management occupations	7,712	8,973	1,261	1,449	2,710	4
Education, training, and library occupations	5,217	6,293	1,077	1,110	2,187	6
Healthcare practitioners and technical occupations	3,138	3,969	831	572	1,403	9
Business and financial operations occupations	3,091	3,806	715	539	1,254	11
Community and social services occupations	1,306	1,787	482	243	725	15
Architecture and engineering occupations	1,099	1,416	317	263	580	16
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Life, physical, and social science occupations	684	830	146	160	306	20
Legal occupations	324	360	36	38	74	23
INDUSTRY SECTOR/OCCUPATIONAL CLUSTER- NO DEGREE REQUIRED**						
Sales and related occupations	7,135	8,742	1,607	2,287	3,894	1
Office and administrative support occupations	10,020	11,190	1,170	2,514	3,684	2
Production occupations	8,430	9,036	606	2,235	2,841	3
Food preparation and serving related occupations	4,666	5,425	759	1,818	2,577	5
Transportation and material moving occupations	4,958	5,667	708	1,109	1,817	7
Construction and extraction occupations	4,152	4,902	750	781	1,531	8
Installation, maintenance, and repair occupations	2,695	3,359	664	656	1,320	10
Personal care and service occupations	2,681	3,298	617	620	1,237	12
Building and grounds cleaning and maintenance occupations	2,706	3,317	610	539	1,149	13
Healthcare support occupations	1,601	2,164	563	240	803	14
Protective service occupations	1,028	1,204	176	358	534	17
Farming, fishing, and forestry occupations	1,036	990	-47	293	246	21
Military occupations	536	486	-50	130	80	22
Total	76,420	89,958	13,538	18,338	31,877	
# Per Year			1,354	1,834	3,188	
Bachelor's Degree +	24,774	30,179	5,406	4,758	10,164	
# Per Year			541	476	1,016	

Source: Data by CCbenefits Inc. and provided to MGT by MnSCU.

*Industry sector typically requires at least a bachelor's degree or higher for the majority of positions included.

**Industry sector typically requires less than a bachelor's degree for the majority of positions included.

2.2.1 Occupation Projections by Degree Level and County

Exhibit 2-4 provides occupation projections by level of education required and by county. This level of detail gives a better perspective on some differences by location along the South I-35 corridor.

**EXHIBIT 2-4
OCCUPATION PROJECTIONS (2005-2015)
BY COUNTY**

	Dodge	Rice	Steele	Waseca
Graduate/Professional Degree Required				
Post-Secondary Teachers	x	785	44	x
Physicians	x	86	51	x
Bachelor's Degree Required				
Construction Managers	37	28	x	x
Property/Real Estate Managers	x	49	58	x
Social & Community Services Mgrs.	x	x	x	34
Business Operations Specialists	x	136	155	100
Accountants & Auditors	54	64	59	34
Industrial Engineers	x	x	28	x
Mechanical Engineers	x	x	34	x
Elementary School Teachers	46	83	54	35
Secondary School Teachers	51	97	64	51
Special Ed. Teachers	x	28	x	x
Other Teachers	x	28	x	x
Writers & Authors	x	26	x	x
Medical & Clinical Lab Technologists	x	22	23	x
Insurance Sales Agents	x	x	129	x
Degree + Experience Required				
Chief Executives	362	140	402	x
General & Operations Managers	57	99	108	67
Computer/Info Systems Managers	x	23	x	x
Financial Managers	x	20	x	x
Education Administrators (Postsecondary)	x	27	x	x

Source: Data by CCBenefits Inc. and provided to MGT by MnSCU.

Notes: x = less than 10 over 10-yr period.

The following notable trends emerge from Exhibit 2-4:

- There appears to be a significant need for post-secondary teachers (faculty/adjuncts with graduate level degrees) expected in Rice County. If accurate, this projection represents a substantial portion of the existing faculty count in this county from St. Olaf, Carleton College, and South Central-Faribault combined.
- All four counties reflect future need for elementary and secondary teachers.

Review of Economic Data & Current Higher Education Programs in the Four-County Area

- Rice, Steele, and Waseca Counties show reasonable numbers of positions that would likely be filled by business degree completers, including operations specialists and general management positions.
- Steele County, more so than other areas, has a need for Insurance Sales Agents, and Industrial or Mechanical Engineers.
- A large number of CEO positions are expected in Dodge and Steele Counties, but this type of employment typically seeks both a college-level degree credential and extensive work experience. Therefore, filling these positions may likely occur from promotion within an organization, from other employers in the local area, or recruiting from outside the region, as compared to obtaining the required college-level education locally.

The number of positions across disciplines and occupations not requiring completion of a four-year or higher degree was excluded from Exhibit 2-4. However, that trend remains steady, and it is assumed local Community and Technical Colleges will continue to serve this market segment as they have in the past. Further, although most occupations in the region do not require a four-year degree, many require some postsecondary education and training. Also, occupations that resulted in fewer than 10 position openings across the 10-year time span were not reflected in the county-level data.

2.3 Population Growth and Projected Growth

The combined population in the four counties has recently experienced growth that is higher than the state level. The area is projected to experience similar levels of growth through year 2030. As noted in **Exhibit 2-4**, the combined population of the four counties grew by 6.9 percent between 2000 and 2005, exceeding the overall state growth rate of 4.3 percent for that period. Within the cities of Owatonna, Faribault, and Northfield, the population growth rate was 8 percent or more for the same five-year period.

**EXHIBIT 2-4
CHANGE IN POPULATION BETWEEN 2000 AND 2005
MINNESOTA, DODGE, RICE, STEELE, AND WASECA COUNTIES
AND CITIES OF FARIBAULT, NORTHFIELD, OWATONNA, AND WASECA**

County Name	2000 Population	2005 Population Estimates	% Change
Dodge County	17,731	19,596	10.5%
Rice County	56,665	61,547	8.6%
Steele County	33,680	35,662	5.9%
Waseca County	19,526	19,551	0.1%
Four-County Total	127,602	136,356	6.9%
Minnesota	4,919,469	5,132,799	4.3%

**EXHIBIT 2-4 (CONTINUED)
CHANGE IN POPULATION BETWEEN 2000 AND 2005
MINNESOTA, DODGE, RICE, STEELE, AND WASECA COUNTIES
AND CITIES OF FARIBAULT, NORTHFIELD, OWATONNA, AND WASECA**

City Name	2000 Population	2005 Population Estimates	% change
Faribault	20,818	22,605	8.6%
Northfield (partly located in Rice County)	16,590	18,087	9.0%
Owatonna	22,434	24,255	8.1%
Waseca	9,611	9,737	1.3%
Total	69,453	74,684	7.5%

Source: Minnesota State Demographer, 2006.

Additional population data suggest that the growth of the Hispanic population segment has contributed notably to the overall growth in the region:

- The number of Hispanics in Rice County increased by 33 percent between 2000 and 2004 (3,117 to 4,147), compared to a 10 percent growth rate for non-Hispanics in Rice County.
- In Steele County, the number of Hispanics increased by 12 percent (1,266 to 1,422).
- In Dodge and Waseca counties, the Hispanic population increased 15 percent and 5 percent, respectively, during the same time period.

Some of the area population growth has also been due to net migration. Between 2004 and 2005, 67 percent (418/624) of the growth in Rice County's population was due to net migration. In Steele County, 54 percent (294/542) of the growth in the same period was due to migration.

The projected population growth for the age segment 15 to 34 (the group most likely to attend college or university) is expected to be moderate. The population age cohort 15 to 24 is projected to increase by 10 percent between 2000 and 2010 and by 15 percent between 2000 and 2030 in the four-county area (**Exhibit 2-5**). The age cohort of 25 to 34 is projected to expand by 21 percent between 2000 and 2010 and by 26 percent between 2000 and 2030. This suggests a moderate growth of the two critical age cohorts consistent with potential sustained future demand for higher education opportunities.

**EXHIBIT 2-5
PROJECTIONS FOR AGE 15 TO 34 FOR DODGE, RICE,
STEELE, AND WASECA COUNTIES**

Ages 15-24	2000	2010	2020	2030	%	%
					Change 2000- 2010	Change 2000- 2030
Rice	11,604	12,900	12,400	13,720	11%	18%
Dodge	2,357	2,640	2,620	2,900	12%	23%
Waseca	2633	2720	2630	2640	3%	0%
Steele	4,506	4,990	4,820	5,010	11%	11%
Total age 15-24	21,100	23,250	22,470	24,270	10%	15%
Ages 25-34						
Rice	6,628	9,050	9,940	9,660	37%	46%
Dodge	2,230	2,720	3,020	2,970	22%	33%
Waseca	2,606	2,660	2,690	2,540	2%	-3%
Steele	4,313	4,730	5,020	4,710	10%	9%
Total, ages 25-34	15,777	19,160	20,670	19,880	21%	26%

Source: Minnesota State Demographer, October 2002.

2.4 Current Educational Attainment Levels

The portion of residents in the four-county area holding a bachelor's degree is less than the state average (**Exhibit 2-6**). The same is true at the master's and professional degree levels. Only Rice County exceeds the statewide educational attainment average for college completion (at the doctoral level). This may be a reflection of the presence of St. Olaf and Carleton College campuses within this county. The attainment figures suggest that there may be room for growth in the portion of residents obtaining bachelor's degrees within the region. It is also evident that the four-county area closely matches the state attainment level at both the "some college, no degree" and the associate degree completion levels, which is indicative of the ample opportunities available to local residents through both South Central College and Riverland Community College.

**EXHIBIT 2-6
EDUCATIONAL ATTAINMENT OF THE POPULATION 25 YEARS AND OLDER
MINNESOTA, DODGE, RICE, STEELE, AND WASECA COUNTIES**

Educational Attainment	Minnesota	Dodge	Rice	Steele	Waseca
Less than high school diploma	12.1%	13.3%	14.8%	13.4%	15.2%
High school diploma or equivalent	28.8%	35.9%	33.0%	35.9%	38.5%
Some college, no degree	24.0%	24.8%	23.6%	23.3%	22.7%
Associates degree	7.7%	8.9%	6.3%	7.2%	7.4%
Bachelor's degree	19.1%	13.7%	14.3%	15.4%	12.9%
Master's degree	5.4%	2.7%	4.9%	3.3%	2.2%
Professional Degree	2.0%	0.7%	1.4%	1.2%	0.9%
Doctorate Degree	0.9%	0.1%	1.8%	0.3%	0.3%

Source: U.S. Census Bureau, 2000.

2.5 Primary and Secondary School Enrollments

Evidence indicates that high school enrollments are declining in Minnesota. They are projected to continue their decline through 2015. The National Center for Education Statistics (NCES) projects that the number of high school graduates in Minnesota will decrease by 11.7 percent between 2002 and 2015.¹ Similarly, a report by the Minnesota House of Representatives Fiscal Analysis Department finds that school district enrollments have been declining across the state since 2001. The decline is more pronounced in the rural districts than in the urban districts. In the Southeast region of Minnesota, 75 percent of the schools are projected to experience a decline between 2006 and 2009. Though considerable, this is at the lower end of the projected decline in all nine state regions due, in large part, to growth in the Rochester area.²

While the decline in primary and secondary enrollments will certainly have some negative impact on future enrollments in the MnSCU system, the differentials in the decline between regions combined with a presumed tendency for people to attend college closer to home (if adequate opportunities are available) might suggest that some areas may be less impacted at the post-secondary level by this decline if access is improved.

2.6 Higher Education in the Four-County Area

The two main higher education institutions in the area are South Central College (SCC) and Riverland Community College (RCC). South Central College's Faribault campus is located in Rice County. Riverland Community College offers a large number courses at the Owatonna College and University Center (OCUC), which is located in Steele County. As shown in **Exhibit 2-7**, RCC and SCC enrolled 3,606 and 3,166 students respectively at all sites, as of fall 2005. The OCUC is unique in that five different colleges and universities offer courses at the location. In fall 2005, 429 students attended courses at the facility. However, the vast majority of enrollments (87%) at the OCUC were students from Riverland Community College. The remaining offerings were from Crown College, Minnesota State University, Mankato, and Concordia University with the University of St. Thomas offering courses at a nearby location in Owatonna.

¹ U.S. Department of Education, Projections of Education Statistics to 2015. Thirty-fourth Edition, NCES 2006-084.

² Minnesota School District Enrollment Trends, Minnesota House of Representatives, Fiscal Analysis Department. February 2006. Accessed August 16, 2006 at <http://www.house.leg.state.mn.us/fiscal/files/06decline.pdf>.

**EXHIBIT 2-7
FALL ENROLLMENTS 2002-2005**

Fall Enrollments	2002	2003	2004	2005
Riverland Community College	3851	4036	3714	3606
South Central College	3355	3291	3276	3166
Owatonna College and University Center	520	547	473	429
Crown College	na	na	24	42
Minnesota State University, Mankato	53	53	74	14
Riverland Community College (OCUC only)	452	479	360	373
Concordia University	15	15	15	na

Source: MnSCU Office of the Chancellor Research and Planning

A brief overview of the OCUC and the two primary MnSCU institutions with an active presence in the four-county area is provided below.

The Owatonna College and University Center was built through a partnership between Riverland Community College, the City of Owatonna, the Owatonna EDA, local businesses, and partnering colleges and universities. Its mission is to provide residents of Owatonna and the surrounding area with access to multiple higher education and training opportunities. Typically, 400 to 500 students attend classes at the OCUC during the fall semester. In the fall of 2006, Riverland Community College offered 74 courses at the location. Currently, four Minnesota colleges and universities offer courses at the OCUC. Students can obtain their associates of arts degree and degrees in nursing, education, psychology, Christian ministry, and Web design by taking classes exclusively at the OCUC. In its role as a multipurpose education facility, the center also hosts job-training classes for employees of local companies.

South Central College, established in 1946, has campuses in Faribault and Mankato. It offers over 50 programs in areas including business, health care, technology, and industry. Its mission is to “provide comprehensive higher education for employment and continuous learning to promote individual growth and economic development.” Students can obtain associate’s degrees, diplomas, and certificates in many of these areas. In the fall of 2005, the college enrolled a total of 3,166 students. It also has “2 + 2” programs that allow students to obtain an associate’s degree at South Central and then transfer to other universities to obtain their bachelor’s. SCC has a nursing program with Minnesota State University, Mankato and a program in agriculture education with University of Minnesota. It also has an extensive number of customized training courses that are tailored to the needs of local employers. Recent figures indicate that such customized training activities serve more than 16,000 local residents and employees. The addition of the Faribault campus to South Central College occurred in 1996 as part of a re-organization of college campuses in south central Minnesota. SCC’s mission and responsibility have changed in recent years; once strictly a technical college, the institution now offers both technical and transfer programs.

Riverland Community College has campuses in Albert Lea and Austin to the south of Owatonna. It also offers an extensive array of courses at the Owatonna College and University Center. In fall 2006, approximately 11 percent of RCC courses were offered at

Review of Economic Data & Current Higher Education Programs in the Four-County Area

the OCUC.³ Riverland Community College’s mission is to be “a regional comprehensive community college inspiring learning for living through a personalized educational environment.” In fall 2005, RCC enrolled 3,606 students. The college offers over 50 career programs and many “2 + 2” transfer programs to its students. Programs include areas such as liberal arts, business, construction, health, and manufacturing. In 2004, approximately 53 percent of students were enrolled in liberal arts and 47 percent were enrolled in career programs.⁴ A considerable portion of RCC enrollments now originate through the OCUC.

2.6.1 Higher Education Program Offerings

The degree programs offered at the three local sites are relatively similar. They are generally in the areas of business; computers; health; technology; manufacturing; and trades. This parallels the area’s industrial profile as manufacturing employment accounts for 17 to 29 percent of employment in the four counties. As indicated in **Exhibit 2-8**, each location graduates students from similar technical and transfer programs.

**EXHIBIT 2-8
SAMPLING OF DEGREE PROGRAMS OFFERED**

Program Area	Riverland Community College	South Central College	OCUC Providers
1. Liberal Arts and Sciences, General Studies and Humanities	A.A./A.S.	A.A./A.S.	A.A./A.S.
2. Agriculture, Agriculture Operations, and Related Sciences	Cert	A.A./A.S.; Cert	
3. Business, Management, Marketing, and Related Support Services	A.A./A.S.; Cert	A.A./A.S.; Cert	B.A.
4. Computer and Information Sciences and Support Services	Cert	A.A./A.S.; Cert	Cert
5. Design and Communications			
Communication, Journalism, and Related Programs	Cert		
Communications Technologies/Technicians and Support Services	Cert	A.A./A.S.; Cert	
Visual and Performing Arts		A.A./A.S.; Cert	
6. Health Professions and Related Clinical	A.A./A.S.; Cert	A.A./A.S.; Cert	A.A./A.S.; Cert
7. Human, Personal, and Protective Services			
Christian Ministry Education			B.S. A.A./A.S./A.S.
Family and Consumer Sciences/Human		A.A./A.S.; Cert	
Legal Professions and Studies	A.A./A.S.	A.A./A.S.; Cert	
Personal and Culinary Services	Cert	A.A./A.S.; Cert	
Public Administration and Social Service	A.A./A.S.	Cert	
Security and Protective Services	A.A./A.S.; Cert		
Social Sciences			B.S.
8. Technology, Manufacturing, and Trades			
Construction Trades	Cert	Cert	
Engineering Technologies/Technicians	A.A./A.S.; Cert	A.A./A.S.; Cert	
Mechanic and Repair Technologies/Technicians	A.A./A.S.; Cert	A.A./A.S.; Cert	
Precision Production	Cert	Cert	
Transportation and Materials Moving	Cert		

Source: IPEDS completer data 2004 and data from OCUC providers: Crown College, Concordia College

³ As measured by the courses listed in its Fall 2006 Course Schedule. Accessed September 1, 2006. at <http://www.riverland.edu/schedules/index.cfm?F=SearchPage&Semester=Fall%202006>.

⁴ Riverland Community College’s 2003 – 2004 President’s Report to the Community & Honor Roll of Donors. Accessed August 30, 2006 at <http://www.riverland.edu/pdfs/PresidentsReport03-04.pdf>.

Review of Economic Data & Current Higher Education Programs in the Four-County Area

Additionally, each institution/location offers other career programs that do not necessarily end in a degree/certificate completion. **Exhibit 2-9** provides a list of programs offered at Riverland Community College and South Central College which was taken from the Minnesota State Colleges and Universities 2005-2006 "Go Places" guide. The two colleges provide a similar range of courses in most of the eight areas. However, in the technology, manufacturing, and trades area, Riverland Colleges offers more courses than South Central College.

**EXHIBIT 2-9
SELECT PROGRAMS LISTED IN THE MINNESOTA STATE COLLEGES AND
UNIVERSITIES "GO PLACES" BROCHURE**

Program Area	Riverland, Albert Lea	Riverland, Austin	South Central, Faribault	South Central, Mankato	OCUC [^]
	Freeborn	Mower	Rice	Blue Earth	Steele
1. Liberal Arts & General Studies	1	2	1	1	1
2. Agriculture & Natural Resources	1	0	0	2	0
3. Business & Administration	6	3	2	6	1 (Concordia)
4. Computer Occupations	5	5	0~	3	1 (cert web design)
5. Design and Communications	1	0	0	2	0
6. Health Services	6	4	7	10	3
7. Human, Personal, and Protective Services	0	4	2	2	5 (Crown, Riverland)
8. Technology, Manufacturing, & Trades	7	6	3	7	0

Source: <http://www.mnscu.edu/media/publications/pdf/goplaces05-062-yrgrid.pdf>

~South Central Faribault offers five courses (online) for the Fall 2006 semester.

[^] Data for OCUC were obtained directly from the providers offering courses at the center.

2.6.2 Higher Education Facilities in the Four County Area

MnSCU institutions operate two facilities in the four-county area: the Faribault Campus of South Central College in Rice County and the Owatonna College and University Center (operated under lease arrangement by Riverland Community College) in Steele County. As part of our analyses, we considered the expansion capacity of these two facilities to handle potential enrollment demand.

We examined classroom utilization rates for all sites used or operated by South Central College and Riverland Community College. This includes some facilities outside the four-county area, but in order to examine things from the perspective of the colleges, we've examined all sites related to the two colleges. South Central College's Faribault campus has the highest room utilization rate at 87%, which is just below the system average of 89%. South Central College's Mankato campus has a room utilization rate of 79%. Riverland Community College has the lowest room utilization at its Albert Lea

campus at 51%, compared to 63% at the Austin campus and 64% at the OCUC⁵. These varying levels are indicative of varying levels of demand across sites. At the same time, the rates indicate there is some un-used capacity that could accommodate some increase in facility usage.

**EXHIBIT 2-10
CLASSROOM USAGE, FALL 2005**

Name	Room utilization
South Central College, Faribault	87%
South Central College, Mankato	79%
Riverland Community College, OCUC	64%^
Riverland Community College, Austin	63%
Riverland Community College, Albert Lea	51%
System Average	89%

Source: MnSCU Office of the Chancellor Research and Planning

Notes: ^the OCUC rate increases to 72% when other OCUC providers are included

2.7 Conclusions

Six main trends emerge from our examination of the economic and demographic data in the four counties. The six trends fall into three areas: industry and occupational trends, population trends, and education trends.

Occupational and Industrial Trends

- All four counties have a considerable manufacturing base that exceeds the state average, and Steele and Rice have a significant percentage of retail jobs as well. The manufacturing sector is primarily driven by two-year programming and neither of these sectors requires a substantial portion of baccalaureate or graduate degree attainment.
- Ten-year projections (2005-2015) of employment growth by occupation indicate that the five occupations with the most growth in the four-county area are sales, office support, production, management, and food prep and service. All but the management category do not typically require four-year degree. These four occupational clusters represent nearly 13,000 jobs or roughly 41 percent of all positions to open over the 10-year period. Estimated job openings in management positions exceed 2,700 and for the most part require a baccalaureate degree plus experience.

⁵This utilization figure increases to 72% when other OCUC providers are included

Population Trends

- The combined four-county area has a total population of 136,356, a relatively small base from which to generate a continued critical mass for local postsecondary education and training programming. Furthermore, the two home counties of the local higher education facilities Rice (SCC-Faribault) and Steele (OCUC), have respective populations of only 61,547 and 35,662.
- The size of the college-aged population (ages 15 to 34) is one driver of the estimated demand for higher education. According to the 2000 census, the college-bound population (ages 15 to 34) in the four counties amounted to only 36,877 residents. This cohort is projected to experience a growth of 5,500 persons by year 2010, and then grow by only 730 from 2010 to 2020. This represents very limited growth in a critical population segment that drives both traditional- and nontraditional-age college participation.

Education Trends

- Educational attainment level is often an indicator of potential college demand in an area. For the South I-35 corridor, all four counties exceed the statewide average for high school as the highest level of education completed. The percentage of each county's population (25 years or older) that has taken some college (but not completed a degree) or holds an associate degree is close to the statewide figure. Beyond the two-year degree level of attainment, each county falls below the state benchmark, indicating the potential need for both baccalaureate and graduate degree program access.
- Secondary school enrollments are another indicator of the potential demand for higher education. As in the state as a whole, secondary school enrollments are projected to decline across the four-county area; thus, future college-level enrollment gains will be more reliant on nontraditional-age student segments.

Another three trends emerge from our examination of the current higher education offerings:

- Since 2002, enrollments for SCC-Faribault and the OCUC have grown slightly. Moreover, Riverland Community College is becoming more dependent upon enrollments generated through its OCUC offerings.
- Program/course options at the OCUC are dominated by certificate, associate and continuing education programming at these locations. A limited amount of baccalaureate and selected graduate programming is available locally through the OCUC or other sites, and in some cases, it is difficult to complete those degrees locally.
- Finally, space utilization and capacity (seat) data provided by MnSCU indicate that there is some classroom space available at both the South Central campus in Faribault and the OCUC. Only in a few timeslots per week does the Owatonna College and University Center approach its utilization capacity (based on room availability).

Review of Economic Data & Current Higher Education Programs in the Four-County Area

Together, these two sets of trends indicate moderate higher education demand stemming from population, education, and economic trends and a current higher education program mix that is focused on the certificates, associate degrees, and continuing education.

3.0 EMPLOYER AND COMMUNITY PERSPECTIVES

3.0 EMPLOYER AND COMMUNITY PERSPECTIVES

3.1 Overview

In order to fully assess the demand for higher education in the South I-35 corridor among employers and the community, MGT interviewed and surveyed a variety of people in the area. Specifically, we gathered input in the following five ways:

- Participating in two community forums
- Interviewing community and education leaders
- Interviewing local high school guidance counselors
- Interviewing local employers
- Conducting a survey-by-mail of employers in the four-county area

We also surveyed local students who were currently enrolled at the Owatonna College and University Center (OCUC) and all other institutions in the Minnesota State Colleges and Universities (MnSCU) System; those results are presented in Chapter 3.0. The remainder of this chapter summarizes the results from each of the community and employer input efforts.

3.2 Community Forums

Two public forums were convened to obtain the input from the communities in the four-county area. One community forum was held at the Owatonna College and University Center and another was held at South Central College's Faribault campus. A total of 80 people attended the two forums.

There were significant discussions at both forums about academic vs. technical skills training and needs. Some pointed out the importance of local bachelor's degree access and opportunities and the need to "grow our own" college degreed labor force, while others emphasized the continued importance of and demand for trades and technical skills. Still, others noted that students needed mentoring so they can better understand the complete array of postsecondary education opportunities (including associate, certificate, bachelor's degrees and technical skills and trades training) available to them. Several forum attendees identified local growth industries (in need of college education and training) as health care, business, technology, trades, and construction.

Barriers to accessing higher education for locals were also identified in the forum sessions. At the forum in Owatonna, it was suggested that potential students were not fully aware of the opportunities currently available, and that more efforts should be made to publicize these opportunities to both traditional and nontraditional-age students. At the forum in Faribault, someone noted that co-location of the Faribault campus with a high school was detrimental in attracting local high school students because the college was seen as simply an extension of their high school, making it less desirable, and perhaps diminishing the perceived level of quality, with little or no merit to that image.

Additionally, at both forums, participants reiterated their appreciation and need for their respective local higher education provider and site. They voiced concerns that one (South Central Faribault campus vs. the OCUC) might be favored by state officials for expansion at the expense (loss of resources or lack of additional funds) of the other.

This would be considered a devastating economic setback for the “losing” community. Some members of the Faribault forum expressed concern over the age, quality, configuration, and current location of the South Central campus location, and thus supported efforts to build a new, more visible campus along I-35.

3.3 Community and Education Leaders Perspectives

MGT completed personal interviews with seven community leaders or elected officials from the local counties and communities, and with representatives of education providers active in this area, including the Presidents of MSU, Mankato, Riverland Community College, and South Central College. A complete list of all interview participants is provided in **Appendix A**.

Community Leaders – A variety of community leaders (including elected officials and economic development/chamber of commerce representatives) from across the region were willing and able to speak with our assessment team during on-site visits and follow-up calls. These included state representatives; city officials from Northfield, Faribault, and Owatonna; and economic development leaders from Waseca, Owatonna, and Faribault.

The Owatonna area depends heavily upon the OCUC to provide technical and job-related training to continue to supply a skilled local workforce. The apparent gap, according to some interviewees, is the lack of a four-year degree program. Historically, there has been a drain of home-grown talent out of the area, and the net return for finding educated residents to meet local workforce demands has not been equivalent. In fact, several individuals noted that it was hard to attract a four-year or graduate degreed job candidates who were interested in living or remaining in the Owatonna area (because of its rural nature and lower pay scale), unless they had some ties to the area. City and business leaders viewed the need for expanding educational degree programs as an economic development and diversity issue across the community and the County. City officials also pointed out that there was a strong manufacturing base nearby, which required the continuation of technical and job skills training. Those programs should not be displaced by the introduction and expansion of desired academic transfer options. They also called for close scrutiny of needs in the health care professions, as a new regional clinic is being developed along I-35 in Owatonna. Local officials suggested that the areas surrounding the other RCC campuses were not growing, and that the Owatonna area was a positive growth market for Riverland enrollments. The expansion (four-laning) of Highway 14 between Owatonna and Mankato will make collaboration with the MSU, Mankato campus more reasonable for all involved.

Within Rice County and the City of Faribault, officials and representatives expressed a need to expand the education options beyond technical skills training and two-year programs. They wish to create more higher paying jobs in the local area, and they see baccalaureate and graduate education degree access (primarily on-site vs. distance

learning) as a critical factor to entice business relocation or expansion to the surrounding community. Diversification of the local economy beyond the historically dominant manufacturing sector is also a strong motivation for local officials to seek additional higher education access, and a stronger relationship and presence of both SCC and MSU, Mankato is a natural resolution.

It should be noted that both Riverland (OCUC) and South Central-Faribault received considerable praise and appreciation for the job they continue to do in their respective communities.

Minnesota State University, Mankato – MSU, Mankato is examining opportunities to expand its degree completion outreach efforts in several areas of the state. The South I-35 corridor is an area university officials are considering for more programming. Historically, only very limited activities have been successful for the university in this locale. With relative proximity to the MSU campus in Mankato, bachelor's degree completion access at South Central's Faribault campus, the OCUC, or another independent location is plausible, if enough demand exists. University officials continue to plan articulation agreements such as 2+2 programs and other transfer arrangements with the two local MnSCU lower division institutions. They are interested in providing the upper-level course offerings for the baccalaureate degree, while South Central and Riverland would be expected to continue providing general education and intro-level lower division courses, keeping with their mission. MSU, Mankato would also be interested in some limited graduate programming in this market, if the opportunity were to arise. As a public institution, it brings a quality product at an affordable price to consumers, which is a critical issue, especially for nontraditional, place-bound adult learners and employers offering assistance.

University officials are hesitant to make extensive capital investments in the region without first testing the level and duration of demand for various degree programming. They expect that the best approach is to mitigate initial capital and operating costs and limit risk by developing a slow but steady plan for degree access along the corridor. Depending on capacity issues at the two local sites (South Central Faribault and the OCUC), MSU, Mankato might look elsewhere for short-term temporary space to deliver its degree programs. There is some concern as to the level and duration of expressed demand for bachelor's degree completion. In some areas that have had no or limited access locally, expressed demand is strong for a particular degree program, but levels off or wanes as time passes and the "pent-up" demand is met. If a program is fairly aggressive at first, it may meet or exceed expected demand initially, but may not be able to maintain that level in the marketplace. Thus, the university is exploring a cautious approach to meet baccalaureate and graduate degree needs of the South I-35 corridor.

Riverland Community College – With a consistent history of serving Owatonna since 1971, Riverland Community College (RCC) is well established in the area and at the OCUC. As the primary lessee of the facility, it utilizes the vast majority of the space for its technical and transfer programs, and does some limited cost-recovery by sub-leasing to other outside providers. However, this latter revenue stream does not offset their costs enough for RCC to reach a break-even level. Furthermore, state lease reimbursement covers less than 20% of the lease arrangement costs with the city of Owatonna. The college's involvement in providing education and training programs in Owatonna and Steele County is critical to the enrollment base of RCC as a whole.

Despite having two main campuses in Austin and Albert Lea to the South, RCC generates between 11 and 13 percent of enrollment headcount and FYE in Owatonna. College officials feel they could continue to add to their current offerings if more resources were available. Simultaneously, they are concerned that if a MnSCU university were to offer more upper division programming through the current OCUC facility, the added demand for classroom space might jeopardize the current RCC enrollment levels at this location.

Regardless of these potential conflicts, RCC continues to respond to local resident and employer needs through delivery of skills training, technical programs, and customized training, while also seeking more collaboration with MnSCU senior institutions for seamless transfer of those seeking a bachelor's degree. They foresee that expansion of local bachelor's degree programming at the upper division level can only add to the demand for lower division education and degree-specific introductory course offerings, a "win-win" situation for all involved.

South Central College – The South Central College (SCC) campus in Faribault has been in existence since 1964, and was at one time part of Riverland Technical College. Located adjacent to the local high school grounds, it continues to advance its dual mission of providing technical and workforce training, as well as transfer degree programs to residents and employees around the City of Faribault and across Rice County. Additionally, it has a booming customized training operation that served more than 16,000 individuals in 2005. As officials noted, SCC as an institution is in a growth mode, as it is just beginning to address its "new" college transfer role. SCC is continuing to work with MSU, Mankato and other MnSCU senior institutions to develop transfer agreements and joint provision of bachelor's degree completion tracks for local students. It continues to grow dual enrollment opportunities with MSU, Mankato through both SCC locations.

Among the program areas where SCC is looking to expand are construction-related programs such as civil and construction technology; S.T.E.M. programs, including science labs; pre-engineering-related areas, including specialties in civil and manufacturing; and math. SCC is also fully accredited for on-line delivery of its technology programs, which is considered a competitive advantage by both SCC and area employers.

One of the major concerns voiced about SCC-Faribault is the facility and its location. College representatives conveyed that the existing building and space are not adequate for the expansion of programming that they envision over the next 10 years. This inadequacy is applicable to both classroom and support services space. The configuration and type of space in the current facility is antiquated by today's standards and does not match the projected needs. They feel considerable deferred maintenance issues exist now and are growing exponentially. Their perspective is that the campus is no longer in a desirable or easily accessible location as area growth, business expansion, and commuter patterns in the city and county have changed dramatically over the years. They would like to replace the current SCC-Faribault campus with a new facility visible from and accessible to I-35, which would provide adequate space and technology for all of their programs, and ideally space for MSU, Mankato or other providers for on-site completion of bachelor's and graduate degree options.

SCC officials also reiterated that Rice County is likely to be absorbed into the Metro region as that area continues to expand southward over the next decade. Many residents now commute into the Metro area for work and other daily or weekly needs. As the county becomes part of the outer layer of the Metro “ring,” ample population growth will occur, business and industry relocation and diversification will continue, and residents and employers will expect and demand more extensive educational services than are locally accessible. Expansion of public higher education offerings locally is a natural progression.

Owatonna College and University Center Providers – At the beginning of this assessment, we had the opportunity to visit with representatives of all providers actively utilizing the Owatonna College and University Center. Besides RCC and MSU, Mankato, these providers include Southwest State University, Crown College, Concordia University, and the local school district (provides workforce training and dual enrollment options), and the University of St. Thomas provides programming at a nearby location.

Crown College has just introduced a cohort-style (12-15 students) RN to BSN nursing program at the OCUC. Currently, RCC runs a two-year nursing program that takes approximately 25 students each fall. It will also be offering a new on-line pharmacy tech course series. RCC-Austin has new clinical training slots and space for ICU, ER, and CCU specialties.

Southwest State has indicated that the cost of participation at the OCUC has become prohibitive, but that it would still like to continue the relationship.

The University of St. Thomas offers an Executive MBA program in the area and has done so for some time. This program does not actually meet in the OCUC facility, but rather at the university’s own conference center a few miles south of the OCUC. It remains part of the OCUC consortium of providers.

MSU, Mankato is looking at the possibility of adding graduate degree components in social work and engineering through the OCUC, and would also consider some form of an MBA program if need were strong and other, competing programs were not as desirable to local businesses.

3.4 High School Guidance Counselor Perspectives

MGT made numerous attempts to contact guidance counselors at the eight high schools identified in the four-county area, and successfully interviewed counselors representing three schools. Such individuals are often extremely helpful in identifying some of the local postsecondary access and choice issues faced by traditional-age students who are potentially college-bound.

The responding counselors estimated that 80 percent or more of graduating seniors typically go on to some sort of postsecondary education. More so, 50 to 60 percent go directly to a four-year institution and 20 to 35 percent go to a two-year college. The remainder enters the workforce, and a small percentage (1-2%) enters the military. Counselors generally noted that limited financial resources were the main barrier to fully or immediately accessing higher education opportunities right after high school

completion. The counselors noted that many students were undecided about what field/occupation/major they wished to pursue upon graduation. Two of the counselors did note the current popularity of nursing and other health care occupations, as well as business/management-related fields.

Two counselors noted that most students were not interested in initially pursuing their education locally in the four-county area, primarily because there were not many schools in the area that they viewed as first choice destinations. There is some realization that financial burdens may require them to choose alternative paths to an education. Counselors noted that a segment of students would likely consider attending an institution that was in their local area. At the same time, one counselor noted that some students wanted to be away from home, and that driving an hour or more to go to a college site might be preferable. Their general sentiment was that students were not limited in their options because they could transfer from most two-year schools to four-year institutions, thus lessening the financial barriers for part of their time in college. Further, they indicated that students are willing to travel. Yet, in contrast, one counselor reported that many of her students were interested in going to college as close to home as possible and indicated a desire for a four-year institution in the area.

Two of the counselors were very aware of the Owatonna College and University Center operations and programming, and both expressed that the limited course offerings there did not fully meet the needs and interests of traditional students. They recognize that the OCUC has historically served nontraditional students.

3.5 Employer Interview Results

MGT conducted a total of 24 interviews with local major employers (public and private) either in person or by phone in order to assess the general educational needs of employers in the four-county area. The in-person interviews were conducted during the week of July 24, 2006, and the phone interviews were conducted during the month of August. As mentioned earlier, a list of all interviews conducted as part of the South I-35 needs assessment is displayed in **Appendix A**.

Employer opinions are mixed on the extent to which residents have access to post-secondary education that meets their needs. Some feel their needs are being adequately met, while others note the need for continued attention to the technical skills and trades, and several indicated that there are limited local education opportunities for four-year degree completion if one is time- or place-bound.

Participating employers identified five general areas of perceived need:

- First, employers expressed a need for health care–related programs, such as nursing or medical technology. This was expressed by both health care and non-health care employers. This was particularly evident in talking with employers in the Owatonna area, as a new facility is to be established along I-35 as part of the Mayo health system, and is envisioned as a healthcare center for the local region.

- Second, some employers expressed a need for training programs in manufacturing trades. This has long been a strong need in both Rice and Steele counties, and is in keeping with the considerable manufacturing base of the local economy. New areas of transportation and distribution of goods are also pushing this training need, but not necessarily at the baccalaureate degree level.
- Third, some employers indicated a growing need for English language training to help the immigrant population, which is expanding in the area to work in shift and line jobs in manufacturing, as well as many of the entry-level positions in the service industries. One employer in Steele County has more than 200 non-English-speaking employees, with high turnover among new hires who do not learn some of the language skills necessary for employment.
- Fourth, some employers expressed concern that the lack of four-year degree program access meant that traditional students had to leave the area to pursue a bachelor's degree or graduate education. Many of those who leave will not likely return. This is partly due to the local job market, more rural lifestyle, and lower wages (as compared to the Metro area).
- Finally, a few employers reported a general need to prepare for the aging of the population in this region. This would involve training more health care professionals, and social services workers, as well as preparing to fill positions in all industries as the older workforce readies for retirement (including general workers and managers).

Employers also identified a variety of barriers they or their employees faced in obtaining the training and education they needed. Several employers noted that for manufacturing workers, scheduling could be a challenge because they work in irregular shifts. One employer reported that among their several hundred local workers, they might encompass as many as 20 different shift combinations (including compacted work weeks and extended work days). Some shift workers hold second jobs (to meet financial needs) in their downtime or on their "off day," thus making training and education time a premium. Another employer noted that some courses were not offered every semester, which could create extensive delays for students wishing to complete a degree or certificate, or waste their time and money, if they had to take an unneeded course to maintain their student active status. Often they stop-out, stop completely or go elsewhere (if possible). One employer identified distance as a barrier, and observed that the area had been exporting students, and then companies had to try to recruit them back. Another barrier identified by employers was the lack of computer access or access to high-speed connections, which limited employees from using on-line course delivery options that could help them overcome time and distance obstacles. Many employees may not have access through their work site. There is also perception that many employees simply do not know about the course offerings or degree/certificate programs that are available locally. This is especially true of nontraditional-age workers who are newer to the area. Some employers are very diligent about providing information to their personnel about education and training opportunities, while others admittedly are not. Employers are watching their bottom line as closely as ever, and that translates into

more restrictive educational assistance plans for employees to pursue training and education, other than in-house, or on-site company-sponsored programs.

Generally, employers currently meet their training needs in one of four ways:

1. They collaborate with local education institutions to provide training to employees. Local institutions identified included Riverland Community College, Minnesota State University, Mankato, and University of St. Thomas via the OCUC, the South Central campus in Faribault, and another location in Owatonna.
2. Several employees attend continuing education classes at professional association conferences and meetings.
3. A few employers reported they hire private firms/instructors/specialists to train employees on company premises.
4. Employers conduct their own on-site training of employees.

Employers often use a combination of these methods to meet their training and education needs efficiently and cost effectively.

During these interviews, several other ideas were proposed for how educational programming could be expanded to meet local needs. Three employers suggested shorter, seminar-style courses. For instance, some suggested a seminar to cover finance topics or accounting principles. Two employers also reiterated the suggestion for access to four-year degree programs that produced graduates who had learned how to learn. One employer suggested that postsecondary schools needed to do a better job of getting input from employers on a regular basis, so programming corresponded more closely to employer needs. Another suggested increasing the collaborations between health care employers and training providers in a similar fashion as has happened in the manufacturing industry. Two other employers each suggested an X-ray technician and a pharmacy program for the local region. In the Faribault school district, there appears to be some need for graduate degree completion for administrative positions, including school principal positions. Currently, the district must rely on the University of St. Thomas or MSU, Mankato for any teacher education beyond the baccalaureate level. St. Olaf and Carleton are not considered very accessible or flexible for meeting these education program needs.

3.6 Employer Survey Results

3.6.1 Employer Survey Methodology

To assess the demand for higher education along the South I-35 corridor from an employer's perspective, MGT mailed surveys to 500 employers across the four-county area. We surveyed employers listed in the directories of chambers of commerce associated with the major cities and surrounding areas in each county. Specifically, we surveyed employers in the cities of Faribault, Owatonna, Northfield, Waseca, and four cities in Dodge County (Hayfield, Blooming Prairie, Dodge Center, and Kasson). The

population in Dodge County is more spread out than in the other counties; therefore, we surveyed employers from four cities in that county. As Rice County and Steele County have significantly larger populations than Waseca and Dodge, we sampled more employers from the two larger counties.

An effort was also made to survey the largest employers in each location. Surveys were mailed to the major employers listed in the Minnesota Department of Employment and Economic Development (DEED) community profiles. **Exhibit 3-1** provides a breakdown of the number of surveys by county, and a list of the major employers can be found in Appendix B.

**EXHIBIT 3-1
NUMBER OF EMPLOYERS SAMPLED FOR SURVEY**

COMMUNITY/ COUNTY	MAJOR EMPLOYERS ¹	OTHER EMPLOYERS ³	TOTAL SAMPLE	% of GRAND TOTAL (N=500)
Faribault /Rice	17	133	150	30%
Owatonna/Steele	14	136	150	30%
Northfield/Rice	15	60	75	15%
Waseca/Waseca	12	63	75	15%
Dodge County ²	12	38	50	10%
Total	70	430	500	100%

Source: MnSCU/MGT employer survey, 2006.

¹Employer is listed as one of cities larger employers in the Minnesota Department of Employment and Economic Development (DEED) community profiles.

²Cities included are Hayfield, Blooming Prairie, Dodge Center, and Kasson.

³Other employers consist of a random sample of employers taken from each city's chamber of commerce member directory. In the case of Dodge County, the Hayfield chamber of commerce directory was used. Small retail service employers such as barbers and restaurants were excluded from the random sample.

A total of 124 employers completed the surveys, yielding an overall response rate of 24.8 percent (**Exhibit 3-2**). The response rate varies slightly by county. The smaller counties of Waseca and Dodge had response rates of 21 percent and 8 percent, respectively. The larger county response rates were nearer to the overall rate.

**EXHIBIT 3-2
EMPLOYER SURVEY RESPONSE RATE
BY COUNTY**

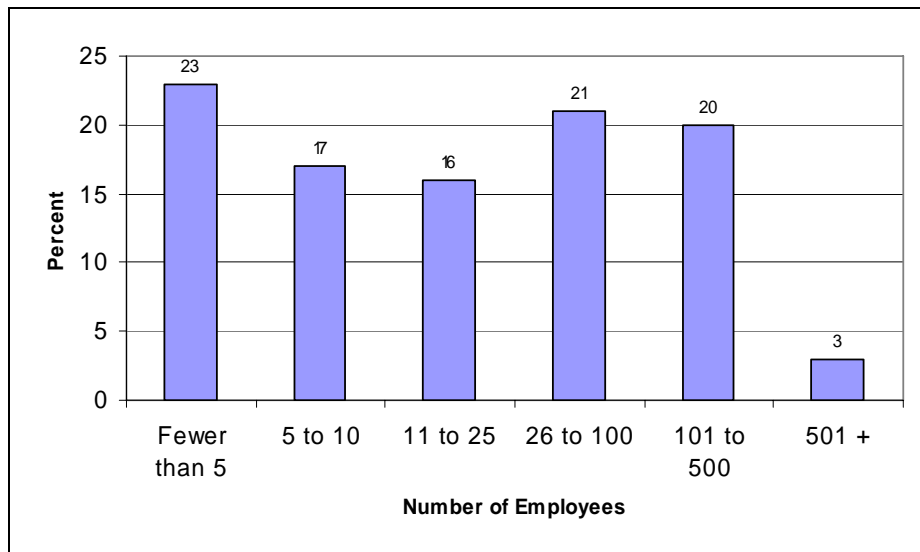
COUNTY	TOTAL SURVEYED	NUMBER OF RESPONDENTS	RESPONSE RATE
Rice	225	62	27.5%
Steele	150	37	24.6%
Waseca	75	16	21%
Dodge	50	4	8%
Not reported	-	5	-
Total	500	124	24.8%

Source: MnSCU/MGT employer survey, 2006.

3.6.2 Profile of Survey Respondents

The 124 employers surveyed represented a range of industries and the majority had 25 employees or less. Approximately 16 percent of the responding employers were in the finance, insurance, and real estate sector, and another 15 percent were in the manufacturing or production sector. Nearly 10 percent of the employers were in health care, 8 percent were in construction, and 7 percent were in retail trade. In terms of size, 23 percent of the surveyed employers reported having five or fewer employees, and 17 percent report employing five to 10 employees (**Exhibit 2-3**). Another 21 percent had between 26 and 100 employees. Approximately 20 percent employ between 101 and 500 employees. A small, but significant number (3%) employed more than 500 personnel.

**EXHIBIT 3-3
EMPLOYER SIZE
AMONG SURVEY RESPONDENTS**



Source: MnSCU/MGT employer survey, 2006.

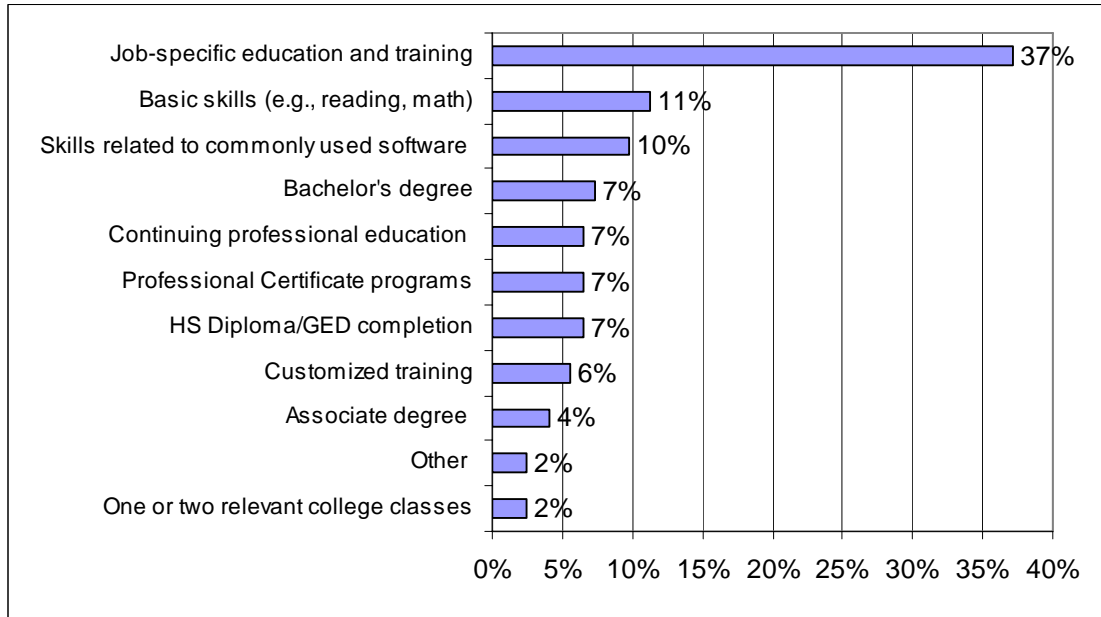
The majority of employers surveyed reported using a combination of in-house company trainers and educational institutions to meet their current training needs. Specifically, 63.7 percent of respondents used educational institutions or training organizations, and 55.6 percent used in-house trainers.

3.6.3 Projected Demand for Training by Degree Level

The top three areas where employers indicated they were most in need of employee training were; job-specific education and training (37%), basic skills (11%), and skills related to commonly used software (10%). As noted in **Exhibit 3-4**, another 7 percent (9/124) of employers indicated they were most in need of employees with bachelor's degrees, and four percent indicated they were most in need of employees with associate or two-year degrees.

This preference for job-specific training over traditional academic degrees was also reflected in the demand projections provided by employers. A total of 89 of the 124 survey respondents provided detailed estimates of their employees' projected need for education and training over the next three years.

**EXHIBIT 3-4
EDUCATIONAL OR TRAINING ACTIVITIES
MOST NEEDED BY EMPLOYEES**



Source: MnSCU/MGT employer survey, 2006.

As noted in **Exhibit 3-5**, 89 employers projected needing some form of training for a total of 1,442 employees.¹ The most common form of training identified was short-term training classes geared to specific skill sets, followed by professional certifications, associate degrees, bachelor's degrees, and graduate degrees, in that order. Together the 89 employers projected that 825 employees would need short-term training classes in the next three years. In contrast, the same employers projected that they would need only 139 employees with a completed bachelor's degree during that same time period.

**EXHIBIT 3-5
PROJECTED NUMBER OF EMPLOYEES NEEDING TRAINING
BY DEGREE LEVEL, OVER THE NEXT THREE YEARS**

COUNTY	SHORT-TERM TRAINING CLASSES	PROFESSIONAL CERTIFICATE	A.A. DEGREE	B.A. DEGREE	GRADUATE DEGREE	TOTAL
Rice	458.5	245	41	38.5	30	813
Steele	248	25.5	12	91	20	396.5
Waseca	83	65	5	9	0	162
Dodge	26	0	0	0	0	26
N/A	10	22	12	1	0	N/A
Total	825.5	357.5	70	139.5	50	1442.5

Source: MnSCU/MGT Employer Survey, 2006.

Notes: Five respondents did not list a number but instead used the word "several" to which we assigned the number 3. In the few cases where respondents indicated a range of employees, we used the midpoint of the range.

¹ In the few cases where respondents indicated a range of employees, we used the midpoint of the range. Therefore the totals sometimes sum to a figure with a decimal point.

Employers' preferences for short-term training over traditional degrees were generally consistent across the counties, with the exception of Steele County, where employers projected needing 91 employees with baccalaureate degrees. This amounts to 65 percent (91/139) of the total projected demand for the four-county area. Steele County accounts for a disproportionate amount of the demand for bachelor's degrees because it is home to several financial and insurance firms which tend to hire many employees with completed four-year degrees or beyond.

3.6.4 Projected Demand by Subject Area

The most common area in which employers indicated a need for training over the next three years was technology, manufacturing, and trades, with employers indicating that 27 percent of the projected 1,442 employees would need training in that area (**Exhibit 3-6**). This is consistent with the high levels of manufacturing employers in the four-county area. The next most in-demand area was health care and health services personnel (21%), followed by business and administration (16%).

**EXHIBIT 3-6
DISTRIBUTION OF PROJECTED TRAINING NEEDS (% OF PROJECTED
EMPLOYEES) OVER THE NEXT THREE YEARS
BY SUBJECT AREA**

SUBJECT AREA IN WHICH EMPLOYEES WILL NEED TRAINING, OVER THE NEXT THREE YEARS	FOUR- COUNTY TOTAL (N=1442.5)	RICE (N=813)	STEELE (N=396.5)	WASECA (N=162)	DODGE (N=26)	UNKNOWN (n=45)
<i>Number of Employers Responding</i>	89	45	27	10	2	5
Technology, Manufacturing, and Trades	27%	28%	28%	30%	0%	0%
Health Services	21%	25%	11%	19%	0%	42%
Business and Administration	16%	11%	26%	8%	62%	24%
Human, Personal, and Protective Services	12%	10%	14%	9%	19%	22%
Software Sepcific	8%	10%	6%	5%	0%	0%
Design and Communication	6%	9%	1%	0%	19%	0%
Other	6%	2%	7%	19%	0%	11%
Computer Occupations	3%	2%	6%	2%	0%	0%
Liberal Arts and General Studies	2%	2%	1%	9%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Source: MnSCU/MGT employer survey, 2006.

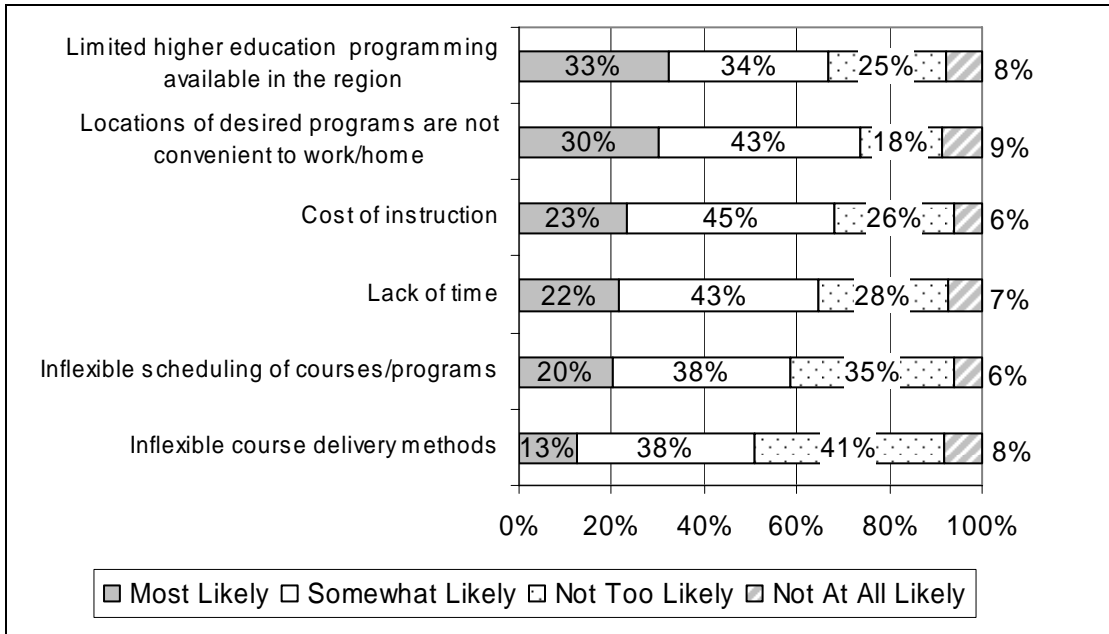
In many instances, the trends in projected needs were relatively consistent across counties, with the exception of Steele County, where business and administration was the second most popular area of perceived need, while in Rice County health services ranked a close second. These results were largely driven by the fact that Steele County is home to several major insurance and finance companies.

3.6.5 Possible Barriers to Accessing Training and Education

Employers were asked to rate which barriers were most likely to prevent or discourage their employees from participating in higher education in the region. Nearly one-third of employers (32.5%) indicated that limited higher education programming in the area was most likely a barrier for employees (**Exhibit 3-7**). Similarly, 30 percent of employers reported that the location of training not being convenient to work or home most likely posed a major barrier to their employees. Employers rated lack of time and cost of

instruction as less likely to be barriers. For instance, just 22 percent of employers indicated that lack of time was most likely a barrier to employees participating in higher education opportunities.

**EXHIBIT 3-7
EXTENT TO WHICH BARRIERS ARE LIKELY TO PREVENT EMPLOYEES FROM PARTICIPATING IN HIGHER EDUCATION PROGRAMS IN THE FOUR-COUNTY AREA**

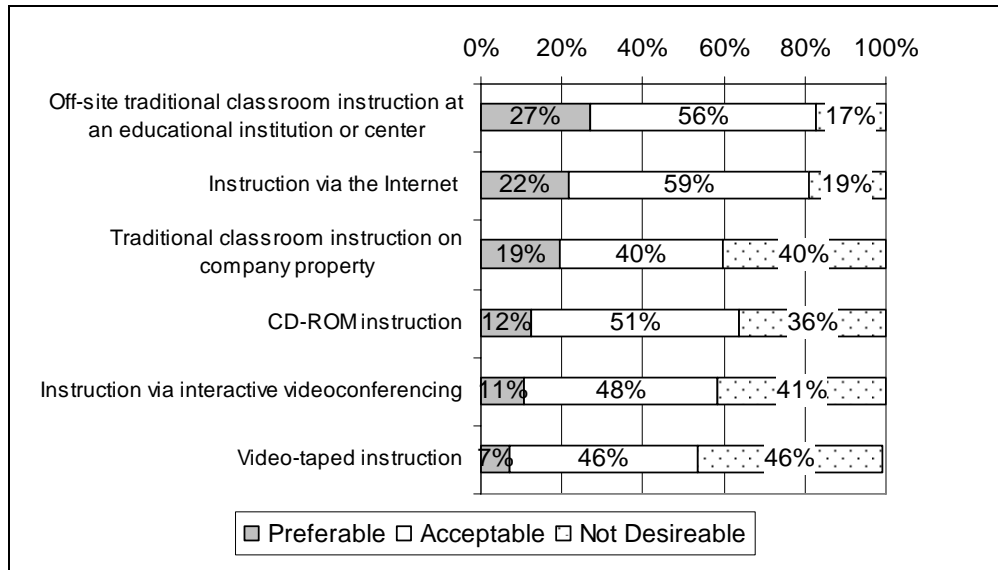


Source: MnSCU/MGT employer survey, 2006.

3.6.6 Course Delivery Preferences

Employers indicated a preference for off-site classroom training and instruction via the Internet over video-related instructional modes. **Exhibit 3-8** shows that approximately 27 percent of respondents to the survey reported that off-site traditional classroom instruction at an educational institution or center was a preferable course delivery method for employees at their company. Similarly 22 percent indicated that instruction via the Internet was also preferable. In contrast, only 7 percent of employers suggested that video-taped instruction was preferable, 11 percent responded that video-conferencing was preferable, and 12 percent selected CD-ROM as preferable.

**EXHIBIT 3-8
EMPLOYER COURSE DELIVERY PREFERENCES**



Source: MnSCU/MGT employer survey, 2006.

3.7 Conclusions

Judging from our interviews and employer survey, there is moderate demand for bachelor’s degrees in the four-county area. Further, the data indicate a significant historical and projected future need for technical training and job skills training, particularly driven by the manufacturing, transportation, and food processing sectors. However, some in the community see an expanded university presence as a key to an economic development growth strategy. More specifically, for the five constituencies interviewed and/or surveyed we made the following findings:

- Two main concerns emerged from the community forums. First, there was concern that an expansion of either academic programs or technical skills programs would come at the expense of the other. Some emphasized the importance of the current technical programs, while others emphasized a need for bachelor’s degree programs. Second, there were concerns over economic development. Both communities (Owatonna and Faribault) expressed concern that an investment in education in one community would represent a significant economic loss to the other.
- Community and Education leaders expressed concerns similar to those raised in the community forum. Local officials in both Faribault and Owatonna see increased access to four-year and graduate degree programs as a critical economic development component for growth and diversification of their respective communities. Additionally, education leaders at Riverland Community College, South Central College, and Minnesota State University, Mankato each have goals for their institution which would eventually require additional resources:

- Riverland College officials feel they could continue to add to their current offerings if more classroom space were available. However, they are concerned that added demand for classroom space from another MnSCU university may jeopardize the current RCC enrollment levels at the OCUC location.
 - South Central College also has facility concerns. College representatives noted that the existing building and space were not adequate for their planned expansion of programming over the next 10 years.
 - Finally, MSU, Mankato is interested in providing the upper level course offerings for the baccalaureate degree. The university expects that South Central and Riverland would continue to provide general education and intro-level lower division courses, in keeping with their mission.
- Guidance counselors indicated that most high school students were not interested in pursuing their education in the four-county area because there were few schools in the area that appealed to them. One counselor noted that some students wanted to be away from home and driving an hour to go to college might be preferable. In contrast, another counselor indicated that many students were interested in going to college as close to home as possible.
 - Interviews with employers revealed that they have mixed opinions on the extent to which their education and training needs are being met. Some noted that their training needs were being met, and others indicated a need for more health-related training and continued emphasis on the trades. Some employers noted that the absence of four-year degree programs in the areas limited their ability to recruit locally.
 - The survey of 124 employers in the four-county region indicated that employers were most in need of training in the areas of job-specific education and training (37%), basic skills (11%), and skills related to commonly used software (10%). Of the more than 1,400 employees projected to seek education from survey respondents, only 139 were at the bachelor's degree level, and 50 were at the graduate level. Virtually all of those were in Rice and Steele counties.

Together, these results suggest a continued demand for technical skills programs and a moderate level of demand for bachelor's degrees. However, the interviews and forums also revealed interest in the economic development role a four-year degree program could play in a given community. These economic development interests also give rise to competing interests between the communities, each of which believes that their city/county should be home to an expanded regional higher education facility.

4.0 STUDENT PERSPECTIVES

4.0 STUDENT PERSPECTIVES

4.1 Overview

A critical component of any local needs assessment is the identification of opinions, perceptions, needs, and preferences of currently enrolled students from the local market area. It is particularly important to gather input from students, as information derived solely from the employer/employee perspective has a tendency to discount the impact of the traditional-age student segment. Though many off-campus centers or other distance education operations are designed primarily to reach and serve non-traditional working adults (place-bound or time-bound), most programming can attract significant participation from the traditional student population.

MGT conducted an online survey of students currently attending institutions in Minnesota State Colleges and Universities (MnSCU) system (fall 2006 term). Two groups of students were surveyed:

- Students attending Riverland Community College (RCC) or South Central College (SCC), or taking classes offered by a system institution at the Owatonna College and University Center (OCUC). These students are referred to as the RCC/SCC group.
- Students originating from the four-county area but not taking classes at either of the above colleges or through the OCUC. These students are referred to as the Non-RCC/SCC group.

The survey examined why students chose to attend their current college or university and their plans for pursuing additional education. Two main trends emerged from the survey. First, students chose to attend their current college or university for three main reasons: location, cost, and course/program selection. There was some variation between the two groups in the reasons given. Approximately 66 percent of the 94 RCC/SCC respondents chose to attend their current institution because it was the closest to home, whereas 24 percent of the 250 students in the Non-RCC/SCC group gave that reason.

Second, students expressed low to moderate interest in pursuing additional educational opportunities if they were offered in the local area. This level of interest varied across the two groups. For instance, 37 percent and 31 percent of the RCC/SCC group indicated that they were extremely interested in pursuing additional educational opportunities if they were offered in Steele County and Rice County, respectively. In contrast, 25 percent of the Non-RCC/SCC group noted that they were extremely interested in pursuing additional educational opportunities in Steele County and 29 percent in Rice County.

4.2 Student Survey Methodology

To assess current students' demand for educational opportunities in the four-county region, we surveyed two groups of students from those counties that were enrolled at a

MnSCU system institution during the fall semester of 2006. One group consisted of 1,483 students with valid e-mail addresses currently attending Riverland Community College, South Central College, or taking classes offered by a system institution at the Owatonna College and University Center. The second group consisted of 1,958 students with valid e-mail addresses originating from one of the four local counties, but not attending one of the two colleges mentioned above or the OCUC.

As shown in **Exhibit 4-1**, a total of 344 students responded to the survey, yielding a response rate of 10 percent (344/3441). The response rate was lower for the RCC/SCC group than for the Non-RCC/SCC group (6.3% vs. 12.8%).

**EXHIBIT 4-1
STUDENT SURVEY RESPONSE RATE**

	Riverland Community College, South Central College, or OCUC	Other System Institutions	Total
Number surveyed	1,483	1,958	3,441
Number of responses	94	250	344
Response rate	6.3%	12.8%	10%

Source: MGT Student Survey

The overall survey response rate of 10% is low (as compared to MGT's typical 10% to 25% range). The survey was intended to obtain input from current higher education participants, and does provide evidence of interest and need. However, caution should be made in generalizing these results to all students from the area.

4.3 Student Survey Results

4.3.1 Profile of Respondents

Thirty-seven of the 94 students in the RCC/SCC response group were taking the majority of their classes on South Central College's Faribault campus, and five were taking the majority of their classes at South Central College's Mankato Campus. Another 19 of the 94 were enrolled at Riverland Community College and take the majority of their classes at the OCUC. Twenty of the 94 taking the majority of their classes at one of Riverland's other campuses. The remaining nine either did not answer the question or were attending classes offered by Minnesota State University, Mankato at the OCUC.

The Non-RCC/SCC group consisted of 250 students, most of whom were attending Minnesota State University, Mankato (27%), Winona State University (26%), Rochester Community and Technical College (11%), or St. Cloud State University (12%). The remaining 24 percent were attending one of the 13 other MnSCU institutions.

As shown in **Exhibit 4-2**, students from each survey group tended to major in similar areas, primarily clustering in business and health care. The biggest variations were among those majoring in education and liberal arts. Two percent of the RCC/SCC group

indicated their major was education, compared to 13 percent of the Non-RCC/SCC group. Also, 7 percent of the RCC/SCC group indicated they were majoring in liberal arts, compared to 1 percent of the Non-RCC/SCC group. The difference likely occurred because many students in the RCC/SCC group were seeking their A.A. in liberal arts before transferring, while many in the Non-RCC/SCC group were already enrolled in a four-year degree program. Many students in both groups chose to list their specific major area. The most common areas of concentration were law enforcement, nursing, and social work.

**EXHIBIT 4-2
CURRENT MAJOR/AREA OF CONCENTRATION**

MOST COMMON MAJORS	RCC, SCC, or OCUC* (N=94)	Other System Institutions (N=250)
BUSINESS, MANAGEMENT, MARKETING, AND RELATED SUPPORT SERVICES.	22%	19%
HEALTH PROFESSIONS AND RELATED CLINICAL SCIENCES.	19%	12%
OTHER	19%	20%
LIBERAL ARTS AND SCIENCES, GENERAL STUDIES AND HUMANITIES.	7%	1%
COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES.	6%	3%
UNDECIDED	3%	5%
EDUCATION.	2%	13%

Source: MGT student survey, 2006.

*Riverland Community College (RCC), South Central College (SCC), Owatonna College and University Center (OCUC).

4.3.2 Current Higher Education Needs and Preferences

As mentioned earlier, students chose to attend their current college or university for three main reasons: location, cost, and course/program selection. The two groups varied in the degree to which the proximity of the institution to home mattered. Approximately 66 percent of the 94 RCC/SCC respondents chose to attend their current institution because it was the closest to home, whereas 24 percent of the Non-RCC/SCC group made their choice for that reason (**Exhibit 4-3**). However, when the Non-RCC/SCC group was asked to consider what they would do if their current course of study were offered nearer to their home or work, 63 percent responded that they would consider taking courses at this nearby location.

Each group indicated that cost was one of the three main reasons they chose their current institution (35% of the RCC/SCC group and 46% of the Non-RCC/SCC group). A similar portion from each group also indicated that course/program selection was one of the three reasons they chose to attend their current institution (25% of the RCC/SCC group and 28% of the Non-RCC/SCC group).

Other reasons students gave for selecting their current institution included reputation and type of institution. Close to 20 percent of the Non-RCC/SCC group chose their current institution in part because they preferred a school offering a four-year degree over a community/technical college. The Non-RCC/SCC group was also more likely to have done so because of the institution's good reputation (3% of the RCC/SCC group vs. 20% of the Non-RCC/SCC group).

**EXHIBIT 4-3
MAIN REASONS STUDENTS CHOSE
TO ATTEND THEIR CURRENT INSTITUTION**

Reason for Choosing to Attend Current Institution	RCC, SCC, or OCUC* (N=94)	Other System Institutions (N=250)
Closest to home	66.0%	24%
Cost (Affordable)	35.1%	46%
Course/program selection	24.5%	28%
Convenient scheduling	20.2%	7%
Small institution/class size	16.0%	12%
Closest to work	12.8%	8%
Location/proximity (general)	12.8%	25%
Preferred a school offering 4-year degree programs	na	20%
Financial aid availability/scholarships	9.6%	8%
Flexible course offerings/program	8.5%	8%
Familiarity with the school	4.3%	8%
Friends/family members who attend(ed)	4.3%	12%
Preferred a school offering 2-year degree programs	4.3%	3%
Recommended by someone	4.3%	7%
Good reputation	3.2%	20%
Other	11.7%^	0%
Best curriculum	1.1%	9%
Faculty	1.1%	3%
Athletics	0.0%	2%
Away from home	0.0%	9%
Large institution/class size	0.0%	0%

Source: MGT student survey, 2006.

*Riverland Community College (RCC), South Central College (SCC), Owatonna College and University Center (OCUC).

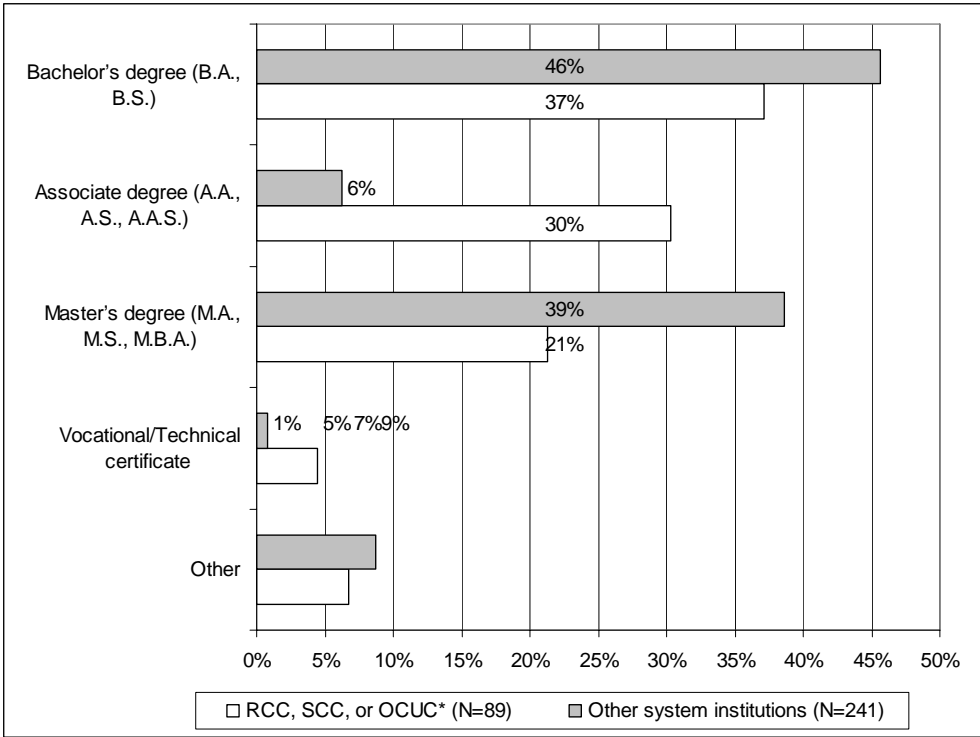
Four of 11 people noted that the institution offered online courses.

Approximately two-thirds of both groups indicated that they were attending their first choice institution. The main barriers that prevented the other one-third from attending their first choice school were location and cost. Approximately 57 percent of the RCC/SCC group and 37 percent of the Non-RCC/SCC group noted that the location of their desired institution was not convenient to home. Cost was a barrier to attending their first-choice school for 21 percent of the of the RCC/SCC group and a third (31%) of the Non-RCC/SCC group.

4.3.3 Future Higher Education Needs and Preferences

The two student groups varied in the highest degree they plan to obtain. As noted in **Exhibit 4-4**, 30 percent of the RCC/SCC group planned to obtain an associate degree, compared to only 6 percent of the Non-RCC/SCC group. Nearly 21 percent of the RCC/SCC group planned to obtain a master's degree, versus 39 percent of the Non-RCC/SCC group. The groups also differed slightly in their desire to pursue a bachelor's degree. Close to 37 percent of the RCC/SCC group planned to obtain a bachelor's degree, and 46 percent of the Non-RCC/SCC group had the same aspirations.

**EXHIBIT 4-4
HIGHEST DEGREE STUDENTS PLAN TO OBTAIN**

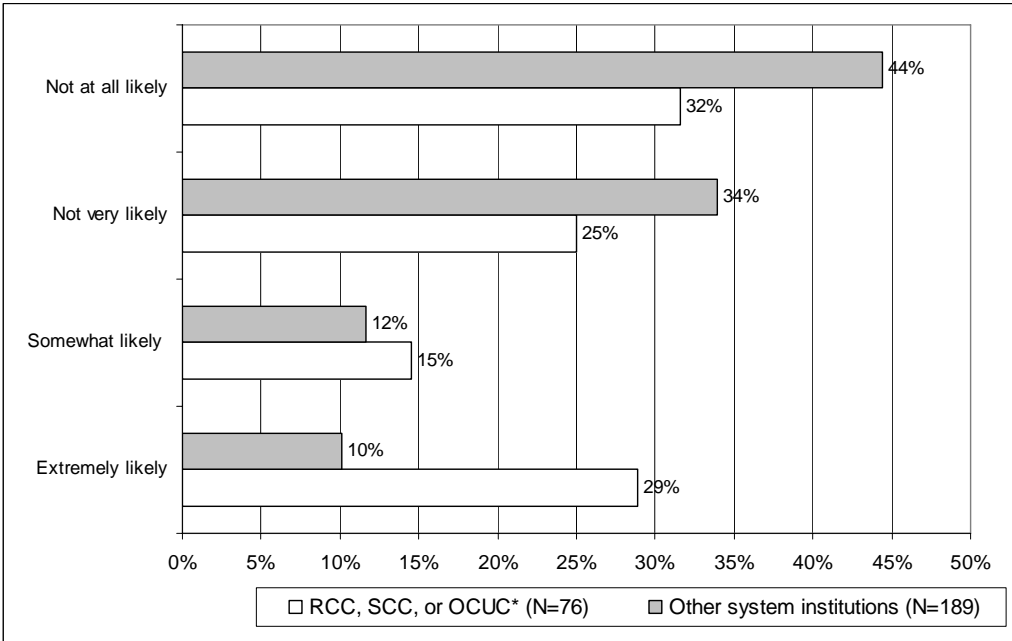


Source: MGT student survey, 2006.
 *Riverland Community College (RCC), South Central College (SCC), Owatonna College and University Center (OCUC).

Among those who were not currently pursuing their intended highest degree, some indicated that they were extremely likely to pursue that degree within the four-county area. The response patterns varied between the two groups. Approximately 29 percent of the RCC/SCC group indicated that they were extremely likely to obtain their next degree within the South I-35 region, compared to only 10 percent from the Non-RCC/SCC group (Exhibit 4-5). There was an analogous trend at the other end of the scale, as 44 percent of the Non-RCC/SCC group reported they were not at all likely to obtain their desired degree locally, compared to just 32 percent of the RCC/SCC group.

Among those who indicated they were “not very likely” or “not at all likely” to obtain their intended highest degree locally, the majority—65 percent of the RCC/SCC group and 67 percent of the non-RCC/SCC group—suggested it was because their desired program was not available locally (**Exhibit 4-6**). It should be noted that areas of interest for their desired degree focused on business, education, health and liberal arts.

**EXHIBIT 4-5
LIKELIHOOD OF OBTAINING NEXT DEGREE LOCALLY**



Source: MGT student survey, 2006.
*Riverland Community College (RCC), South Central College (SCC), Owatonna College and University Center (OCUC).

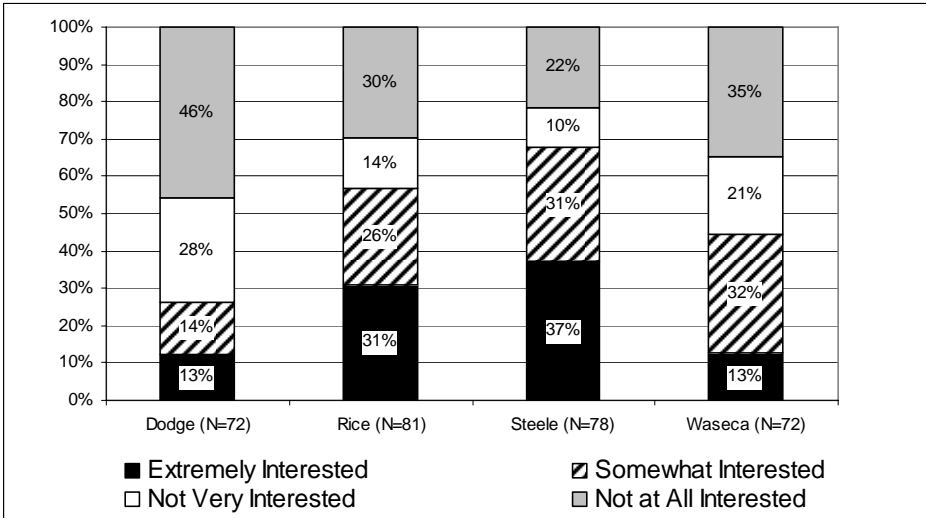
**EXHIBIT 4-6
REASONS FOR NOT OBTAINING NEXT DEGREE LOCALLY**

Reasons Given for Not Obtaining Future Degree in Four-county Area	RCC, SCC, or OCUC* (N=43)	Other System Institutions (N=148)
Program not available in the area	65%	67%
Desire to leave the area	16%	22%
Inconvenient scheduling	9%	4%
Location not convenient	9%	8%
Other	9%	9%
Cost (not affordable)	5%	4%
Reputation of local colleges/programs	2%	16%
Lack of financial aid availability	0%	1%

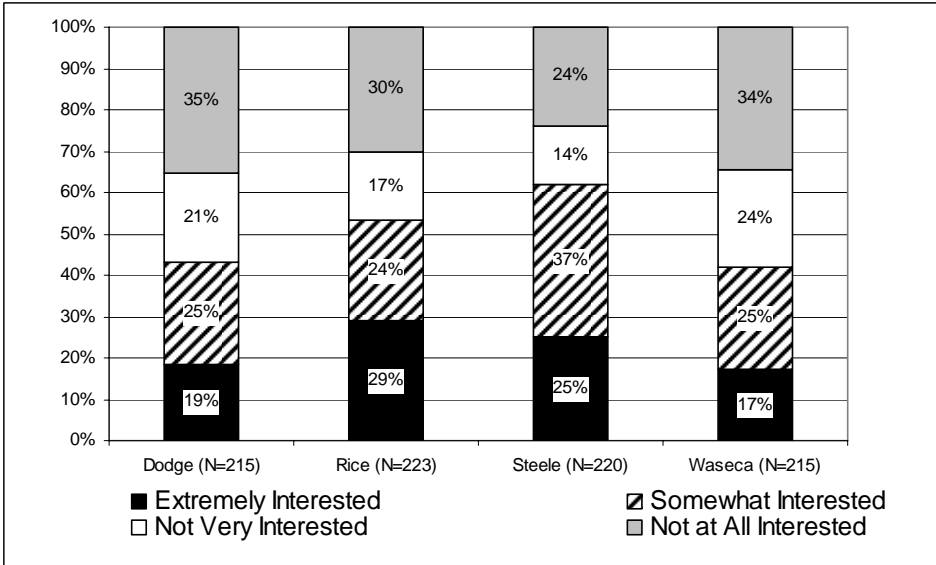
Source: MGT student survey, 2006.
*Riverland Community College (RCC), South Central College (SCC), Owatonna College and University Center (OCUC).

When students were asked to indicate their interest in pursuing additional educational opportunities if they were offered in the four-county local area, there was moderate interest, and it varied across the two groups. For instance, 37 percent of the RCC/SCC group indicated that they were extremely interested in pursuing additional educational opportunities in Steele County, compared to 25 percent of the Non-RCC/SCC group (Exhibit 4-7 and Exhibit 4-8).

**EXHIBIT 4-7
INTEREST IN PURSUING ADDITIONAL EDUCATIONAL OPPORTUNITIES BY
COUNTY: RCC/SCC GROUP**



**EXHIBIT 4-8
INTEREST IN PURSUING ADDITIONAL EDUCATIONAL OPPORTUNITIES BY
COUNTY: NON-RCC/SCC GROUP**



4.4 Conclusions

The findings from the student survey indicate low to moderate interest in pursuing additional higher education in the local area under consideration along the South I-35 corridor of Minnesota. First, there is a relatively small percentage of students (in both groups) indicated that they were extremely interested in pursuing additional education in

the area, compared to those who indicated they were somewhat interested or not interested.

Second, not surprisingly, those attending the local sites were much more likely to express an interest in completing their next degree locally, while a small segment of those attending MnSCU institutions outside the area reported similar interest. Nearly 29 percent of the students in the RCC/SCC group who were planning to obtain an additional degree (beyond their current pursuit), indicated that they were extremely likely to obtain their next degree somewhere in the four-county area, compared with only 10 percent of students in the Non-RCC/SCC group.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.0 CONCLUSIONS AND RECOMMENDATIONS

The Chancellor's office of the Minnesota State Colleges and Universities (MnSCU) system is weighing opportunities and strategies to best meet the current and future higher education needs along the South I-35 corridor, which includes Rice, Steele, Dodge, and Waseca counties. To help guide these planning efforts, the Chancellor's Office contracted with MGT to assess the demand for higher education. To gauge the demand, MGT analyzed demographic and employment trends in the region, and conducted interviews with employers, community leaders, and members of the education community. MGT also surveyed employers and current college students across the four-county area.

This chapter begins by highlighting the main findings from the review of demographic/economic data, interviews with community leaders and employers, and survey results from employers and students. It also includes a cursory review of operations and facilities data (provided to MGT by MnSCU) for South Central College's Faribault campus and the Owatonna College and University Center (OCUC). The next two sections present key building-blocks identified and challenges that MnSCU may likely face, as it addresses appropriate and practical options to meet the identified higher-education needs across this region. The final section of this chapter offers MGT's recommendations for MnSCU consideration regarding the most realistic course of action for the system to address the higher education needs along the South I-35 corridor.

5.1 Overview of Findings

The following sections provide a brief summary of pertinent facts, perceptions, and needs across the region from key stakeholders and current and potential consumers of local training and education, as well as current operational/facilities data for SCC, Faribault and the OCUC.

5.1.1 Market Data

Together the population projections, secondary school enrollment, occupation projections, and economic trends suggest current demand levels for higher education will only grow moderately. More specifically, the occupation and economic data suggest that demand for two-year degrees and technical training would continue at a reasonable pace, with little added demand for four-year degrees. This was reiterated in the interview and employer survey findings. These data were used by MGT in considering how current resources could meet the expected demand.

- First, the typical college-bound population segment (ages 15 to 34), as of the 2000 U.S. Census, encompassed only 36,877 residents across all four counties. This cohort is projected to experience a growth of 5,500 persons by year 2010 and then grow by only 730 from 2010 to 2020. This represents very limited growth in a critical population segment that drives both traditional-age and nontraditional-age college participation.

- Second, similar to the state as a whole, secondary school enrollments are projected to decline across the four-county area; thus, future college-level enrollment gains will be more reliant on nontraditional-age student segments.
- Third, ten-year projections (2005 to 2015) of employment growth by occupation indicate that the five occupations with the most anticipated growth in the four-county area will be sales, office support, production, management, and food prep and service. All but the management category do not typically require four-year degree completion. These four occupation clusters (not usually requiring a four-year degree) represent nearly 13,000 jobs or roughly 41 percent of all positions projected to open over the ten-year period. Of these projected occupations requiring some post-secondary education, the need is predominately at the 2-year degree level or less.
- Fourth, estimated job openings in the management occupation cluster total about 2,700 positions, which for the most part require both a baccalaureate degree and experience.
- Fifth, all four counties have a considerable manufacturing base that exceeds the state average, and Steele and Rice have a significant percentage of retail jobs as well. These two industry sectors are not typically drivers of baccalaureate degree or graduate program demand.

5.1.2 Campus Facts and Figures

The MnSCU system is represented in the four-county area primarily through a permanent site of South Central College (Faribault), and a temporary site leased by Riverland Community College at the OCUC. Several other MnSCU senior institutions offer baccalaureate or graduate programming in the region (primarily MSU, Mankato). Data provided by MnSCU on these two sites/providers offers the following perspective.

- SCC, Faribault encompasses 91,567 gross square feet (GSF). With an enrollment of 499 FYE, this yields a space ratio of 184 GSF/FYE. The 2004 system average ratios were 177, 196, and 101 GSF/FYE for consolidated colleges, technical colleges, and community colleges, respectively.
- Room utilization at SCC, Faribault is at 87 percent (11 classrooms @ 307/352 hours/per week). This is near the system average of 89 percent and well above SCC, Mankato at 79 percent; RCC, Austin at 63 percent; and RCC, Albert Lea at 51 percent. Room utilization at the OCUC is at 64 percent.¹
- The OCUC facility has 25,000 GSF with 290 FYE (2004). This yields an 86 GSF/FYE space efficiency ratio, considerably lower than the system's community college average.

¹ This utilization figure increases to 72% when other OCUC providers are included.

- In FY2005, the OCUC FYE count was 290 (system enrollments). That included 1,674 students, of whom, 80 percent took lower division courses and 15 percent took upper division courses. Of the 257 system courses offered at this site, 12 were developmental courses, 144 were lower division courses, 11 were upper division, 18 were graduate level, and 72 were non-credit courses.
- Riverland Community College (RCC) operated the OCUC at a loss in FY2005, despite recapturing approximately \$37,000 through subleases to other providers.
- The lease payments in FY2005 were \$466,902 (including debt service, utilities, maintenance costs, special assessments, and property insurance), for a rate of \$18.68/GSF. This was an estimated 25 percent to 50 percent above the average local rental market rates in 2005. There will be a temporary increase in lease payments for 2006-07 (\$532,000 to \$597,000) to accommodate a two-year payback schedule for a prior year rent deferral.
- RCC is responsible for 100 percent of the debt service on the building, but at the conclusion of the lease, the facility reverts back to the City of Owatonna. The current lease term runs until 2016.
- According to recent MnSCU facilities data, SCC campuses and RCC campuses have the following deferred maintenance needs: \$5.9 million at RCC, Albert Lea; \$13.7 million at RCC, Austin; \$7.0 million at SCC, Mankato; and \$1.0 million at SCC, Faribault. Thus, the total current estimated need exceeds \$27.6 million for these two institutions. This combined deferred maintenance backlog amount is projected to grow to a total of \$53.1 million by 2016. As of 2005, total MnSCU system backlog was projected to grow from \$646 million to nearly \$1.18 billion over the next 10 years. Based on these data, one might conclude that there will be considerable demands on the system and the state to address capital renewal needs now and in the immediate future. However, it should be noted that the SCC, Faribault campus currently has a relatively small deferred maintenance issue compared to the other three campuses mentioned.

Community and Employer Concerns and Needs

To gauge the future demand for higher-education across the region, MGT also interviewed employers and community leaders, and conducted a mail survey of local employers. Overall the findings indicate limited demand for bachelor's or graduate degree programs, but continued demand for technical skill and associate degree programs. In terms of need, the top three educational or training activities identified through an area employer survey were job-specific training, basic skills, and software technology training. Bachelor's degree opportunities were listed fourth as a perceived need.

Based on survey responses, baccalaureate demand, as expressed by the number of employees reportedly needing training and education over the next three years, represents a relatively low percentage (<10%) of the total identified need. Of the more than 1,400 employees projected to seek education, only 139 are at the bachelor's degree level, and 50 are at the graduate level. Virtually all of those are in Rice and Steele counties.

Similarly, input gathered from a variety of stakeholders and segments of the business and education community throughout the region indicates a significant historical and projected future need for technical training and job skills training, particularly driven by the manufacturing, transportation, and food processing sectors.

The current program mix in the area is generally aligned with the demand expressed in the employer survey. Specifically the current program mix is characterized by:

- Two-year transfer programs provided through Riverland at the OCUC and South Central's Faribault campus are continuing to develop as needed, and will likely expand as new agreements are reached with other MnSCU senior institutions, including MSU, Mankato.
- There is currently a noticeable lack of baccalaureate or graduate-level degree completion options at local sites, but that is consistent with perceived levels of demand, as reported through interviews with local employers. Some pockets of need are more evident in health care, business management, finance, and education. A general bachelor's degree completion option may be most useful for this area.
- MSU, Mankato has expressed an interest in the delivery of baccalaureate and graduate-level programs (as demand may dictate) through various collaborative options with both South Central (Faribault) and Riverland (OCUC), employing on-site instruction, 2+2 arrangements, and available distance learning modes.

Employers indicate a continued demand for technical skills programs and a low to moderate level of demand for bachelor's degrees. However, the interviews and forums also revealed interest in the economic development role an increased higher educational presence could play in a given community. Specifically:

- Community leaders in both Faribault and Owatonna feel strongly that their particular city/county should be host for an expanded regional higher education facility, but currently two very different facilities with similar programmatic options and institutional missions exist within 15 miles of each other. Local economic development initiatives and a desire for diversification and growth in each locale have fueled their plans, which now must compete for possible state resources.
- Data suggest that both facilities have unused capacity that may accommodate some program expansion through more efficient

utilization and scheduling. However, that approach does not address all of the issues and needs expressed by the communities and the institutions, such as access, visibility, maintenance and lease costs, and appropriate space and technology enhancements for new programs and alternative delivery approaches.

5.1.3 Student Perspectives

Two groups of currently enrolled students from the four-county region were surveyed. They indicated three major reasons for the choice of an institution/site. For those attending the SCC, RCC or OCUC sites, the dominant factor was that the location was close to home; affordability came next. Those local students that were attending MnSCU institutions outside the region were predominantly influenced by cost, then a variety of reasons including convenience, location, program availability, and institutional reputation followed. For those attending out-of-area institutions, the most common majors and areas of concentration included business and management, education, and health professions and clinical sciences. In terms of plans for additional education, two main trends emerged:

- A higher portion of students attending other MnSCU institutions expressed plans to attain a bachelor's degree compared to those attending the SCC, RCC, or OCUC sites. Similarly, those attending out-of-area MnSCU institutions were more likely to seek a graduate degree.
- Not surprisingly, those attending the local sites were much more likely to express an interest in completing their next degree locally, while a small but important segment of those attending MnSCU institutions outside the area showed similar interest. Though expansion of local baccalaureate and graduate programming would be primarily geared to the time-bound and place-bound adult learners, some students who have the option to leave the area to pursue their degree of choice would consider attending a local institution.

5.2 Building Blocks to Assist MnSCU in Serving the South I-35 Region

Four general trends emerge from the surveys, interviews, and examination of economic and occupational data, and current higher-education program offerings:

- First, input gathered from a variety of stakeholders and segments of the business and education community throughout the region indicates a significant historical and projected future need for technical training and job skills training.
- Second, there is a low-to-moderate demand for bachelor's degrees among employers surveyed and as indicated from occupation projections. Current students also express a limited interest in pursuing additional education in the four-county area.

- Third, community leaders in both Faribault (Rice County) and Owatonna (in Steele County) view additional higher education resources as a key component of their individual economic development initiatives.
- Fourth, MnSCU currently serves students/residents in the region from two different sites:
 - South Central College has a permanent campus in Faribault that had an enrollment of 499 FYE in 2005.
 - Riverland Community College operates a leased facility known as the Owatonna College and University Center (OCUC). In FY2005, the OCUC FYE count amounted to 290 system enrollments. Riverland Community College accounted for the majority of these enrollments.
 - Additionally, Minnesota State University, Mankato offers courses at the OCUC.

5.3 Challenges Facing MnSCU in Serving the South I-35 Corridor

The current situation gives rise to several challenges that MnSCU must face as it continues to address local higher education needs across the region:

- There appears to be a greater physical presence of MnSCU institutions in the four-county area than the current level of demand requires. Two established sites are within 15 miles of each other serving a four-county population of less than 150,000 residents.
- The construction of any new facility in this region would require a significant amount of state resources and result in debt service payments that may not be fiscally responsible for a single institution or campus to undertake. Additionally, a new facility would be difficult to justify based solely on the level of demand identified and the projected market growth.
- The terms of the current OCUC lease are deemed unfavorable by the MnSCU system. Riverland Community College is responsible for 100 percent of the debt service on the building (a significant cost to their annual operating budget), but at the conclusion of the lease, the facility reverts back to the City of Owatonna. Despite this investment by RCC, this arrangement does not result in a permanent local site for the institution or the system.
- Further, the administration at South Central College and some members of the Faribault community are displeased with the current condition and location of the Faribault campus. College leaders express concern that the existing building and space are not adequate for the expansion of programming that they envision over

the next 10 years, while community leaders would like to see a more visible facility along I-35 in Faribault.

- The previously mentioned market factors and facilities concerns combined with the individual, and therefore competing, interests of the neighboring cities (Owatonna and Faribault), create additional practical and political challenges for addressing the higher education needs of the communities, schools, and students. This situation will require a balanced response from state officials in allocating limited state resources.

The recommendations listed in Section 5.5 are presented with these challenges in mind.

5.4 Factors in Considering Options for Serving the South I-35 Corridor

MGT identified six factors that must be considered when determining the best course of action to continue to meet local higher education needs along the South I-35 corridor. The following subsections summarize some of the key findings and examine each of these factors related to the two current sites. These factors will have a significant impact on the final option(s) that MnSCU selects for each location and the region as a whole.

5.4.1 Programmatic Responsiveness to Students and Employers

Input from currently enrolled students indicated that many students select a campus based on convenience and nearby location. This is particularly true for students who are place-bound or time-bound to the local region. However, among those who have left the area to pursue higher education opportunities, interest in taking future courses and degree work close to home diminishes; as expected, such interest may not translate into actual enrollment demand to fill classroom seats.

The colleges in the area have developed a reputation for meeting local training needs and providing a skilled workforce for local employers. However, the employer survey indicates that the area's business and industry remain heavily dominated by sectors that do not typically require a majority of the personnel to hold baccalaureate degrees, with a few exceptions.

Further, the population of the four county region is not large enough to drive a full-service off-campus baccalaureate or graduate center component in addition to the existing community and technical college programming. This limited demand suggests that any expansion of programming in the area should be modest.

5.4.2 Accessibility

Currently the region is well served, with two higher education access points (SCC, Faribault and the OCUC) located within a short distance of each other. There are concerns in Faribault that the SCC, Faribault campus is not as visible as many college campuses because it sits adjacent to a local high school, and over time, the surrounding neighborhood has grown up around the site. These concerns, combined with the relatively limited demand for four-year and graduate program expansion, suggest that

upgrading and modernizing the existing facilities would be preferable to building new facilities.

5.4.3 Capacity

Capacity and utilization of current instructional space in the region are not significant problems. The local facilities are at or below the system's average room utilization rate. This fact in conjunction with the limited demand for expanded programming, suggests only moderate increases in capacity and utilization efficiency would be required in order to accommodate expected demand. Capacity options that do not require building additional meeting rooms, classrooms, or facilities and would reduce capital costs, include:

- leasing additional space on an as-needed basis elsewhere in the community,
- sharing dedicated space to maximize utilization at varying times of the day or across days of the week,
- designing flexible space configurations that would allow for adjustments to seating and room dimensions when needed, and
- improving distance learning infrastructure at existing facilities to extend capacity.

5.4.4 Political and Economic Concerns

South Central College, Faribault

An initiative is currently under way to relocate the SCC, Faribault campus to a new location with new, expanded facilities and infrastructure. Any new campus will be fairly expensive to build. Local leaders are voicing their concerns about the old and inadequate facilities, the need for additional space to meet growing demand, the changing industry mix, and the competitive economic development advantages of a new facility, especially if four-year and graduate degree programming is included.

Other locations and communities across Minnesota deem themselves in need of new or improved higher education facilities and are competing for limited State resources. In light of this competition, local market conditions, and level of need identified, a new facility in Faribault will be difficult to promote in the State Legislature and with the MnSCU Board of Trustees, irrespective of any decision related to the OCUC.

Owatonna College and University Center

Officials at Riverland Community College seek to obtain financial relief from the current lease agreement for the OCUC while gaining ownership and the accompanying flexibility to control the space according to their needs.

The idea of a buyout has been circulating for some time, and has prompted discussion and concern about who would eventually be in charge of the OCUC if MnSCU obtained ownership, and what mission change might occur at the site.

If MnSCU does buy the facility, it will create some precedent for other areas of the state to pursue similar strategies.

These competing local political concerns create the need for a balanced response from MnSCU and state officials.

5.4.5 Costs

South Central College, Faribault

Many community members expressed concern that the current SCC, Faribault campus is old, deteriorating, inadequate to meet current needs, and poorly located. However, there are only modest deferred maintenance costs associated with the building at this time (about \$1 million). These deferred maintenance costs are projected to climb to over \$6.6 million in 10 years. Thus, an extensive “make-over” may be prudent in the short term, as a considerable portion of these backlogged costs could be eliminated.

Cost for renovating a substantial proportion of the campus space (e.g., 70,000 GSF of the total 91,567 GSF) is estimated at \$8 to \$9 million in today's dollars. Renovation could help accommodate more instructional space, improve operating efficiencies, and include options for distance education alternatives.

If additional space were needed (e.g., 15,000 GSF to accommodate an additional 85 FYE), it could cost approximately \$3 to \$3.5 million.

Owatonna College and University Center

Annual costs for Riverland Community College to lease the OCUC are substantial (\$466,902) and will be increasing by \$65,000 per year for 2006 and 2007 to repay deferred obligations. The rate of nearly \$19/GSF is reportedly high for current rental rates. The terms, duration, and structure of the OCUC lease, as well as the ability to modify the existing space to match need, are unfavorable for RCC and MnSCU. Though it may cost upwards of \$5 million to buy out the terms of the lease agreement and own the building outright, this may be a better long-term solution than leasing the OCUC or building a new facility nearby. The OCUC is in good condition, therefore, deferred maintenance and operational costs directly related to facilities would be minimized for the foreseeable future.

If the OCUC were purchased by MnSCU and the space was doubled through an addition at an estimated cost of \$5 to \$6 million, the total facility cost could exceed \$10 million.

5.4.6 Management/Delivery Model

In the event MnSCU buys the OCUC, Riverland Community College will remain the primary tenant and other providers will continue to offer access to their programs through this site, as deemed necessary.

MSU, Mankato has indicated an interest in offering more bachelor's and graduate-level programming in the local area, and through some collaboration, this could be accomplished at the OCUC.

Though there appears to be unused capacity at the OCUC, course offerings at times most convenient to nontraditional working adults could quickly consume that space.

There are many examples throughout the country of joint use or shared off-campus “centers” such as the OCUC, but most are the only public 4-year and graduate degree programming options readily available in the surrounding market, and quite often serve a population much greater than found across the entire four-county South I-35 corridor. One of two management models are typically in place at these off-campus centers. In the first model, the predominant provider, the one offering the most courses or having the largest share of on-site enrollments (often a senior institution), manages or oversees the facility. In the second model, (typically a joint-ownership or multiple-provider site) an independent director is a co-hire of the major tenants, and provides management services for the center. Either of these two models may be appropriate for the OCUC, if it becomes a permanent site for MnSCU programs.

Distance education options could be utilized at the OCUC as well to expand programming with less of an impact on facility capacity.

5.5 Recommendations

The recommendations below are based on MGT’s observations, visits, discussions, and review of data and market potential for the four-county area. We offer the respective recommendations to MnSCU officials as they contemplate possible scenarios and options for both the SCC, Faribault campus and the Owatonna College and University Center, all while attempting to enhance the higher education opportunities available to residents of the South I-35 region as a whole.

Recommendation 1:

MGT recommends that MnSCU continue its current level of effort to deliver two-year degree, certificate, diploma, and career programs through the existing two institutions predominantly active in the area: Riverland Community College and South Central College.

Rationale: Much of the potential demand in the four-county area remains in industry sectors and fields that do not typically hire large numbers of baccalaureate or graduate degree holders. We foresee that the bulk of the local need for training and education will continue to be at the technical skills and two-year transfer program level.

Recommendation 2:

MGT recommends that MnSCU officials first consider the option to renovate a substantial portion of the existing South Central College, Faribault campus space in order to enhance the infrastructure, improve distance education options on site, and generally create a modern, collegiate environment.

Rationale: Though the existing South Central Faribault campus is older and not in the most visible and accessible location as community leaders would like, it is

an established and recognized site for technical and skills training and education. Despite space and facility concerns, the college has performed its historical mission well and continues to develop programs that meet local needs. It is also expanding college transfer programming as part of its new mission under MnSCU. It is anticipated that, in the immediate future, the Faribault campus will realize modest gains in its FYE and will require improved space for potential on-site and distance learning instruction, including limited baccalaureate degree completion opportunities provided by a MnSCU senior institution. The current facility is in need of updating and modernizing. The identified demand for program expansion does not however, support the substantial investment required for a new facility or campus.

Recommendation 3:

MGT recommends that MnSCU establish a more permanent presence in Steele County.

Rationale: Through its various institutions, MnSCU serves an important role in the region by providing students with access to liberal arts and skills courses at all levels through the OCUC. In particular, Riverland Community College's enrollment history at the OCUC has been significant and sustained. Continued enrollment trends signal an opportunity for MnSCU to establish a permanent presence in the community. In 2005, RCC accounted for nearly 87 percent of the enrollments at the OCUC. The college's involvement in providing education and training programs in Owatonna and Steele County is critical to the total enrollment base of RCC as well. RCC counts on the OCUC operations for a substantial portion of its enrollment headcount and FYE. In addition to RCC, MSU, Mankato and other public and private providers offer courses and degree programs at the OCUC on an as-needed basis.

One option to ensure a continued and permanent presence in Steele County is for MnSCU to purchase the OCUC, if favorable terms can be negotiated.

Recommendation 4:

MGT recommends that MnSCU assign Minnesota State University, Mankato the lead responsibility in addressing baccalaureate and graduate degree programming in the four-county region. In responding to need, MSU, Mankato should collaborate with the two-year institutions and take full advantage of the existing facilities and infrastructure.

Rationale: Despite generally moderate demand for bachelor's degree and graduate programs in the South I-35 corridor, some pockets of need were identified. Occupational projections and evidence from our interviews indicate that these pockets of demand are in the areas of health care, business management, finance, and education. It would be in the best interest of the MnSCU system as a whole, MnSCU institutions currently located in this four-county area, as well as local residents, employers, and communities to explore options for offering baccalaureate and graduate-level programs on an as-needed

basis. With the current facility in Faribault and the possibility of a more permanent facility in Owatonna, MnSCU can utilize both sites to meet baccalaureate and graduate program needs as they arise. If this direction is taken, it will require a collaborative model for management and operation of the permanent site in Owatonna.

APPENDICES

APPENDIX A:
PERSONAL INTERVIEWS BY TYPE

APPENDIX A

PERSONAL INTERVIEWS BY TYPE

Community Leaders

1. Mr. Dick Day, MN State Senator - District 26
2. Ms. Patti Fritz, MN State Representative - District 26B
3. Ms. Connie Ruth, MN State Representative - District 26A
4. Mr. Ray Cox, MN State Representative - District 25B
5. Mr. Chuck Ackman, Mayor - City of Faribault
6. Mr. Tom Kuntz, Mayor - City of Owatonna
7. Mr. Gary Weiers, Administrator - Rice County Government
8. Mr. Brad Meier, President & CEO - Owatonna Area Chamber of Commerce
9. Mr. Peter Waldock, Economic Development Office - City of Faribault
10. Mr. Larry Dukes, President - Waseca Chamber of Commerce
11. Mr. Charlie Kyte, Director - MN Association of School Administrators

Education Leaders

1. Dr. Richard Davenport, President - Minnesota State University, Mankato
2. Dr. Keith Stover, President - South Central College
3. Dr. Terrance Leas, President - Riverland Community College
4. Dr. Robert Hoffman, Former Chair - MnSCU Board of Trustees

Major Employers

1. Ms. Paula Patton, Publisher & Editor - Faribault Daily News
2. Mr. Jay Valentyn, Owner - Cedar Lake Electric, Inc.
3. Mr. James Wolf, CEO - District One Hospital
4. Ms. May Golden, Director - Marathon Multimedia
5. Mr. Michael Gramse, Owner - MRG Tool & Die Corp.
6. Dr. Gwen Jackson, Superintendent - Faribault Public Schools - ISD 656
7. Mr. Alan Shank, Store Director - Hy-Vee Food Store (Faribault)
8. Mr. Ken Bank, President and CEO - Northfield Hospital
9. Dr. Chris Richardson, Superintendent - Northfield Public Schools
10. Mr. Paul Holzhueter, Owner - Malt-O-Meal
11. Mr. Don Pyatt, President - Viracon
12. Mr. Dom Korbel, Training Manager - Truth Hardware
13. Mr. Bill Fierke, Director of Human Resources - Wenger Corporation
14. Mr. Jim Wendorff, VP of Human Resources - Viracon
15. Ms. Jennifer Noeldner, Human Resources Manager - Cybex
16. Mr. Jay Johnson, President - Bushel Boy
17. Mr. Mark Walbran, Attorney - Walbran, Furness & Leuning Charter
18. Ms. Sabra Otteson, President - JC Press
19. Mr. Harry Popiel, President of Human Resources - Brown Printing
20. Mr. Michael Meillier, Administrator/Owner - Pleasant manor Nursing Facility
21. Mr. Tim McManimon, President – Owatonna Office - Profinium Financial
22. Ms. Lisa Hyland, Employee Relations Director - Federated Insurance

High School Guidance Offices

1. Mr. David Lynch, Guidance Counselor - Northfield Senior High School
2. Ms. Viki Berden, Guidance Counselor - Owatonna Senior High School
3. Ms. Becky Martin, Guidance Counselor - Triton Senior High School

APPENDIX B:
MAJOR EMPLOYERS
BY COMMUNITY

APPENDIX B

MAJOR EMPLOYERS BY COMMUNITY

Faribault

1. Faribault Public Schools - ISD 656
2. Hy-Vee Food Store
3. McQuay International
4. Jennie-O Turkey Store
5. District One Hospital
6. Crown Cork & Seal
7. Rust Consulting, Inc.
8. Allina Medical Clinic - Faribault
9. Met-Con Lumber & Hardware
10. Faribault Foods, Inc.
11. Mercury Minnesota
12. Walmart
13. Minnesota Correctional Facility-Faribault
14. Government Services Center
15. Minnesota State Academy for the Deaf
16. Minnesota State Academy for the Blind
17. Viratec Thin Films

Owatonna

1. Owatonna Clinic Mayo Health System
2. Allina
3. Federated Insurance
4. Viracon
5. Owatonna Public Schools
6. Truth Hardware
7. SPX
8. Wenger Corporation
9. Lakeside Foods
10. Cybex
11. Jostens
12. Cabela's
13. Steele County
14. Owatonna Hospital

Northfield

1. Northfield Public Schools
2. Carleton College
3. St. Olaf College
4. Northfield Hospital
5. Malt-O-Meal
6. Cardinal Glass CG
7. McClane Company
8. Allina Medical Clinic
9. Northfield Retirement Center
10. Three Links Care Center
11. Target
12. Cub Foods

13. Laura Baker School
14. Northfield Public Schools
15. Sheldahl Materials & Flex Interconnects

Waseca

1. Brown Printing
2. BIRDS EYE FOODS, INC.
3. ELM HOMES
4. FEDERAL CORRECTIONAL INSTITUTION
5. MEDIACOM
6. WASECA MEDICAL CENTER/MAYO HEALTH SYSTEM
7. WINEGAR, INC.
8. ITRON, INC. 2401 N. State St.,
9. Waseca Public Schools
10. Emerson Network Power Connectivity Solutions
11. Waseca County
12. Walmart

Dodge County

1. Hayfield Window & Door Co (Hayfield)
2. Field Crest Nursing Home (Hayfield)
3. Prairie Manor Nursing Home (Blooming Prairie)
4. Arkema Inc, North America (Blooming Prairie)
5. Metal Services of Bloomington Prairie (Blooming Prairie)
6. Swenke CO (Kasson)
7. Images On Metal (Kasson)
8. Mc Neilus Companies (Dodge Center)
9. Fairview Nursing Home (Dodge Center)
10. Mc Neilus Steel Inc (Dodge Center)
11. Energy Economics Inc (Dodge Center)
12. RDM of Minnesota (Dodge Center)