
Higher Education Needs of Southwest Minnesota

FINAL REPORT



Minnesota
STATE COLLEGES
& UNIVERSITIES

Submitted to:
Minnesota State Colleges and Universities,
Office of the Chancellor

Submitted by:
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June 30, 2011

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APPENDIX A: Stakeholder Participants in Interviews and Group Sessions

1.0 INTRODUCTION

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Often an academic needs assessment is conducted in reaction to a call for additional programming or access issues that emerge related to a particular market, service area, or industry sector. Other times, it is a response to operating in a highly competitive environment to help make decisions about program mix, delivery options, and potential demand. Most studies typically originate from an institution, an economic development initiative or a grassroots community element. In this instance, the state system has taken advantage of an opportunity to reassess how it provides access to higher education in this large region through two of its member institutions.

1.1 Background

Understanding and serving the needs of Minnesota's southwest region are important to the Minnesota State Colleges and Universities system ("the system"). The following factors prompted the system to conduct a study of the region:

1. The announced retirement of Southwest Minnesota State University (SMSU) President Danahar in June 2011 presented an opportunity to study governance options, including administrative alignment with Minnesota West Community and Technical College (Minnesota West), a five-campus community and technical college;
2. The changing demographics, economics and other market conditions in the region warranted an assessment of resource capacity and academic program offerings; and
3. The current and future needs of regional industries and communities provide further opportunities for alignment of institution programming and services across Southwest Minnesota.

1.2 Study Components

The system Office of the Chancellor engaged MGT of America, Inc., a national higher education research and planning firm, to conduct a study and make recommendations to the system chancellor. The key objectives of the study were to:

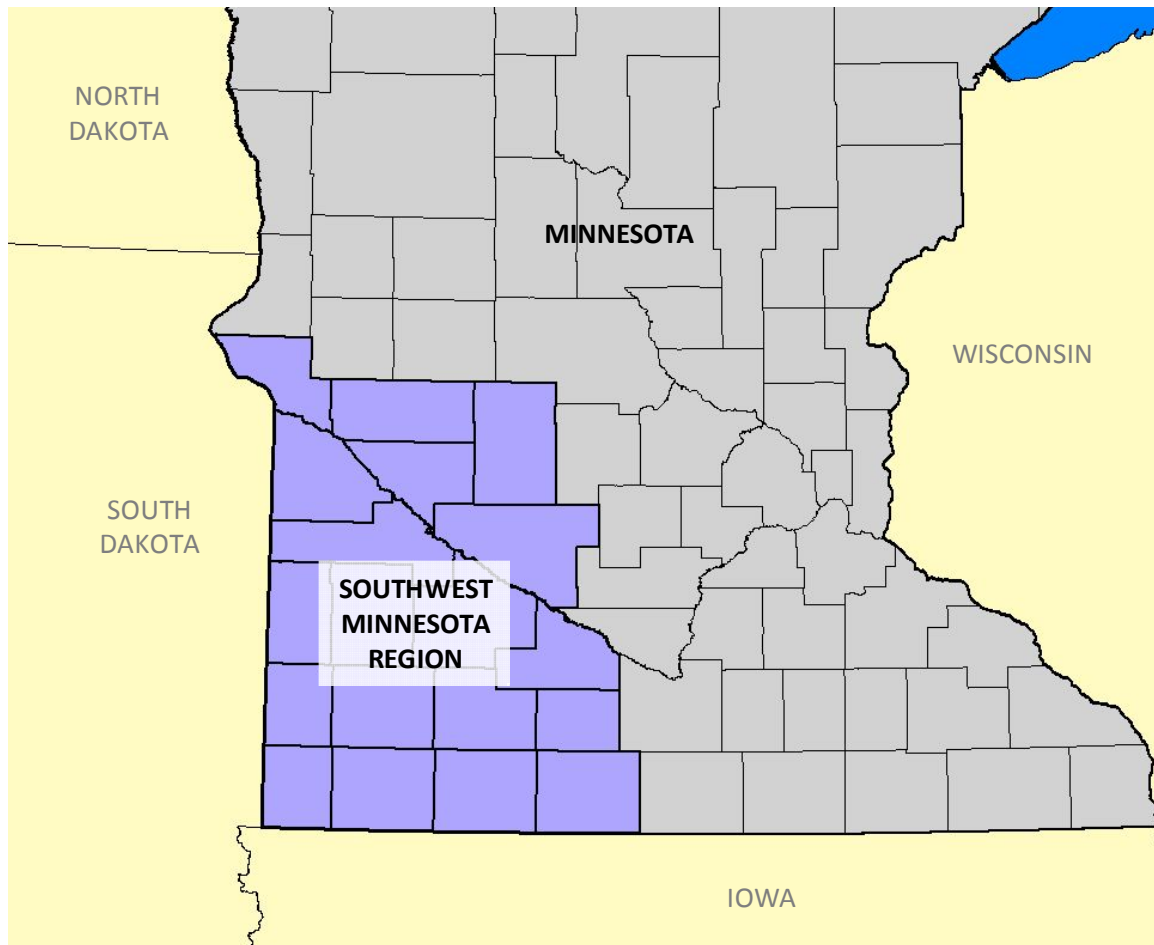
- Review the regional higher education needs of Southwest Minnesota (19-county area).
- Examine strategies to better align programs, services and efforts of the two system institutions (SMSU and Minnesota West) whose primary responsibility is to serve this region.

The approach developed by MGT and approved by the system included the following:

- Needs assessment – Provide analysis of demographic, economic and workforce data and of institutional mission, programs and capacity to meet changing regional needs.
- Stakeholder input – Engage stakeholders in looking at the current and future needs of the region. MGT staff visited Southwest Minnesota to engage in activities and analysis that inform the overall study including:
 - Interviews and focus groups with key stakeholders, including civic, political and industry leaders, and local faculty, administration and students at each institution. This was accomplished by the study team conducting two weeks of on-site visits and numerous follow-up interviews via telephone.
 - Surveys to assess interest in higher education programs by current students at both institutions and needs of the regional employer base.
- Develop conclusions and recommendations for system consideration.

1.3 Geographic Area of Focus

The study focused on the 19 Minnesota counties of Southwest Minnesota. The assessment of institutional mission, programs and capacity focused on Southwest Minnesota State University in Marshall and Minnesota West with five campuses in Canby, Granite Falls, Jackson, Pipestone, and Worthington and four small learning centers in Fairmont, Luverne, Marshall, and Redwood Falls. The region is depicted in **Exhibit 1-1**.

**EXHIBIT 1-1
SOUTHWEST MINNESOTA REGION**

Source: MGT of America, Inc.

1.4 Potential Outcome

Over the last ten years, through the work of faculty and staff under the leadership of President Danahar and his administration, a number of accomplishments have been realized in both the academic and community service areas of SMSU. The positive impact of these changes was widely acknowledged by appreciative businesses and community leaders during the consultant team visit to the campus. This study is intended to extend these efforts and help set the stage for the next President and his/her team to focus on continued improvement and growth of the institution and, in turn, enhance the higher education opportunities across the region.

Likewise, during our visits to the Minnesota West campuses, community and business leaders expressed their satisfaction and appreciation for the responsiveness and flexibility demonstrated by the college under the direction of President Shrubbs and his team in adapting to the ever-changing training and education needs of their respective locales.

The study identified key higher education programs and services needed by the region now and in the future. It explored administrative and organizational structures, including the current institutional configuration, and other approaches that could include consolidation, administrative alignment, or other programmatic and financial opportunities to enhance or sustain programs and services in the region.

The following chapters provide the findings and observations from the consultant team's data collection and analysis, as well as conclusions and a set of recommended strategies for system officials to consider.

- 2.0 Regional Market Conditions
- 3.0 Institutional Descriptions
- 4.0 Stakeholder Input
- 5.0 Identification of Needs
- 6.0 Conclusions and Recommendations

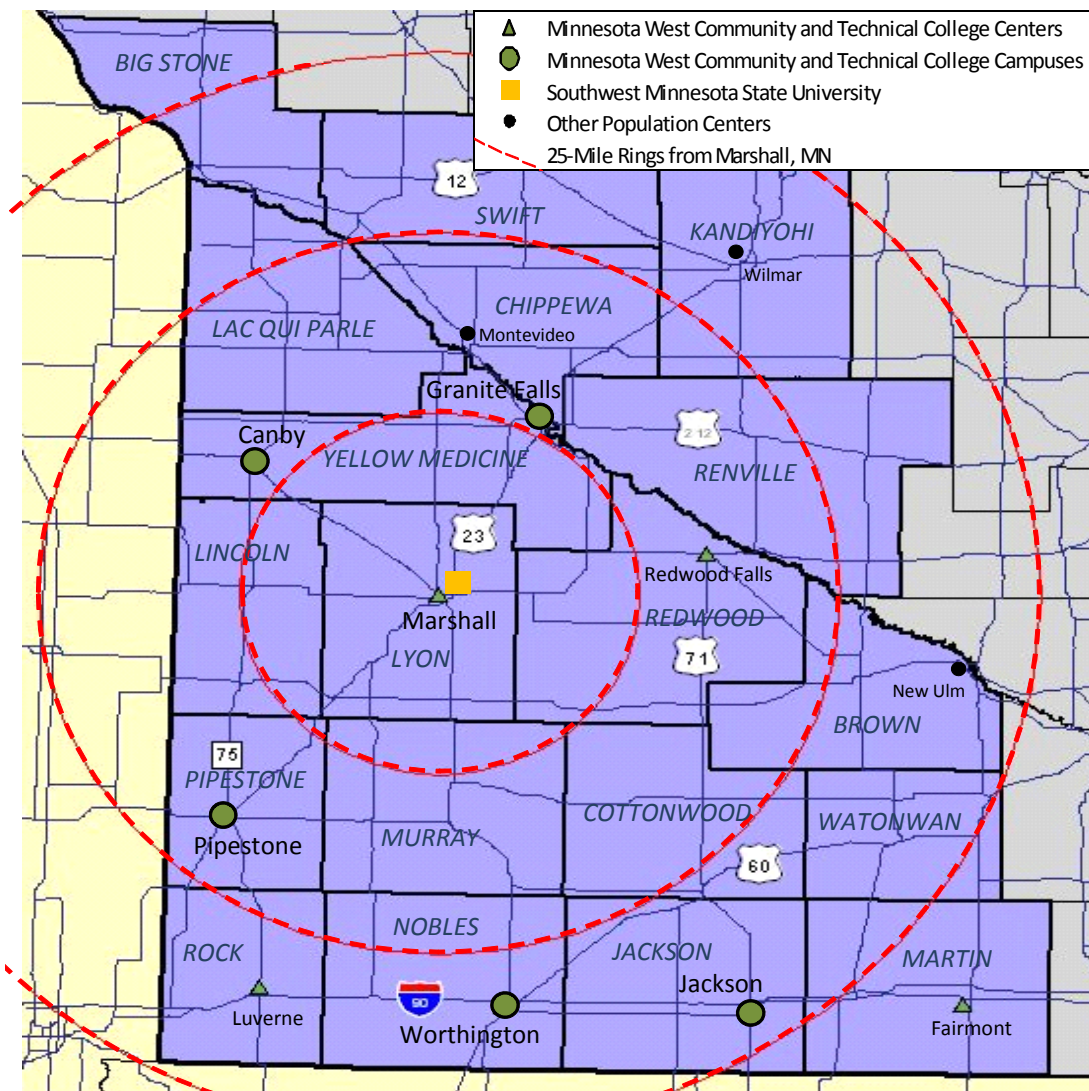
An appendix at the conclusion of the report provides an account of stakeholders that participated in interviews or focus groups with the consulting team.

2.0 MARKET ANALYSIS

2.0 MARKET ANALYSIS

This chapter presents an overview of the service area of the Southwest Minnesota region. For the purpose of this analysis, the Southwest Minnesota market includes the following counties: Big Stone, Brown, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, Martin, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, Watonwan, and Yellow Medicine counties. **Exhibit 2-1** depicts the location of each of the 19 counties.

**EXHIBIT 2-1
SOUTHWEST MINNESOTA REGION COUNTIES**



Source: Created by MGT of America, Inc.

Also included are reviews of population trends and projections, including demographic components of change, educational data profiling enrollment and attainment levels

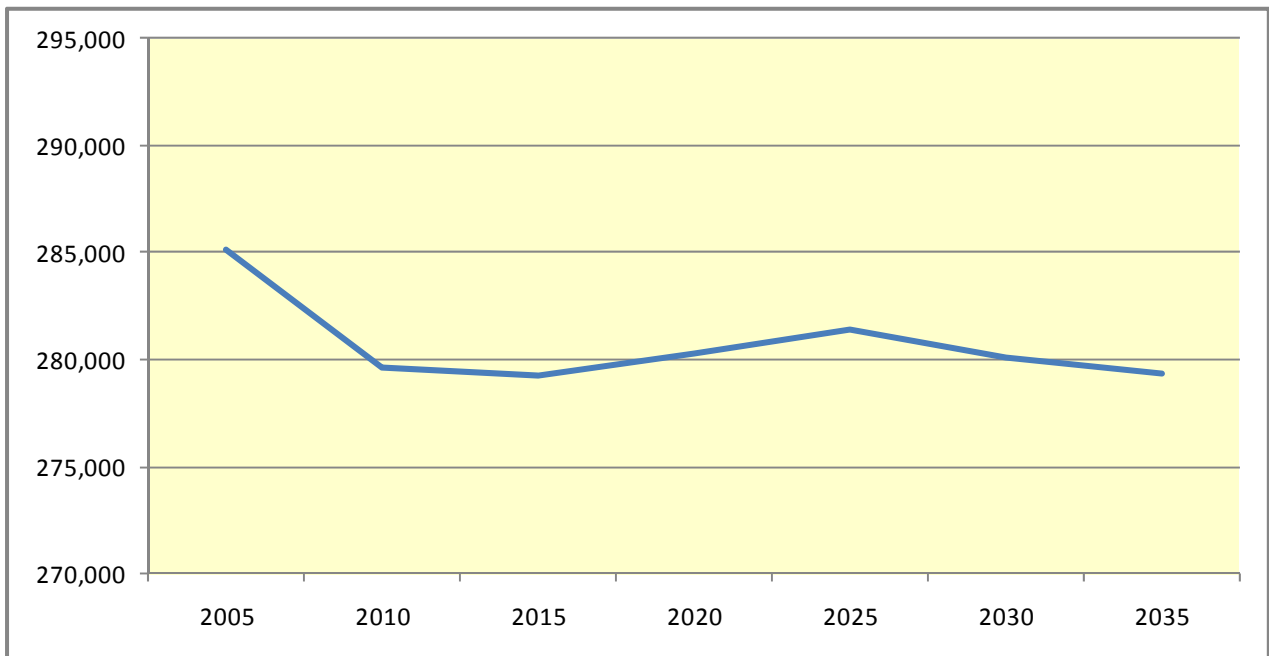
throughout the region, a review of enrollment levels at postsecondary providers in the area, and an analysis of recent economic trends and projections. These data elements collectively serve to establish a framework for assessing the need for and supply of postsecondary educational services in the region, as well as to identify any opportunities to align postsecondary providers in the region. This, combined with data in later chapters, enables the estimation of demand for postsecondary educational services and programs in the region.

2.1 Population Trends and Projections

This section presents data profiling the Southwest Minnesota region's population levels and composition according to key demographic segments. The information was drawn from the Minnesota State Demographic Center, Economic Modeling Specialists, Inc. (EMSI), and the United States Census. These data cover the Southwest Minnesota region as a whole, as well as the 19 individual counties.

Exhibit 2-2 depicts an overall population projection for the Southwest Minnesota region covering the sum of the 19 counties. The most recent (2010) estimate of population of just below 280,000 for the aggregated region represents a decline of about two percent below the 2005 population level of 285,000. The population is expected to drop to 279,000 by 2015, a decrease of approximately 1,000 residents below 2010 estimates, or a 0.4 percent decline over this five-year period.

**EXHIBIT 2-2
POPULATION ESTIMATES AND PROJECTIONS FOR THE SOUTHWEST
MINNESOTA REGION, 2005 THROUGH 2035**



Source: Minnesota State Demographic Center.

Exhibit 2-3 displays the population changes between 2000 and 2010 for the 19 individual counties in the region. Over the 10-year timeframe, only three of these counties experienced growth: Kandiyohi (2.5% growth), Lyon (1.7%), and Nobles (2.6%).

**EXHIBIT 2-3
SOUTHWEST MINNESOTA REGION CENSUS POPULATION CHANGES BY
COUNTY, 2000 TO 2010**

| Population by County, 2000 -2010 | | | | |
|---|----------------|----------------|---------------------|-----------------------|
| County | 2000 | 2010 | Change 2000-2010 | % Change 2000-2010 |
| Big Stone | 5,820 | 5,269 | -551 | -9.5% |
| Brown | 26,911 | 25,893 | -1,018 | -3.8% |
| Chippewa | 13,088 | 12,441 | -647 | -4.9% |
| Cottonwood | 12,167 | 11,687 | -480 | -3.9% |
| Jackson | 11,268 | 10,266 | -1,002 | -8.9% |
| Kandiyohi | 41,203 | 42,239 | 1,036 | 2.5% |
| Lac Qui Parle | 8,067 | 7,259 | -808 | -10.0% |
| Lincoln | 6,429 | 5,896 | -533 | -8.3% |
| Lyon | 25,425 | 25,857 | 432 | 1.7% |
| Martin | 21,802 | 20,840 | -962 | -4.4% |
| Murray | 9,165 | 8,725 | -440 | -4.8% |
| Nobles | 20,832 | 21,378 | 546 | 2.6% |
| Pipestone | 9,895 | 9,596 | -299 | -3.0% |
| Redwood | 16,815 | 16,059 | -756 | -4.5% |
| Renville | 17,154 | 15,730 | -1,424 | -8.3% |
| Rock | 9,721 | 9,687 | -34 | -0.3% |
| Swift | 11,956 | 9,783 | -2,173 | -18.2% |
| Watonwan | 11,876 | 11,211 | -665 | -5.6% |
| Yellow Medicine | 11,080 | 10,438 | -642 | -5.8% |
| Region | 290,674 | 280,254 | -10,420 | -3.6% |

Source: U.S. Census Bureau, 2010.

Exhibit 2-4 displays the 2010 through 2035 population estimates and projections for the 19 individual counties in the region. Over both the 2010-20 and 2010-35 timeframes, the same 10 counties are projected to experience declines in population: Big Stone, Lac Qui Parle, Lyon, Martin, Murray, Nobles, Pipestone, Redwood, Watonwan, and Yellow Medicine.

**EXHIBIT 2-4
PROJECTED SOUTHWEST MINNESOTA REGION CENSUS
POPULATION CHANGES BY COUNTY, 2010 TO 2035**

| Projected Population by County, 2010 - 2035* | | | | | | | | |
|---|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| County | 2010 Estimate | 2015 Projection | 2020 Projection | 2025 Projection | 2030 Projection | 2035 Projection | %Change 2010 - 2020 | %Change 2010 - 2035 |
| Big Stone | 5,269 | 5,190 | 5,160 | 5,160 | 5,110 | 5,060 | -2.1% | -4.0% |
| Brown | 25,893 | 26,760 | 26,990 | 27,240 | 27,280 | 27,340 | 4.2% | 5.6% |
| Chippewa | 12,441 | 12,890 | 13,040 | 13,200 | 13,130 | 13,130 | 4.8% | 5.5% |
| Cottonwood | 11,687 | 11,640 | 11,690 | 11,760 | 11,740 | 11,740 | 0.0% | 0.5% |
| Jackson | 10,266 | 11,300 | 11,390 | 11,490 | 11,490 | 11,550 | 10.9% | 12.5% |
| Kandiyohi | 42,239 | 42,630 | 43,320 | 43,930 | 44,080 | 44,180 | 2.6% | 4.6% |
| Lac Qui Parle | 7,259 | 6,940 | 6,830 | 6,770 | 6,640 | 6,520 | -5.9% | -10.2% |
| Lincoln | 5,896 | 5,920 | 5,970 | 6,000 | 5,950 | 5,930 | 1.3% | 0.6% |
| Lyon | 25,857 | 24,140 | 24,210 | 24,380 | 24,250 | 24,220 | -6.4% | -6.3% |
| Martin | 20,840 | 20,140 | 19,970 | 19,870 | 19,620 | 19,420 | -4.2% | -6.8% |
| Murray | 8,725 | 8,500 | 8,460 | 8,440 | 8,340 | 8,250 | -3.0% | -5.4% |
| Nobles | 21,378 | 20,540 | 20,630 | 20,710 | 20,590 | 20,510 | -3.5% | -4.1% |
| Pipestone | 9,596 | 9,210 | 9,270 | 9,320 | 9,250 | 9,210 | -3.4% | -4.0% |
| Redwood | 16,059 | 15,480 | 15,430 | 15,390 | 15,280 | 15,200 | -3.9% | -5.3% |
| Renville | 15,730 | 17,060 | 17,300 | 17,540 | 17,590 | 17,660 | 10.0% | 12.3% |
| Rock | 9,687 | 9,740 | 9,890 | 10,000 | 10,010 | 10,020 | 2.1% | 3.4% |
| Swift | 9,783 | 10,510 | 10,300 | 10,150 | 9,960 | 9,800 | 5.3% | 0.2% |
| Watonwan | 11,211 | 10,670 | 10,500 | 10,360 | 10,170 | 10,020 | -6.3% | -10.6% |
| Yellow Medicine | 10,438 | 9,980 | 9,970 | 9,720 | 9,660 | 9,600 | -4.5% | -8.0% |
| Region | 280,254 | 279,240 | 280,320 | 281,430 | 280,140 | 279,360 | 0.0% | -0.3% |

Source: U.S. Census Bureau, 2010; Minnesota State Demographic Center.

*2015 – 2035 projections are based on 2005 U.S. Census Bureau estimates, modified by the Minnesota State Demographic Center.

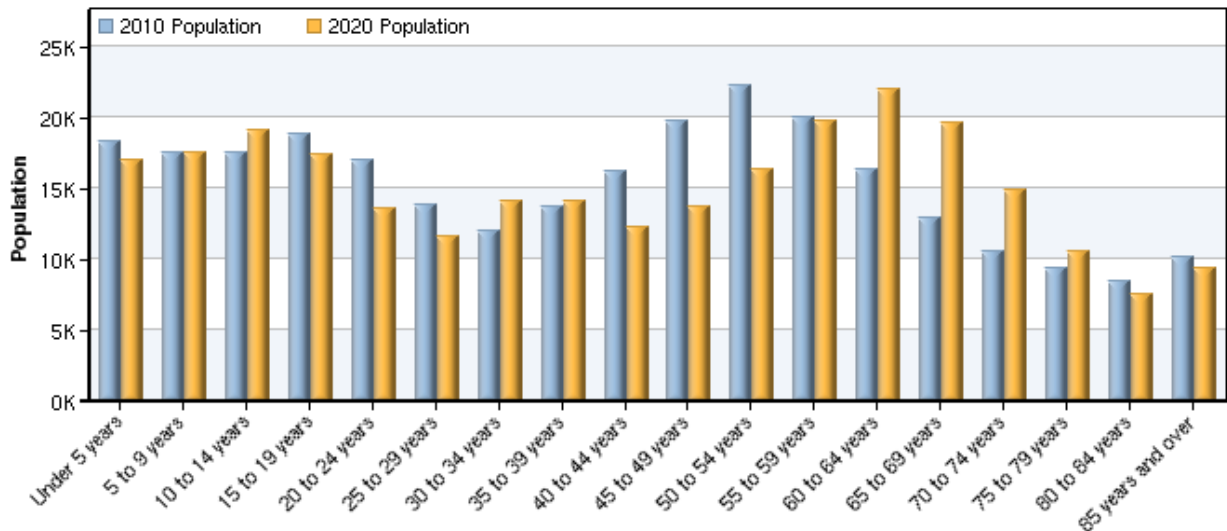
The forecasted population changes for the ethnic groups residing in the Southwest Minnesota region do not suggest any significant changes for the area. Although the group will experience a decline, it is apparent that the White, Non-Hispanic population will remain dominate through 2020. Otherwise, the White Hispanic population will experience some slight growth over this 10-year timeframe while the remaining ethnic groups are expected to remain consistent over this period.¹

Relative to prospective program demand in the region, it is important to analyze this forecasted growth according to selected age groups. Most pertinent is to distinguish between the 15 to 19 and 18 to 24 year old groups – the “traditional” age enrollment segment for this time frame – and the 25 to 44 and 45 to 64 year old “nontraditional” enrollment segments. The typical students originating from each of these respective segments have different needs and requirements for access to programs and services. Traditional students most often enroll in higher education programs directly upon completion of high school, are more likely to enroll on a full-time basis, and usually take coursework during normal business hours. Alternately, the nontraditional market primarily is comprised of older working adults, some with families, who are frequently employed on a full-time basis. Therefore, this older market generally prefers alternative academic programming formats, such as night classes at off-campus centers (located close to their homes or places of work); online programs convenient for completing coursework off-site or off-hours; or other flexible distance learning delivery methods. It should be noted that the above characteristics are not universally applicable between these age groups; segments of the traditional-age group can often also be place-bound (that is, not able to participate in programs far away from jobs or home), and require nontraditional program formats and offerings to meet their needs as well.

Several important characteristics of the composition of the area’s growth are seen when dissecting the projections by county according to these age groups. **Exhibit 2-5** depicts forecasted population growth by age for the region. The exhibit has implications for both SMSU and Minnesota West.

¹ Population Projections by Race/Ethnicity, 2010 to 2020. EMSI Complete Employment – 4th Quarter 2010.

**EXHIBIT 2-5
POPULATION GROWTH BY AGE
2010 TO 2020**



Source: EMSI Complete Employment - 4th Quarter 2010.

Some observations regarding this analysis include the following:

- The total population of 15 to 19 and 20 to 24 year olds across the entire area is expected to decline by nearly 6,000 persons over the 2010 through 2020 period, with the 20 to 24 year old group facing the biggest loss.
- The total nontraditional population segments (25 to 64 year olds) across the entire area are expected to decline by approximately 10,000 persons over the 2010 through 2020 period, with the 45 to 49 and 50 to 54 year olds facing the biggest losses.
- Although the entirety of the nontraditional population segment is declining, the 30 to 34, 35 to 39, and 60 to 64 year olds are exceptions to the broader trend. Each of these groups is forecasted to grow by varying amounts over this time.
- Within the traditional and nontraditional population segments, the 60 to 64 year olds age group will experience the most growth over this time. The group is forecasted to grow by approximately 7,000 persons, or 39 percent. Unfortunately, the segments of the population toward the upper bounds of the encompassed groups are the least likely to enroll in postsecondary programs.

Other demographic characteristics of the area are also shifting. **Exhibit 2-6** depicts the population changes over the last decade, by race and ethnicity, for each of the service area counties, the region as a whole, and the state. Observations include the following:

- The largest source of growth for the region is the Hispanic population, with over 7,600 additional residents added to the region over the last decade.

- While this growth component is observed in each of the counties, the largest segments occur in Kandiyohi and Nobles counties.
- The growth in the local Hispanic communities not only outpaces the state rate, but, when combined with the declining trends in White/majority populations in the region, it is evident that the market for educational services is changing quite dramatically from this perspective. The Hispanic population has increased as a share of the total population from about 4.2 percent in 2000 to over 7.1 percent in 2010.

**EXHIBIT 2-6
POPULATION CHANGE BY RACE AND ETHNICITY, 2000 THROUGH 2010**

| Geographic Area | Total Population (2010) | 2000-2010 Changes by Race/Ethnicity | | | | | | | | |
|-----------------------|-------------------------|-------------------------------------|-----------------|---------------------------------|---|---------------|--|--------------------|-------------------------|--|
| | | All Races/ Ethnicities | White | Black or African American | American Indian and Alaska Native | Asian | Native Hawaiian and Other Pacific Islander | Some Other race | Two or more races | Hispanic or Latino (of any Race)* |
| Big Stone | 5,269 | (551) | (554) | 1 | (8) | (20) | 0 | 8 | 22 | 21 |
| Brown | 25,893 | (1,018) | (1,080) | 34 | (10) | 42 | (2) | (16) | 14 | 315 |
| Chippewa | 12,441 | (647) | (1,034) | 42 | (12) | 18 | 94 | 194 | 51 | 360 |
| Cottonwood | 11,687 | (480) | (814) | 46 | (1) | 119 | 7 | 154 | 9 | 453 |
| Jackson | 10,266 | (1,002) | (1,108) | 37 | 11 | (15) | 1 | 11 | 61 | 67 |
| Kandiyohi | 42,239 | 1,036 | 630 | 775 | (8) | 14 | (8) | (498) | 131 | 1,415 |
| Lac Qui Parle | 7,259 | (808) | (887) | 4 | (1) | 3 | 3 | 40 | 30 | 87 |
| Lincoln | 5,896 | (533) | (576) | 5 | (9) | 1 | 0 | 16 | 30 | 17 |
| Lyon | 25,857 | 432 | (432) | 209 | 34 | 254 | 2 | 227 | 138 | 532 |
| Martin | 20,840 | (962) | (1,053) | 9 | 37 | 13 | 1 | 3 | 28 | 323 |
| Murray | 8,725 | (440) | (578) | 16 | (9) | 59 | 0 | 62 | 10 | 107 |
| Nobles | 21,378 | 546 | (1,813) | 520 | 47 | 338 | (5) | 1,362 | 97 | 2,495 |
| Pipestone | 9,596 | (299) | (591) | 39 | (46) | 23 | (2) | 190 | 88 | 286 |
| Redwood | 16,059 | (756) | (1,664) | 53 | 252 | 454 | (9) | (14) | 172 | 143 |
| Renville | 15,730 | (1,424) | (1,405) | 34 | 4 | 19 | 3 | (119) | 40 | 170 |
| Rock | 9,687 | (34) | (91) | 7 | (8) | (7) | (1) | 4 | 62 | 73 |
| Swift | 9,783 | (2,173) | (1,387) | (273) | (24) | (150) | (179) | (38) | (122) | 30 |
| Watonwan | 11,211 | (665) | (775) | 38 | 23 | (14) | 0 | 75 | (12) | 534 |
| Yellow Medicine | 10,438 | (642) | (841) | 4 | 88 | 14 | 5 | 36 | 52 | 202 |
| Region (SW MN) | 280,254 | (10,420) | (16,053) | 1,600 | 360 | 1,165 | (90) | 1,697 | 901 | 7,630 |
| % of Base (2000) | n/a | -3.6% | -5.5% | 0.6% | 0.1% | 0.4% | 0.0% | 0.6% | 0.3% | 2.6% |
| Minnesota | 5,303,925 | 384,446 | 123,780 | 102,681 | 5,949 | 72,266 | 177 | 37,190 | 42,403 | 106,876 |
| % of Base (2000) | n/a | 7.8% | 2.5% | 2.1% | 0.1% | 1.5% | 0.0% | 0.8% | 0.9% | 2.2% |

Source: U.S. Census Bureau, 2000 and 2010 Census data.

In isolation, the net of these assorted population analyses suggests an area with a declining market for postsecondary educational services as the overall size of proverbial enrollment pie is diminishing in a variety of respects. However, the volatility of economic circumstances in recent years could counter some of these negative trends as pronounced shifts in industries and necessary skills for employment typically drive postsecondary educational demand upward as workers look to refashion their skill sets into more marketable areas.

2.2 Economic Profile of the Southwest Minnesota Region

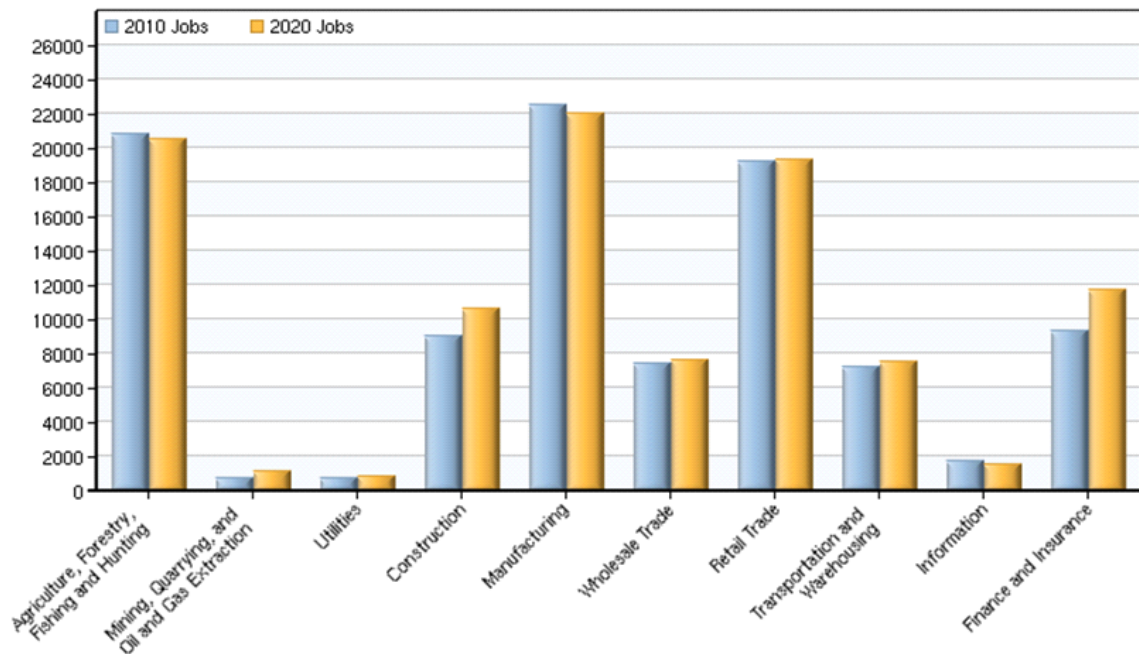
To provide a basis for establishing volume and composition of general training needs in the area to support economic development, this section of the report documents assorted labor market statistics. These analyses provide some insight and context

relative to the strongest areas of growth (or decline) by industry and occupation. These analyses can be useful for academic planning efforts to tailor programs to the market's needs.

Projected employment levels by industry are depicted in **Exhibit 2-7**. The following components of the labor market are expected to experience growth between 2010 and 2020:

- Construction,
- Finance and Insurance,
- Mining, Quarrying, and Oil and Gas Extraction,
- Retail Trade,
- Transportation and Warehousing,
- Utilities, and
- Wholesale Trade.

EXHIBIT 2-7
INDUSTRY BREAKDOWN IN THE SOUTHWEST MINNESOTA REGION
2010 TO 2020



Source: EMSI Complete Employment - 4th Quarter 2010.

Projections of industrial growth are presented in **Exhibit 2-8**. Growth in seven different sectors is expected to exceed 200 new jobs on an annual basis:

- Education and Health Services,
- Professional and Business Services,
- Construction,
- Leisure and Hospitality,
- Other Services (Except Public Administration),
- Financial Activities, and

- Trade, Transportation, and Utilities

Note that the projection of 200 new jobs reflects a net increase and does not account for additional hiring to replace departing staff.

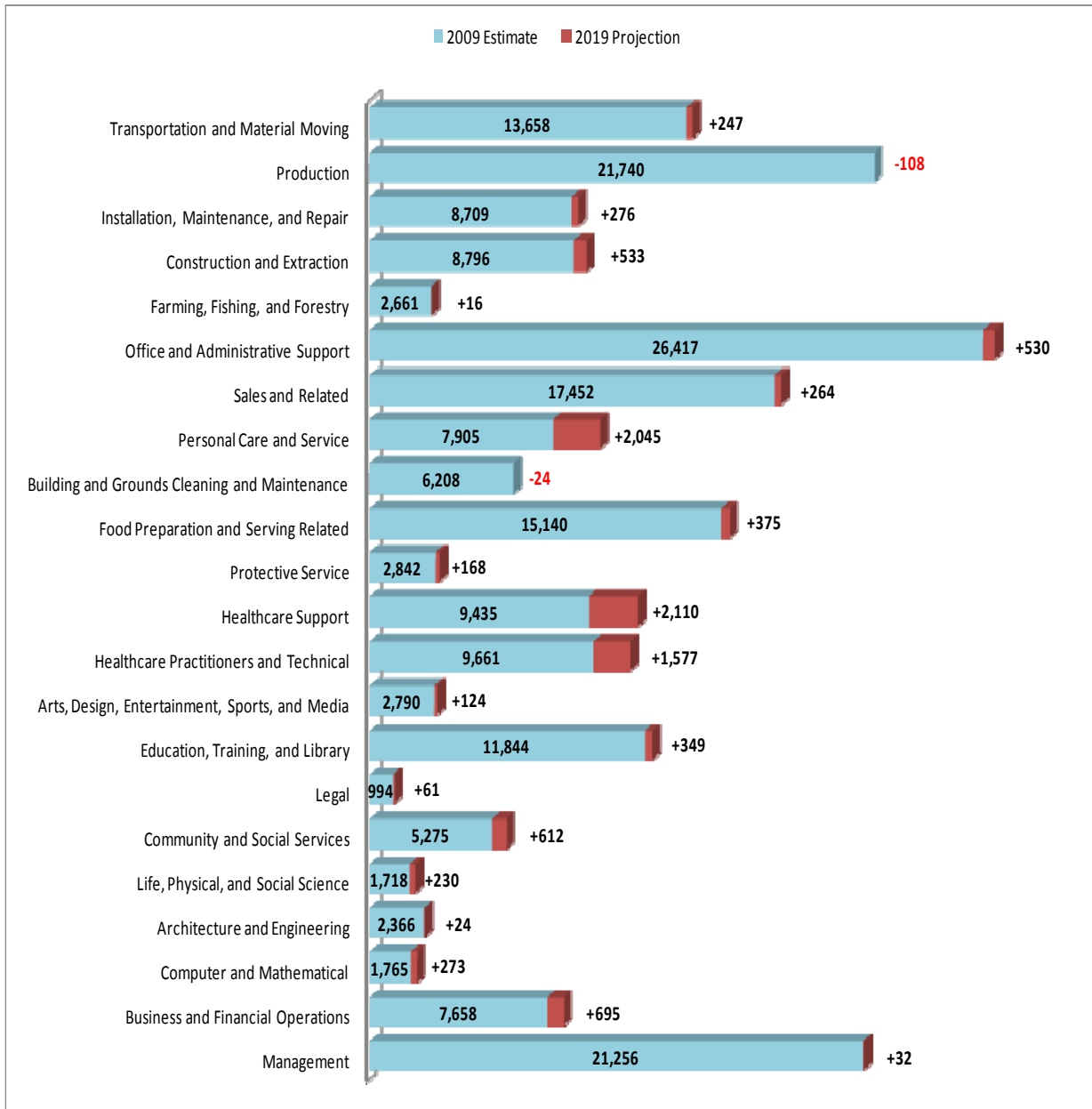
EXHIBIT 2-8
PROJECTIONS OF EMPLOYMENT GROWTH BY INDUSTRY
SOUTHWEST MINNESOTA REGION
2009 ESTIMATES PROJECTED THROUGH 2019

| Code | Industry | Employment | | Annual Change | |
|-------|--|------------|---------|---------------|---------|
| | | 2009 | 2019 | Total | Percent |
| | Total, All Industries | 206,290 | 216,699 | 10,409 | 5.00 |
| 11 | Agriculture, Forestry, Fishing and Hunting | 4,519 | 4,511 | (8) | (0.20) |
| 21 | Mining | 312 | 295 | (17) | (5.40) |
| 23 | Construction | 7,028 | 7,608 | 580 | 8.30 |
| 31 | Manufacturing | 31,388 | 30,436 | (952) | (3.00) |
| 22-49 | Trade, Transportation, and Utilities | 34,165 | 34,391 | 226 | 0.66 |
| 51 | Information | 2,922 | 2,989 | 67 | 2.30 |
| 52-53 | Financial Activities | 6,995 | 7,244 | 249 | 3.56 |
| 54-56 | Professional and Business Services | 9,782 | 11,616 | 1,834 | 18.75 |
| 61-62 | Education and Health Services | 45,013 | 51,408 | 6,395 | 14.21 |
| 71-72 | Leisure and Hospitality | 14,446 | 14,955 | 509 | 3.52 |
| 81 | Other Services (Except Public Admin.) | 7,879 | 8,306 | 427 | 5.40 |
| 92 | Public Administration | 1,721 | 1,527 | (194) | (11.30) |

Source: Minnesota Department of Employment and Economic Development.

Exhibit 2-9 depicts the major occupational groups included in the overall forecast, detailing total employment and expected growth for each sector. Based on 2009 estimates, these data do reflect some effects of the recession, though any very recent developments or nuances of the economic struggles are not considered. Despite negative influences, the forecasts project job growth in a diverse array of occupational sectors, led by Healthcare Support occupations, Personal Care and Service occupations, and Healthcare Practitioners and Technical occupations, all of which require two years of postsecondary education or less.

**EXHIBIT 2-9
SOUTHWEST MINNESOTA REGION PROJECTED GROWTH BY MAJOR
OCCUPATIONAL CATEGORY
2009 THROUGH 2019**



Source: Minnesota Department of Employment and Economic Development.

Using the occupational projections published by the Minnesota Department of Employment and Economic Development in further detail, more specific occupations with strong demand for postsecondary education or training programs can be extracted. Sorting these occupations by required educational level, the areas exhibiting the highest levels of annual job openings are listed in **Exhibits 2-10** and **2-11**.

EXHIBIT 2-10
30 HIGHEST GROWING OCCUPATIONS REQUIRING A TECHNICAL CERTIFICATE
OR ASSOCIATE'S DEGREE, SOUTHWEST MINNESOTA REGION,
2009 THROUGH 2019

| OCCUPATION | EMPLOYMENT | | TOTAL CHANGE: | REPLACEMENT HIRES: | TOTAL HIRES: | ANNUAL HIRES: |
|--|------------|-------|---------------|--------------------|--------------|---------------|
| | 2009 | 2019 | | | | |
| Personal and Home Care Aides | 2,646 | 4,151 | 1,505 | 330 | 1,835 | 184 |
| Home Health Aides | 4,068 | 5,469 | 1,401 | 410 | 1,811 | 181 |
| Truck Drivers, Heavy and Tractor-Trailer | 4,106 | 4,553 | 447 | 740 | 1,187 | 119 |
| Registered Nurses | 2,836 | 3,406 | 570 | 500 | 1,070 | 107 |
| Customer Service Representatives | 2,160 | 2,500 | 340 | 680 | 1,020 | 102 |
| Licensed Practical and Licensed Vocational Nurses | 2,024 | 2,325 | 301 | 630 | 931 | 93 |
| Business Operations Specialists, All Other | 2,927 | 3,190 | 263 | 650 | 913 | 91 |
| Nursing Aides, Orderlies, and Attendants | 3,630 | 4,023 | 393 | 360 | 753 | 75 |
| Child Care Workers | 1,906 | 2,037 | 131 | 560 | 691 | 69 |
| Social and Human Service Assistants | 1,636 | 1,855 | 219 | 350 | 569 | 57 |
| First-Line Supervis./Managers of Retail Sales Work | 2,056 | 2,129 | 73 | 440 | 513 | 51 |
| Tellers | 1,195 | 1,206 | 11 | 490 | 501 | 50 |
| Bookkeeping, Accounting, and Auditing Clerks | 3,253 | 3,328 | 75 | 390 | 465 | 47 |
| First-Line Supervisors/Managers of Office and Admin. | 1,220 | 1,279 | 59 | 280 | 339 | 34 |
| Carpenters | 1,786 | 1,871 | 85 | 220 | 305 | 31 |
| Operating Engineers and Other Construction Equipment | 1,007 | 1,131 | 124 | 170 | 294 | 29 |
| Printing Machine Operators | 994 | 1,075 | 81 | 210 | 291 | 29 |
| Maintenance and Repair Workers, General | 1,244 | 1,343 | 99 | 190 | 289 | 29 |
| Cooks, Restaurant | 887 | 930 | 43 | 230 | 273 | 27 |
| Executive Secretaries & Administrative Assistants | 1,227 | 1,326 | 99 | 170 | 269 | 27 |
| Industrial Machinery Mechanics | 1,020 | 1,118 | 98 | 150 | 248 | 25 |
| Assemblers and Fabricators, All Other | 559 | 672 | 113 | 130 | 243 | 24 |
| First-Line Supervisors/Managers of Construction Trades | 879 | 951 | 72 | 170 | 242 | 24 |
| Insurance Sales Agents | 597 | 698 | 101 | 140 | 241 | 24 |
| Highway Maintenance Workers | 845 | 845 | 0 | 230 | 230 | 23 |
| Fire Fighters | 468 | 531 | 63 | 140 | 203 | 20 |
| Protective Service Workers, All Other | 279 | 292 | 13 | 190 | 203 | 20 |
| Truck Drivers, Light or Delivery Services | 1,065 | 1,074 | 9 | 190 | 199 | 20 |
| Pharmacy Technicians | 430 | 518 | 88 | 110 | 198 | 20 |
| Industrial Truck and Tractor Operators | 652 | 658 | 6 | 190 | 196 | 20 |

Source: Minnesota Department of Employment and Economic Development.

EXHIBIT 2-11
20 HIGHEST GROWING OCCUPATIONS REQUIRING A BACHELOR'S DEGREE OR HIGHER, SOUTHWEST MINNESOTA REGION, 2009 THROUGH 2019

| OCCUPATION | EMPLOYMENT | | TOTAL CHANGE: | REPLACEMENT HIRES: | TOTAL HIRES: | ANNUAL HIRES: |
|--|------------|-------|---------------|--------------------|--------------|---------------|
| | 2009 | 2019 | | | | |
| Elementary School Teachers, Exc. Special Education | 1,659 | 1,708 | 49 | 380 | 429 | 43 |
| Clergy | 1,210 | 1,317 | 107 | 240 | 347 | 35 |
| Accountants and Auditors | 1,258 | 1,380 | 122 | 210 | 332 | 33 |
| Middle School Teachers, except Special and Vocational | 1,130 | 1,166 | 36 | 260 | 296 | 30 |
| Lawyers | 648 | 702 | 54 | 120 | 174 | 17 |
| Market Research Analysts | 282 | 343 | 61 | 80 | 141 | 14 |
| Advertising, Marketing, Promotions, Public Relations | 470 | 503 | 33 | 100 | 133 | 13 |
| Special Education Teachers, Preschool, Kindergarten | 427 | 448 | 21 | 110 | 131 | 13 |
| Child, Family, and School Social Workers | 429 | 446 | 17 | 110 | 127 | 13 |
| Human Resources, Training, and Labor Relations Specialists | 305 | 350 | 45 | 80 | 125 | 13 |
| Medical and Health Services Managers | 366 | 416 | 50 | 70 | 120 | 12 |
| Management Analysts | 380 | 420 | 40 | 70 | 110 | 11 |
| Pharmacists | 328 | 356 | 28 | 70 | 98 | 10 |
| Family and General Practitioners | 230 | 288 | 58 | 40 | 98 | 10 |
| Educational, Vocational, and School Counselors | 280 | 317 | 37 | 60 | 97 | 10 |
| Teachers and Instructors, All Other | 390 | 426 | 36 | 60 | 96 | 10 |
| Industrial Engineers | 297 | 309 | 12 | 80 | 92 | 9 |
| Physicians and Surgeons, All Other | 204 | 256 | 52 | 40 | 92 | 9 |
| Sales Managers | 306 | 318 | 12 | 70 | 82 | 8 |
| Securities, Commodities, and Financial Services Sales Agents | 271 | 271 | 0 | 80 | 80 | 8 |

Source: Minnesota Department of Employment and Economic Development.

EMSI data also provide further insight into growth projections for occupational career clusters. **Exhibits 2-12** and **2-13** display the career clusters ranked by 2010 location quotient, based on the required educational level— associate degree and above or bachelor degree and above. EMSI uses the following explanation to define location quotient:

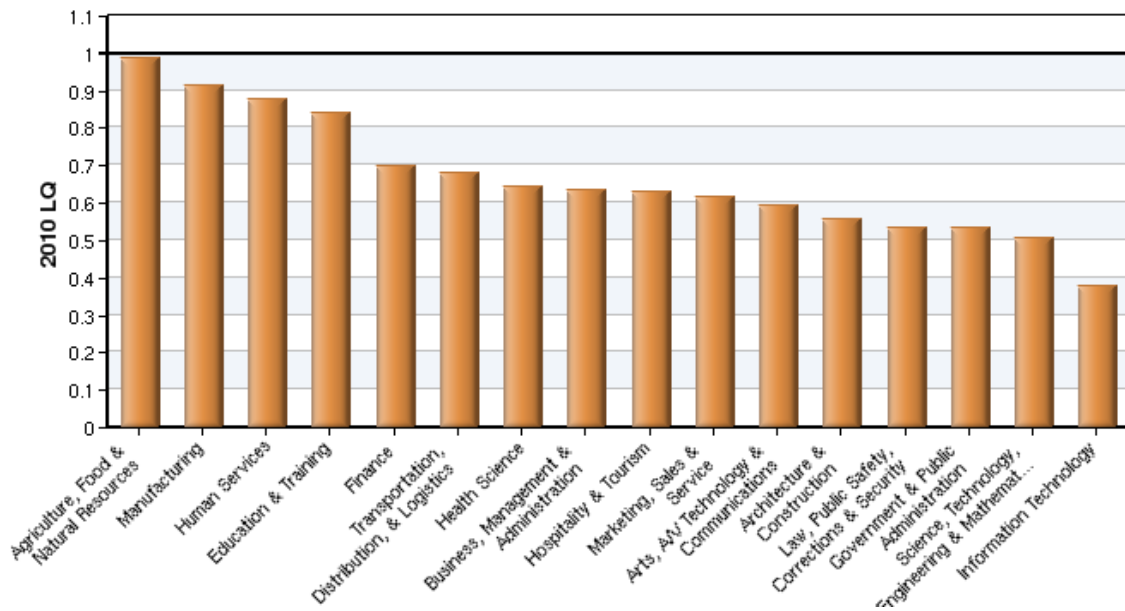
“LQ is defined as the percent share of an industry/occupation/ demographic/competency in the regional economy divided by the percent share of the same component in the national economy. High-LQ components tend to indicate regional specialties or strengths unique to the region.”

Using this definition, the Southwest Minnesota region appears to possess the greatest strengths in the following career clusters:

- Agriculture, Food, and Natural Resources,
- Manufacturing,
- Human Services,
- Education and Training, and
- Finance.

This finding is generally consistent with the findings of a 2009 report by the Rural Policy Institute’s Center for Regional Competitiveness, which also identified the sectors of manufacturing, health care, and food and agriculture as areas of strategic opportunity. In addition to these common sectors, this report also identified areas of high technology, bioscience, and renewable energy as additional areas of strategic opportunities for the southern Minnesota region.²

**EXHIBIT 2-12
CAREER CLUSTERS RANKED BY 2010 LOCATION QUOTIENT
(ASSOCIATE DEGREE AND ABOVE)**

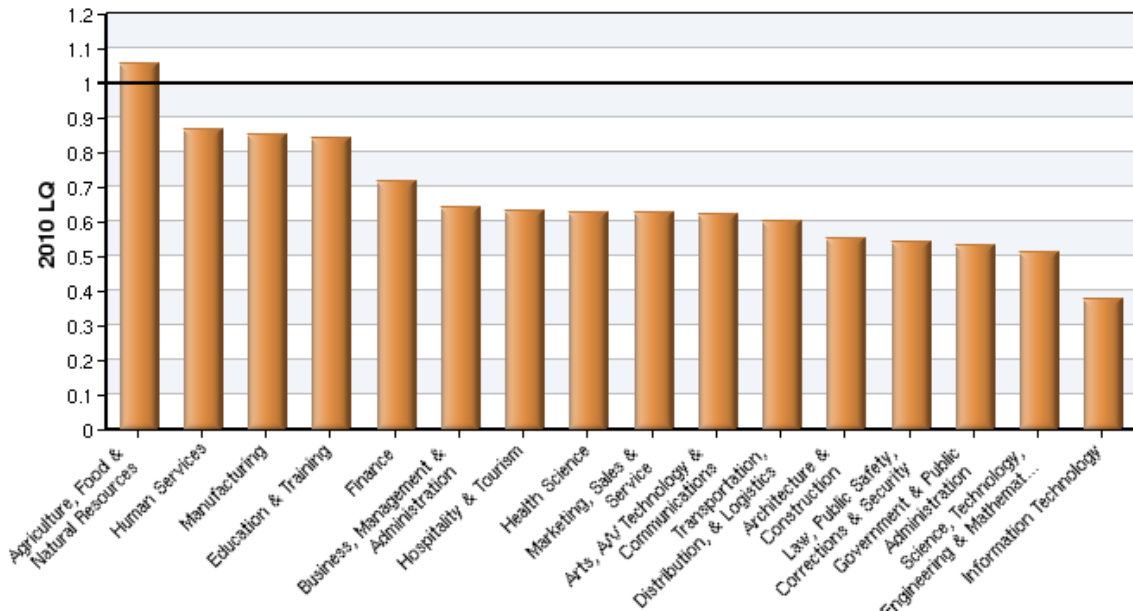


Source: EMSI Complete Employment - 4th Quarter 2010.

*Note: Some occupations occur in multiple clusters and not all occupations are encompassed by Career Clusters. Do not total this data.

² Southern Minnesota’s Economic Future: Findings, Strategic Framework, and Game Plan. Rural Policy Institute, Center for Regional Competitiveness (May 15, 2009).

**EXHIBIT 2-13
CAREER CLUSTERS RANKED BY 2010 LOCATION QUOTIENT
(BACHELOR DEGREE AND ABOVE)**



Source: EMSI Complete Employment - 4th Quarter 2010.

*Note: Some occupations occur in multiple clusters and not all occupations are encompassed by Career Clusters. Do not total this data.

2.3 Educational Characteristics of the Market Area Population

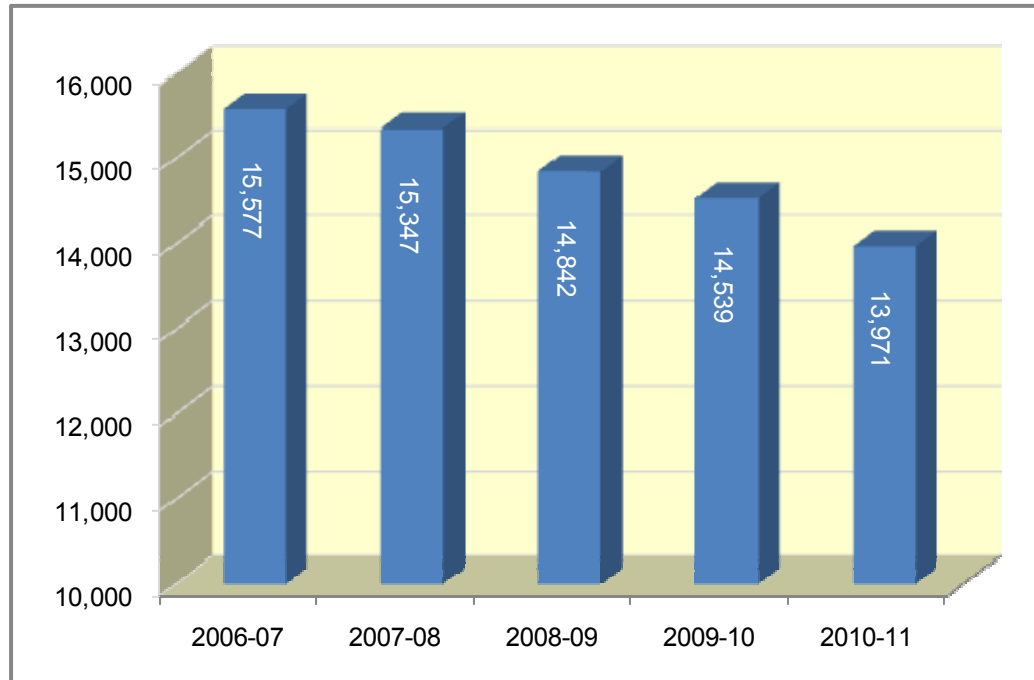
This section presents information detailing the educational characteristics of the populations residing in the Southwest Minnesota region. Included are trends in high school enrollment and graduation, as well as depictions of college participation rates and educational attainment rates.

2.3.1 High School Enrollment and Graduation Trends

This section presents high school enrollment and graduation information for public schools in the Southwest Minnesota region. All included data were obtained from the Minnesota Department of Education.

Enrollment at all public high schools in the Southwest Minnesota region area has declined 10.3 percent over a five-year period, from a high of 15,577 in 2006-07 to 13,971 in 2010-11 (a difference of 1,606 students), as shown in **Exhibit 2-14**.

**EXHIBIT 2-14
ENROLLMENT FOR PUBLIC HIGH SCHOOLS IN THE
SOUTHWEST MINNESOTA REGION, 2006-07 THROUGH 2010-11**



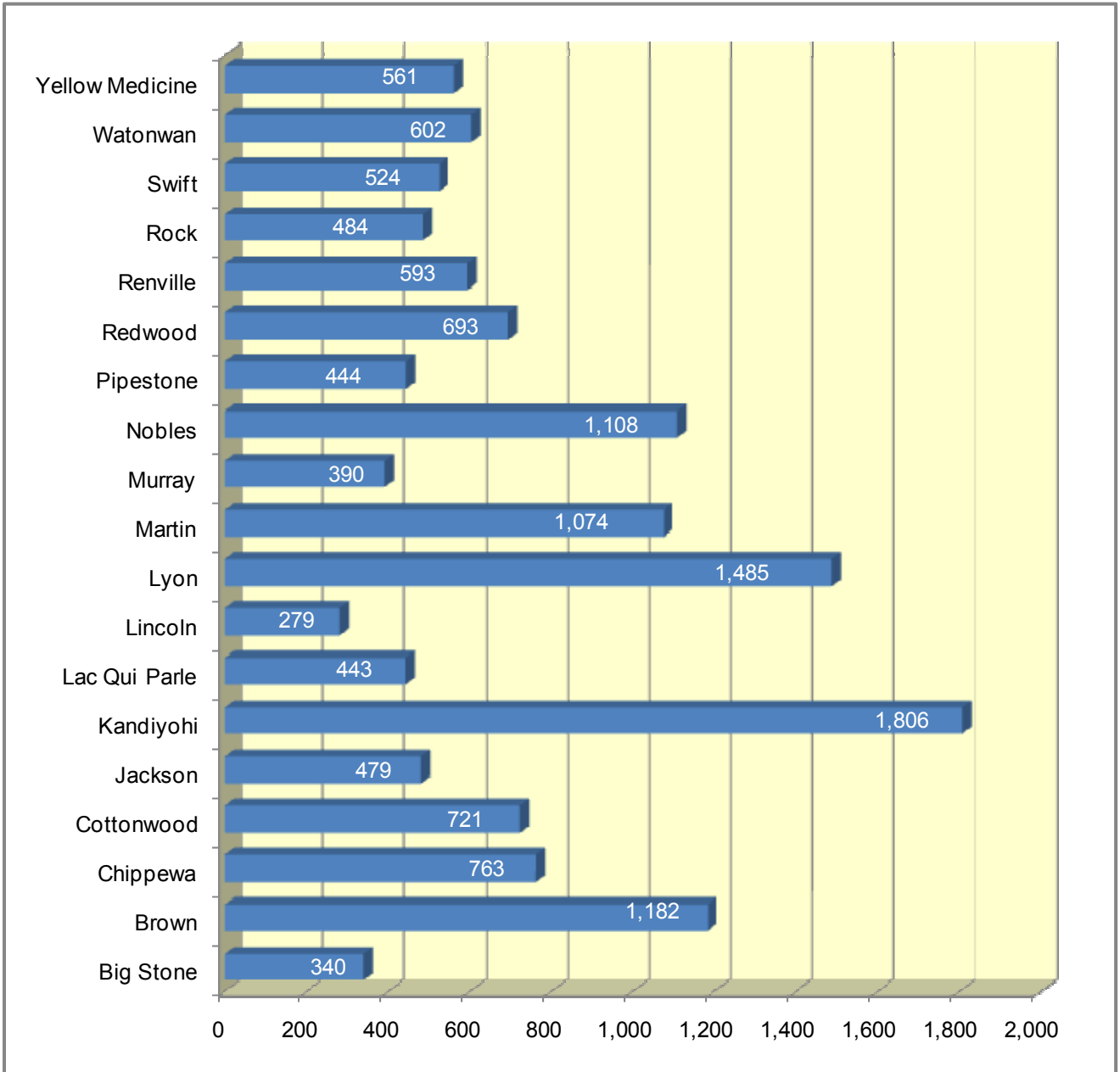
Source: Minnesota Department of Education.

Exhibit 2-15 provides insight into the 2010-11 enrollment counts for public high schools in the Southwest Minnesota region by county. As displayed in the exhibit, the following counties reported the highest enrollment counts (making up 48% of the Southwest Minnesota region count):

- Kandiyohi County,
- Lyon County,
- Brown County,
- Nobles County, and
- Martin County

The large high school enrollment count of Lyon County is of particular interest, as the city of Marshall is its county seat. Southwest Minnesota State and one of Minnesota West's Learning Centers lie within Lyon County. Therefore, there may be some opportunities to meet the postsecondary educational needs of high school students from Lyon County. However, the remaining four counties lie within 50 to 100 miles of this area, which may create issues in successfully attracting high school students from these counties.

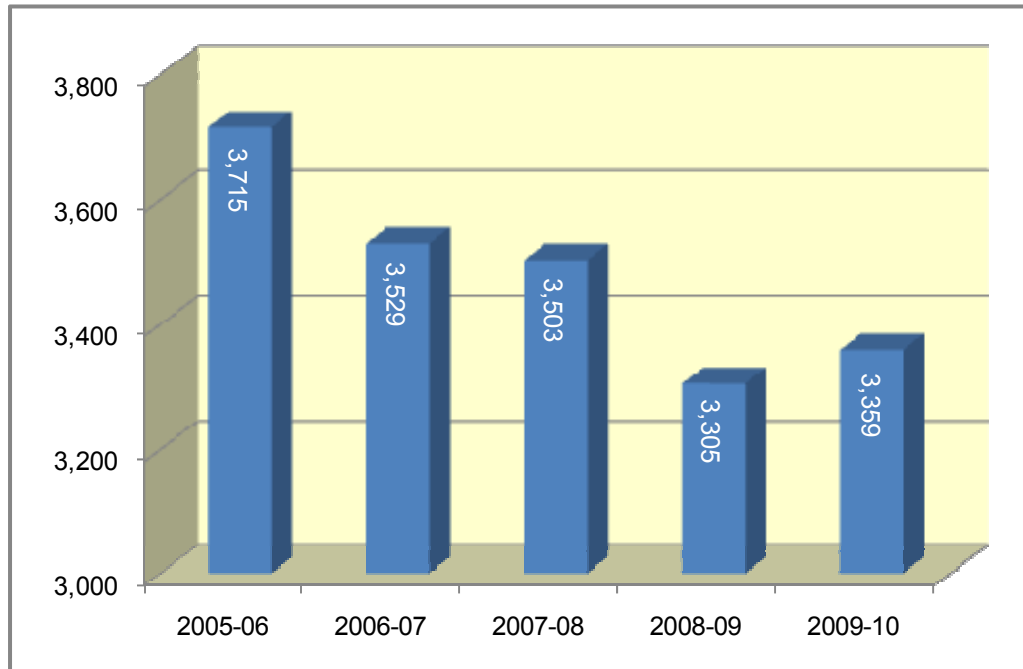
**EXHIBIT 2-15
ENROLLMENT FOR PUBLIC HIGH SCHOOLS IN THE
SOUTHWEST MINNESOTA REGION, BY COUNTY,
2010-11 ACADEMIC YEAR**



Source: Minnesota Department of Education, 2010 - 11 Enrollments - County.

The number of students graduating from public high schools in the Southwest Minnesota region gradually declined between 2005-06 and 2008-09, from a total of 3,715 to 3,305, as shown in **Exhibit 2-16**. However, the number of graduates increased in 2009-10 by about 2 percent to a total of 3,359 (an increase of 54 students).

**EXHIBIT 2-16
GRADUATION COUNTS FOR PUBLIC HIGH SCHOOLS IN THE
SOUTHWEST MINNESOTA REGION,
2005-06 THROUGH 2009-10**



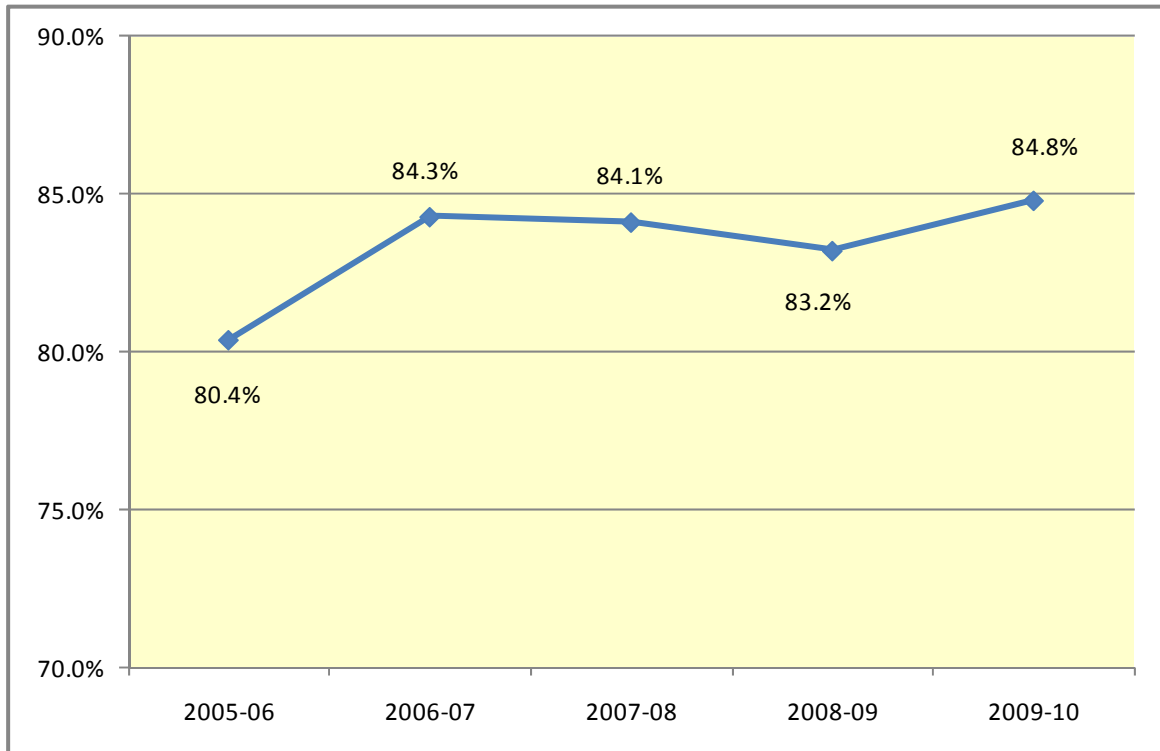
Source: Minnesota Department of Education.

Consistent with the broader demographic trends observed in **Exhibit 2-6**, there has been a notable increase in the diversity of enrollments at some of the larger school districts in the region. Immigrant populations are an increasing proportion of K-12 students in communities including St. James, Willmar, and Worthington and, to a lesser extent, in Fairmont, Marshall, Pipestone, as well as other southwest region communities served by the two institutions. The increasing diversity of the region, particularly among those of school age, will require focused efforts to connect students with postsecondary education.

The recent increase in graduates despite lower enrollment levels is a result of graduation rates increasing in the region between 2005-06 and 2009-10 (**Exhibit 2-17**). The combined region graduation rate increased from 80.4 percent to 84.8 percent during the five-year period (an increase of 4.4 percentage points).³

³ The graduation rates reported were obtained from the Minnesota Department of Education. The rates are based on an entering cohort and show the percent who received their high school diploma within four years. It is calculated by dividing the number of students from the cohort who received a high school diploma within four years of entering high school by the number of students in the entering cohort. It does not include students who received a GED, are continuing in high school, or those who have dropped out of high school.

**EXHIBIT 2-17
GRADUATION RATES FOR PUBLIC HIGH SCHOOLS IN THE
SOUTHWEST MINNESOTA REGION,
2005-06 THROUGH 2009-10**

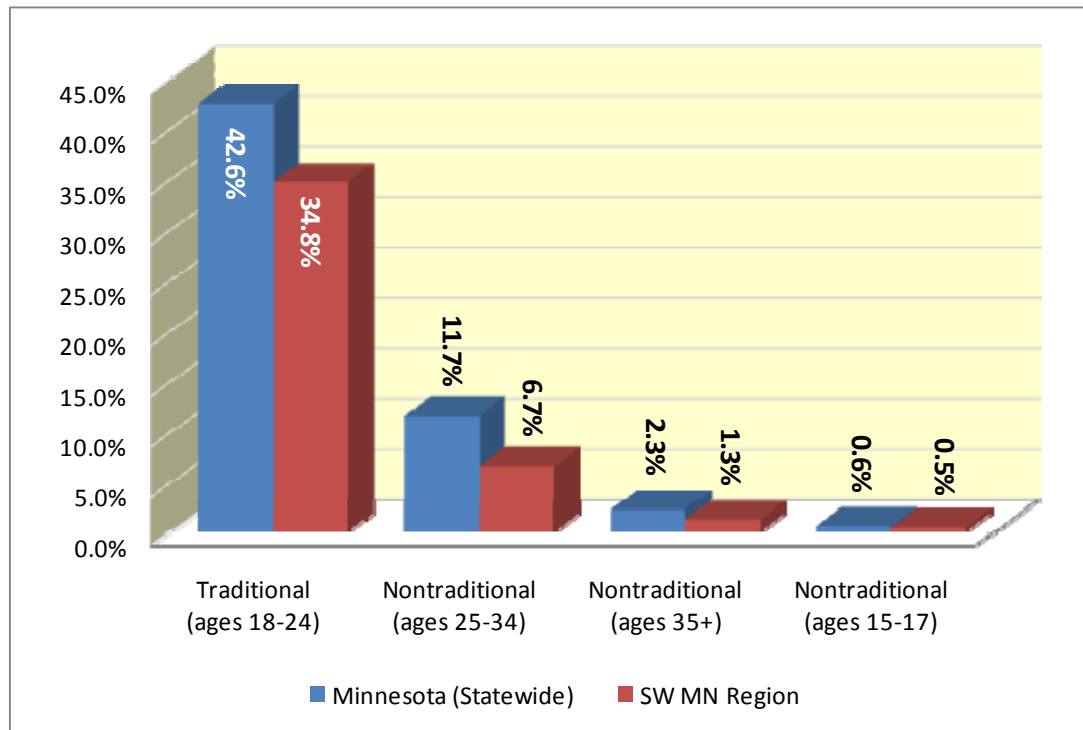


Source: Minnesota Department of Education, Graduation Indicators- County.

2.3.2 College Participation

Exhibit 2-18 provides insight into college participation rates, differentiating between various age groups in the Southwest Minnesota region compared to Minnesota (statewide).

**EXHIBIT 2-18
COLLEGE PARTICIPATION RATES,
MINNESOTA (STATEWIDE) AND THE SOUTHWEST MINNESOTA REGION,
2005-2009**



Source: U.S. Census Bureau, 2005-2009 American Community Survey.

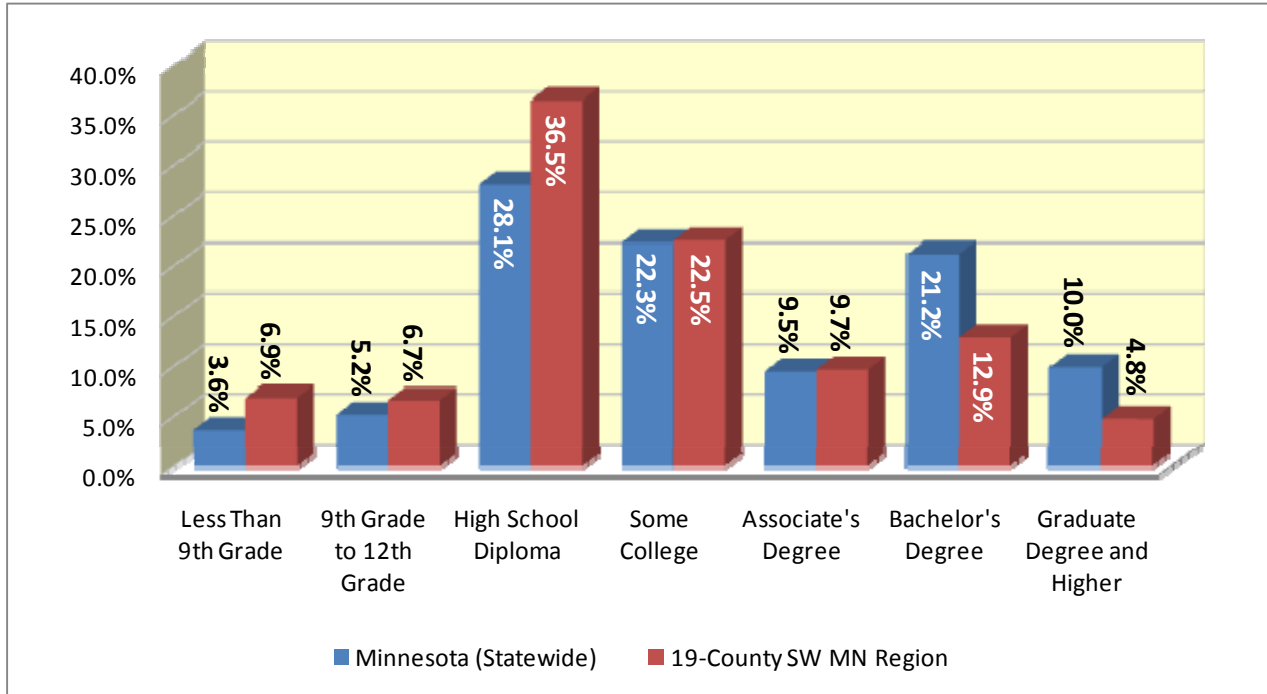
Notable characteristics of these populations include the following:

- The Southwest Minnesota region falls short of the statewide college participation levels, in all traditional and nontraditional age groups. The largest difference is the traditional age group, in which the Southwest Minnesota region lags behind by about 8 percent (35% versus 43%).
- As it relates to the nontraditional age group (25 to 34 years), the Southwest Minnesota region falls short of the statewide college participation levels by about five percent (7% versus 12%).
- Interestingly, the region is closer to the statewide levels in the older (35 years and over) and younger (15 to 17 years) nontraditional age groups. The Southwest Minnesota region falls short of the state's older and younger nontraditional age groups, each by a margin of about 1 percent.

2.3.3 Educational Attainment

Educational attainment, which is the outcome associated with postsecondary educational participation, is depicted for the region and Minnesota (statewide) in **Exhibit 2-19**.

**EXHIBIT 2-19
EDUCATIONAL ATTAINMENT, MINNESOTA (STATEWIDE) AND SOUTHWEST
MINNESOTA REGION, POPULATION AGE 25 YEARS AND OVER,
2005-2009**



Source: U.S. Census Bureau, 2005-2009 American Community Survey.

Some key observations from these data include the following:

- The Southwest Minnesota region falls short of the statewide college attainment levels, as about 73 percent of residents over the age of 25 have not earned a college degree (compared to the state's average of 59%).
- This attainment shortfall between the Southwest Minnesota region and the state is not apparent at the associate degree level, but, rather, occurs at the bachelor's degree (13% versus 21% statewide) and graduate degree (5% versus 10%) levels.
- The highest attainment level for the Southwest Minnesota region is at the high school diploma level, where the region's level exceeds the state's level by about 8 percent.

2.4 Summary and Conclusions

In the preceding analyses in this chapter, characteristics, trends, and projections of the Southwest Minnesota population were examined in terms of its size, growth, and composition; various aspects of its workforce and economy; as well as its educational attainment and participation. Some key findings that can be drawn from these analyses include the following:

- The area is currently home to about 280,000 persons, but the population is expected to decline by about 1,000 residents through 2015.
- Over the last 10 years (2000 through 2010), only Kandiyohi, Lyon, and Nobles counties experienced any growth in the region.
- The total traditional age (15 to 19 and 20 to 24 year olds) population segment across the entire area is expected to decline over the 2010 through 2020 period. Although the entirety of the nontraditional population segment (25 to 64 year olds) is also projected to decline, the 30 to 34, 35 to 39 and 60 to 64 year olds are exceptions to the broader trend.
- Several industrial sectors employ a substantial number of workers in the area, led by sectors including Education and Health Services; Trade, Transportation, and Utilities; and Manufacturing. Total employment amounts to just above 206,000 workers with seven different industrial sectors each employing 10,000 or more.
- Forecasts predict more than 10,000 new jobs being added to the local economy over the 2009 through 2019 period.
- Despite the region's prominence in manufacturing and production, the occupational areas forecasted to experience the strongest actual growth include Healthcare Support, Personal Care and Service, and Healthcare Practitioners and Technical.
- The number of students enrolled in local high schools (the primary source of traditional enrollments for colleges and universities) has declined over the last five years.
- Further, the number of high school graduates has declined as well. However, the region did experience a slight increase of more than 50 graduates between the 2008-09 and 2009-10 school years.
- Despite decreases in high school enrollment and graduation counts, the graduation rate has increased by more than 4 percent over the last five years.
- Regarding college participation, the region lags behind the statewide averages for both traditional-aged and nontraditional-aged enrollment rates.
- Further, the Southwest Minnesota region also falls short of the statewide college attainment levels, as about 73 percent of residents over the age of 25 have not earned a college degree (compared to the state's average of 59 percent).

The observations noted previously illustrate that the Southwest Minnesota area is a declining region, with the potential for encountering some postsecondary enrollment issues. Despite this decline, other traits and dynamics regarding the demographic and economic composition of the area suggest not only changes to the types of educational

programs that will best serve the area's needs, but also alternatives to the delivery methods utilized to maximize access.

Successive chapters of this report will build upon the information provided in this chapter to develop a further understanding of the educational markets in this region and to ultimately provide the system with solid guidance regarding the possible alignment of SMSU and Minnesota West.

**3.0 HIGHER EDUCATION
PROVIDERS SERVING THE
SOUTHWEST MINNESOTA
REGION**

3.0 HIGHER EDUCATION PROVIDERS SERVING THE SOUTHWEST MINNESOTA REGION

One of the key objectives of this analysis of the Southwest Minnesota higher education market is to arrive at possible options and associated data related to maintaining the current institutional configuration in place for delivering higher education to the region or some form of realignment. Simultaneously, identification of potential benefits or drawbacks associated with consolidation, administrative alignment, or other programmatic and financial opportunities to enhance or sustain programs and services in the region will inform any future decisions. As part of this analysis, a review of enrollment trends, institutional staffing trends, and available program offerings was conducted. This chapter summarizes information related to the major higher education providers that directly serve the region.

3.1 Postsecondary Providers

In this section, information is provided about the institutions that offer access to postsecondary education in the Southwest Minnesota region.

3.1.1 Southwest Minnesota State University

Southwest Minnesota State University (SMSU) is a public, four-year university located in Marshall, MN. The university is part of the Minnesota State Colleges and Universities system and is accredited by the North Central Association of Colleges and Schools. The university was founded in 1963 as Southwest Minnesota State College, and admitted its first class of students in 1967. The college became Southwest State University in 1975 and kept that name for nearly thirty years until adopting the current name of Southwest Minnesota State University on July 1, 2003.

SMSU is divided into two major colleges: the College of Arts, Letters, and Sciences and the College of Business, Education, and Professional Studies. In addition to its undergraduate program offerings, the university also supports masters degrees in Business Management, Education, and Special Education.

3.1.2 Minnesota West Community and Technical College

Minnesota West Community and Technical College (Minnesota West) is a comprehensive community and technical college with five southwestern Minnesota campuses: Canby, Granite Falls, Jackson, Pipestone, and Worthington and four learning centers in Fairmont, Luverne, Marshall, and Redwood Falls Minnesota. Students have the opportunity to earn an associate degree, diploma, or certificate in more than 60 disciplines.

The college has a long and proud history (over seventy years) of providing highly specialized technical and liberal arts/transfer programs to students from throughout the region. Minnesota West is the result of the merging of liberal arts and technical colleges during the 1990s to leverage the locations and programs of the campuses across a large geographic region.

3.1.3 Other Providers

In addition to the two institutions noted above – the primary service providers in the region within the system – a number of other system and outside providers also serve this expansive geographic region. While many of these institutions do not maintain a physical presence within the 19-county service area, they all have varying levels of significance and influence in the educational market. From the standpoint of meeting needs in the most efficient and effective manner possible, the entities each serve a valuable role in providing postsecondary training and educational programs to the region, and therefore should be considered as part of this landscape in the system’s strategic considerations for these communities.

Minnesota State University – Mankato

Minnesota State University – Mankato, a part of the Minnesota State Colleges and Universities system, is a public, four-year university located southwest of Minneapolis and St. Paul, accredited by the Higher Learning Commission. This university offers students the opportunity to earn a certificate, an associate degree, a bachelor’s degree, a master’s degree, or a doctoral degree through more than 140 undergraduate programs, 100 graduate programs, and online and off-campus learning opportunities. Its six academic colleges include Allied Health and Nursing, Arts and Humanities, Business, Education, Science, Engineering and Technology, and Social and Behavioral Sciences.

Ridgewater College

Also a part of the system, Ridgewater College is a community and technical college accredited by the Higher Learning Commission with two campuses, located in Willmar and Hutchinson. Ridgewater offers students the opportunity to earn an associate degree, diploma, or certificate from over 100 disciplines and career training programs, and offers many transfer options. Students can also earn a bachelor’s degree on Ridgewater campuses in Criminal Justice, Early Childhood Education, and Business Administration/Management through Ridgewater College’s partnership with St. Cloud State University and SMSU.

South Central College

South Central College (South Central), another member of the system that plays a peripheral role in serving this region, is a community and technical college located south of Minneapolis and St. Paul, and is accredited by the Higher Learning Commission. South Central has two campuses located in Faribault and north Mankato, and offers students the opportunity to earn an associate degree, diploma, or certificate in Liberal Arts and Sciences and over 50 technical majors in agribusiness, business, construction technology, health and safety, and industrial technology. South Central also offers students many transfer options to continue their education at any institution in the Minnesota State Colleges and Universities system.

South Dakota State University

South Dakota State University (SDSU) is located in Brookings (in eastern South Dakota) and is the state’s largest and most comprehensive institution, offering 147 majors, minors, or fields of study in which students can earn an associate degree, a bachelor’s

degree, a master's degree, or a doctorate. Founded in 1881, SDSU is a public, land-grant university that is governed by the South Dakota Board of Regents and is accredited by the Higher Learning Commission. SDSU's eight academic colleges include Agriculture and Biological Sciences, Arts and Sciences, Education and Human Sciences, Engineering, General Studies, Nursing, Pharmacy, and the Graduate School.

3.2 Postsecondary Program Offerings

In addition to Minnesota West and SMSU, Hibbing Community College (Hibbing CC) and Ridgewater College offer post-secondary programs in the region. Hibbing CC is located in the northeast region of the state in Hibbing, MN, but offers a law enforcement skills program on the Worthington Campus of Minnesota West. Ridgewater College has campuses in Willmar and Hutchinson, MN and a Business Development Center in Hutchinson.

Exhibits 3-1 through **3-3** depict two-year, four-year, and graduate level degree programming, respectively, offered in the local market by these major providers. The analyses depict counts of programs according to their two-digit Classification of Instructional Programs (CIP) codes, therefore representing a summation of specific awards by general disciplinary areas.

As shown in **Exhibit 3-1**, the majority of two-year degree programs available in the region are in the following areas:

- Business, Management, Marketing, and Related Support Services, 88 programs
- Health Professions and Related Clinical Sciences, 80 programs
- Engineering Technologies/Technicians, 67 programs
- Agriculture, Agriculture Operations, and Related Sciences, 48 programs

These four program areas represent 62 percent of the program offerings in the region (283 of 457 programs). More than half of the two-year degrees offered in the region are offered by Minnesota West (248 programs, 54%). Additionally, programs which fall within these four areas are offered at a variety of campus sites (between seven and nine sites), making these degrees more broadly accessible to prospective students in the region.

**EXHIBIT 3-1
TWO-YEAR DEGREE PROGRAMS OFFERED AT PROVIDERS SERVING THE SOUTHWEST MINNESOTA REGION**

| | Hibbing Community College | Minnesota West Community and Technical College | | | | | | Ridgewater College | | | Southwest Minnesota State University | Grand Total |
|---|---------------------------|--|-----------|---------------|-----------|-----------|-----------|--------------------|------------|-----------|--------------------------------------|-------------|
| | | Other site/center | Canby | Granite Falls | Jackson | Pipestone | Worthing. | Other site/center | Hutchinson | Willmar | Marshall | |
| Agriculture, Agriculture Operations, and Related Sciences | | | 5 | 3 | 5 | 6 | 9 | | 3 | 16 | 1 | 48 |
| Communication, Journalism, and Related Programs | | | | | | | | | 2 | | | 2 |
| Communications Technologies/Technicians and Support Services | | | | | | | | | 2 | 3 | | 5 |
| Computer and Information Sciences and Support Services | | 2 | 1 | 3 | 4 | 1 | 5 | | 12 | 5 | | 33 |
| Personal and Culinary Services | | | | | 3 | 3 | | | | | 4 | 10 |
| Education | | 1 | | | | | | | 6 | 2 | | 9 |
| Engineering Technologies/Technicians | | | 6 | 12 | 7 | 5 | 7 | | 25 | 5 | | 67 |
| Family and Consumer Sciences/Human Sciences | | | | 3 | | | | | 1 | | | 4 |
| Legal Professions and Studies | | | | | | | | | 3 | 3 | | 6 |
| Liberal Arts and Sciences, General Studies and Humanities | | | 1 | 1 | 1 | 1 | 2 | | 1 | 1 | | 8 |
| Biological and Biomedical Sciences | | | | | | | | | 1 | 1 | | 2 |
| Basic Skills | | | | | | | | | | 2 | | 2 |
| Physical Sciences | | | | | | | | | 1 | 1 | | 2 |
| Science Technologies/Technicians | | | | | | | 1 | | | | | 1 |
| Security and Protective Services | 1 | | | | | | 1 | | | 1 | | 3 |
| Public Administration and Social Service Professions | | | 3 | 3 | 3 | 3 | 4 | | 1 | | | 17 |
| Construction Trades | | | 5 | | 7 | 5 | | | | 4 | | 21 |
| Mechanic and Repair Technologies/Technicians | | | 13 | 4 | 7 | 3 | | | | 5 | | 32 |
| Precision Production | | | | | | | | | 10 | 4 | | 14 |
| Transportation and Materials Moving | | | | | | | 1 | | | | | 1 |
| Visual and Performing Arts | | | | | | | | | | 2 | | 2 |
| Health Professions and Related Clinical Sciences | | 13 | 6 | 4 | 5 | 6 | 6 | 2 | 19 | 19 | | 80 |
| Business, Management, Marketing, and Related Support Services | | 1 | 8 | 10 | 8 | 9 | 12 | | 19 | 17 | 4 | 88 |
| TOTALS | 1 | 17 | 48 | 43 | 50 | 42 | 48 | 2 | 106 | 95 | 5 | 457 |

Source: Office of the Chancellor Research, Planning and Effectiveness.

Nearly two-thirds (64%) of the 105 four-year degree programs available in the region are in one of two areas, as shown in **Exhibit 3-2**:

- Business, Management, Marketing, and Related Support Services, 41 programs
- Education, 26 programs

All but one of the four-year degree options in the region are offered through SMSU. St. Cloud State University offers a four-year degree in the Security and Protective Services area.

The majority of the “other” centers at SMSU are outside the region, including out-of-state sites, primarily in neighboring South Dakota. There is evidence that SMSU has sites located on community and technical college campuses, both in and outside of the region. While we were not able to identify the enrollments generated at these sites, it appears that the business and education programs are more broadly accessible through a distributive model of delivery to prospective students in and outside the region. If other programs can be identified which align with industry needs in the area, perhaps a broader range of programs can be provided using this same distributive model.

**EXHIBIT 3-2
FOUR-YEAR DEGREE PROGRAMS OFFERED AT PROVIDERS SERVING THE
SOUTHWEST MINNESOTA REGION**

| | Southwest Minnesota State University | | St. Cloud State University | Grand Total |
|---|---|-----------|----------------------------|-------------|
| | Other site/center | Marshall | | |
| Agriculture, Agriculture Operations, and Related Sciences | | 2 | | 2 |
| Natural Resources and Conservation | | 1 | | 1 |
| Communication, Journalism, and Related Programs | | 2 | | 2 |
| Computer and Information Sciences and Support Services | | 1 | | 1 |
| Education | 13 | 13 | | 26 |
| Foreign languages, literatures, and Linguistics | | 1 | | 1 |
| English Language and Literature/Letters | | 3 | | 3 |
| Biological and Biomedical Sciences | | 1 | | 1 |
| Mathematics and Statistics | | 1 | | 1 |
| Multi/Interdisciplinary Studies | | 2 | | 2 |
| Parks, Recreation, Leisure, and Fitness Studies | 1 | 2 | | 3 |
| Philosophy and Religious Studies | | 1 | | 1 |
| Physical Sciences | | 3 | | 3 |
| Psychology | | 1 | | 1 |
| Security and Protective Services | | 2 | 1 | 3 |
| Public Administration and Social Service Professions | 1 | 2 | | 3 |
| Social Sciences | | 2 | | 2 |
| Construction Trades | | 1 | | 1 |
| Visual and Performing Arts | | 5 | | 5 |
| Health Professions and Related Clinical Sciences | | 1 | | 1 |
| Business, Management, Marketing, and Related Support Services | 31 | 10 | | 41 |
| History (new) | | 1 | | 1 |
| TOTALS | 46 | 58 | 1 | 105 |

Source: Office of the Chancellor Research, Planning and Effectiveness.

SMSU is the only graduate education provider in the region, offering a total of 44 degree programs, as shown in **Exhibit 3-3**. More than three-quarters of these are in the field of Education (34 programs, 77%).

**EXHIBIT 3-3
GRADUATE DEGREE PROGRAMS OFFERED AT PROVIDERS SERVING THE
SOUTHWEST MINNESOTA REGION**

| | Southwest Minnesota State University | | Grand Total |
|---|--|----------|-------------|
| | Other site/center | Marshall | |
| Computer and Information Sciences and Support Services | | 1 | 1 |
| Education | 30 | 4 | 34 |
| Business, Management, Marketing, and Related Support Services | 7 | 2 | 9 |
| TOTALS | 37 | 7 | 44 |

Source: Office of the Chancellor Research, Planning and Effectiveness.

3.3 Overview of Enrollments in the Southwest Minnesota Market

Included in this section is an overview of SMSU and Minnesota West enrollments and programs in the Southwest Minnesota market.

3.3.1 Enrollment Data Summary

Exhibit 3-4 displays full-year equivalent enrollment trends from 2003 through 2010. Overall, net growth has been observed for all institutions and campuses, besides a slight decline at the Granite campus of Minnesota West. The magnitude of changes on assorted Minnesota West campuses varies considerably, however.

**EXHIBIT 3-4
FULL-YEAR EQUIVALENT (FYE) SYSTEM TRENDS AND PROJECTIONS FOR
SOUTHWEST REGION INSTITUTIONS
2003 THROUGH 2014**

| Campus | FULL-YEAR EQUIVALENT (FYE) ENROLLMENT | | | | | | | |
|------------------------|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Southwest Minnesota SU | 3,458 | 3,513 | 3,695 | 3,754 | 3,689 | 3,678 | 3,716 | 3,822 |
| Minnesota West (Total) | 2,144 | 2,174 | 2,154 | 2,067 | 2,048 | 2,062 | 2,088 | 2,360 |
| Canby Campus | 202 | 193 | 259 | 178 | 171 | 268 | 229 | 269 |
| Granite Falls Campus | 320 | 288 | 326 | 287 | 301 | 289 | 254 | 305 |
| Jackson Campus | 389 | 364 | 474 | 424 | 409 | 350 | 391 | 454 |
| Pipestone Campus | 242 | 247 | 277 | 305 | 297 | 264 | 297 | 387 |
| Worthington Campus | 759 | 862 | 819 | 873 | 870 | 892 | 917 | 945 |

Source: Office of the Chancellor Research, Planning and Effectiveness.

Note: Green=growth over prior year, Orange=decline over prior year.

Exhibit 3-5 isolates enrollment growth/decline rates to four year increments within the trends identified above. While SMSU's growth has tapered somewhat in recent years, pronounced increases are observed over the last several years at several of the

Minnesota West campuses, reflecting the economic circumstances that have driven large segments of the workforce to refine their skills to improve their marketability or prospects for employment.

**EXHIBIT 3-5
FULL-YEAR EQUIVALENT (FYE) SYSTEM GROWTH/DECLINE AMONG
SOUTHWEST MINNESOTA REGION INSTITUTIONS AND CAMPUSES,
2003 THROUGH 2010**

| Campus | 2006 | 2010 |
|------------------------|-------------|-------------|
| Southwest Minnesota SU | 8.6% | 3.6% |
| Minnesota West (Total) | -3.6% | 15.2% |
| Canby Campus | -11.9% | 57.3% |
| Granite Falls Campus | -10.3% | 1.3% |
| Jackson Campus | 9.0% | 11.0% |
| Pipestone Campus | 26.0% | 30.3% |
| Worthington Campus | 15.0% | 8.6% |

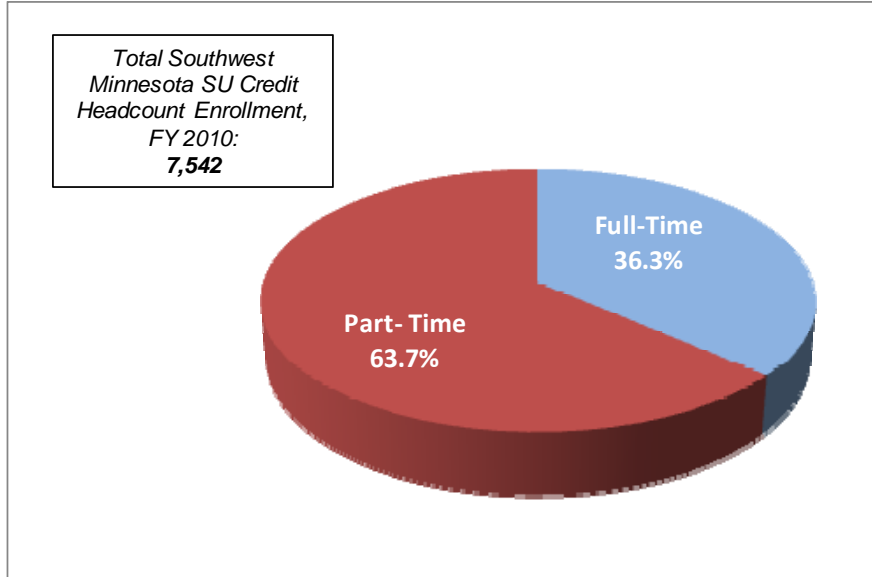
Source: Office of the Chancellor Research, Planning and Effectiveness.

While SMSU has realized enrollment growth in recent years, those growth rates are declining and minimal increases in enrollments are expected between 2010 and 2014. Minnesota West experienced some rates of decline between 2003 and 2006, but significantly increased enrollments between 2007 and 2010. However, focusing specifically on the enrollment projections from 2011 to 2014, Minnesota West (college-wide and individual campus locations) is expected to again experience declining enrollment at rates between 5.3 and 9.4 percent.

3.3.2 Full-Time vs. Part-Time Enrollment

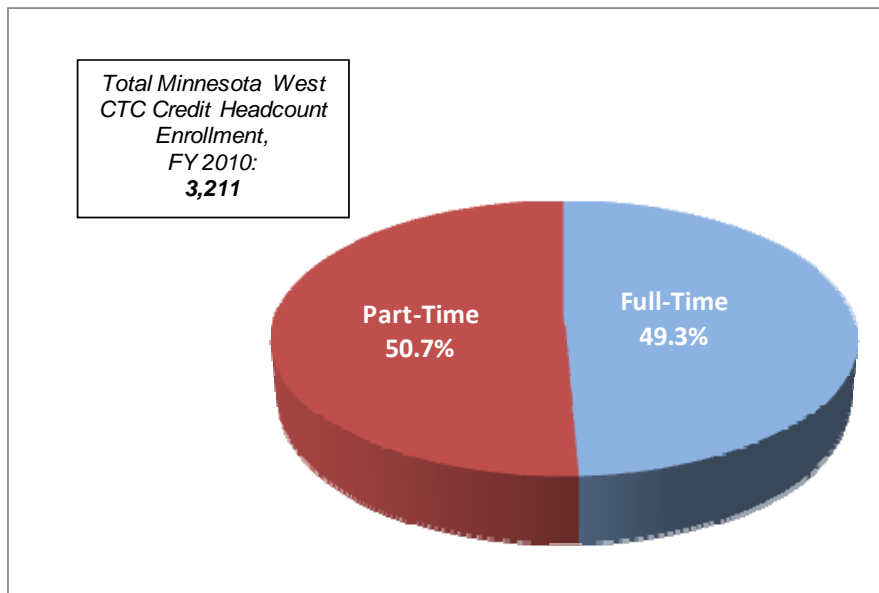
Exhibits 3-6 and **3-7** depict the recent proportions of full-time and part-time enrollments at both SMSU and Minnesota West, respectively. In comparison, both exhibits display varying enrollment figures. While the majority of students at SMSU are part-time, the number of full-time and part-time students at Minnesota West are about equal. This is atypical (reverse) of the full-time vs. part-time enrollment pattern usually encountered when comparing a community and technical college to a four-year institution in the same market.

**EXHIBIT 3-6
SOUTHWEST MINNESOTA STATE UNIVERSITY,
FULL-TIME VS PART-TIME CREDIT ENROLLMENT
FY 2010**



Source: Office of the Chancellor Research, Planning, and Effectiveness.

**EXHIBIT 3-7
MINNESOTA WEST,
FULL-TIME VS PART-TIME ENROLLMENT
FY 2010**



Source: Office of the Chancellor Research, Planning, and Effectiveness.

3.3.3 Student Origin

Exhibit 3-8 presents data regarding the origin of students attending Minnesota West or SMSU in relation to all students attending any system institution from the 19-county southwest region. Approximately 5.5 percent of the students attending any Minnesota System institution originated from the 19-county region (14,307 of 258,692 students). Almost 21 percent of the students from the 19-county region who attend a system institution attend SMSU. Similarly, 25.5 percent of the students from the region attending a system institution attend Minnesota West. Thirty-eight percent of SMSU's total enrollment and 80.5 percent of Minnesota West's total enrollment are students from the southwest region. Clearly, SMSU depends heavily on enrollment from outside the region, with a significant portion of those being PSEO participants (described in the next section). Furthermore, SMSU serves more than half of the students from Lyon County (SMSU campus home) who choose to enroll in any system institution. Minnesota West serves a majority of the system institution enrollees from six counties in the region, five of which represent its campus or center locations.

**EXHIBIT 3-8
PROPORTION OF SYSTEM CREDIT STUDENTS ATTENDING MINNESOTA WEST
OR SMSU IN FY 2009 BY COUNTY OF ORIGIN****

| County | Attending Any System Institution Student Headcount | Attending Minnesota West | | Attending SMSU | |
|--|---|-----------------------------|--------------|----------------|--------------|
| | | Headcount | Percent* | Headcount | Percent |
| Big Stone County | 198 | 4 | 2.0% | 40 | 20.2% |
| Brown County | 1,349 | 103 | 7.6% | 178 | 13.2% |
| Chippewa County | 581 | 144 | 24.8% | 82 | 14.1% |
| Cottonwood County | 526 | 221 | 42.0% | 81 | 15.4% |
| Jackson County | 637 | 384 | 60.3% | 89 | 14.0% |
| Kandiyohi County | 2,168 | 23 | 1.1% | 144 | 6.6% |
| Lac qui Parle County | 375 | 85 | 22.7% | 67 | 17.9% |
| Lincoln County | 215 | 127 | 59.1% | 37 | 17.2% |
| Lyon County | 1,909 | 385 | 20.2% | 1,072 | 56.2% |
| Martin County | 947 | 480 | 50.7% | 82 | 8.7% |
| Murray County | 445 | 166 | 37.3% | 136 | 30.6% |
| Nobles County | 907 | 574 | 63.3% | 114 | 12.6% |
| Pipestone County | 413 | 280 | 67.8% | 46 | 11.1% |
| Redwood County | 730 | 150 | 20.5% | 211 | 28.9% |
| Renville County | 863 | 53 | 6.1% | 165 | 19.1% |
| Rock County | 339 | 203 | 59.9% | 44 | 13.0% |
| Swift County | 538 | 16 | 3.0% | 146 | 27.1% |
| Watowan County | 532 | 66 | 12.4% | 40 | 7.5% |
| Yellow Medicine County | 634 | 190 | 30.0% | 211 | 33.3% |
| Total 19 County SW Region | 14,307 | 3,654 | 25.5% | 2,985 | 20.9% |
| Total | 258,692 | 4,537 | 1.8% | 7,844 | 3.0% |
| Percentage of enrollments from the region | | 80.5% | | 38.1% | |

Source: Office of the Chancellor Research, Planning, and Effectiveness.

Note: These data do include enrollment through the Post-Secondary Enrollment Option (PSEO) program (dual enrollment with high schools).

*Represents the percentage of students attending Minnesota West or SMSU out of all the students attending any system institution.

** County is from student's permanent address.

Exhibit 3-9 shows data on the county origin of students from the southwest region who attend Minnesota West or SMSU, respectively. Over 70 percent of the students attending Minnesota West came from counties that are home to one of its campuses or learning centers. Most regional student enrollment attending SMSU came from Lyon County (36%). No other county from the region generated 10 percent or more of the regional enrollments at SMSU. Due to the prevalence of more campuses and centers, the pattern of students attending Minnesota West is more evenly distributed across the region than is the case for SMSU.

**EXHIBIT 3-9
COUNTY ORIGIN OF MINNESOTA WEST AND SMSU STUDENTS FOR FY 2009****

| Attending Minnesota West | | Attending SMSU | |
|--|---------------|--|---------------|
| Big Stone County | 0.1% | Big Stone County | 1.3% |
| Brown County | 2.8% | Brown County | 6.0% |
| Chippewa County | 3.9% | Chippewa County | 2.7% |
| Cottonwood County | 6.0% | Cottonwood County | 2.7% |
| Jackson County | 10.5% | Jackson County | 3.0% |
| Kandiyohi County | 0.6% | Kandiyohi County | 4.8% |
| Lac qui Parle County | 2.3% | Lac qui Parle County | 2.2% |
| Lincoln County | 3.5% | Lincoln County | 1.2% |
| Lyon County | 10.5% | Lyon County | 35.9% |
| Martin County | 13.1% | Martin County | 2.7% |
| Murray County | 4.5% | Murray County | 4.6% |
| Nobles County | 15.7% | Nobles County | 3.8% |
| Pipestone County | 7.7% | Pipestone County | 1.5% |
| Redwood County | 4.1% | Redwood County | 7.1% |
| Renville County | 1.5% | Renville County | 5.5% |
| Rock County | 5.6% | Rock County | 1.5% |
| Swift County | 0.4% | Swift County | 4.9% |
| Watonwan County | 1.8% | Watonwan County | 1.3% |
| Yellow Medicine County | 5.2% | Yellow Medicine County | 7.1% |
| Total 19 County SW Region | 100.0% | Total 19 County SW Region | 100.0% |
| Percentage of enrollments from the region | 80.5% | Percentage of enrollments from the region | 38.1% |

Source: Office of the Chancellor Research, Planning, and Effectiveness.

Note: These data do include enrollment through the Post-Secondary Enrollment Option (PSEO) program (dual enrollment with high schools).

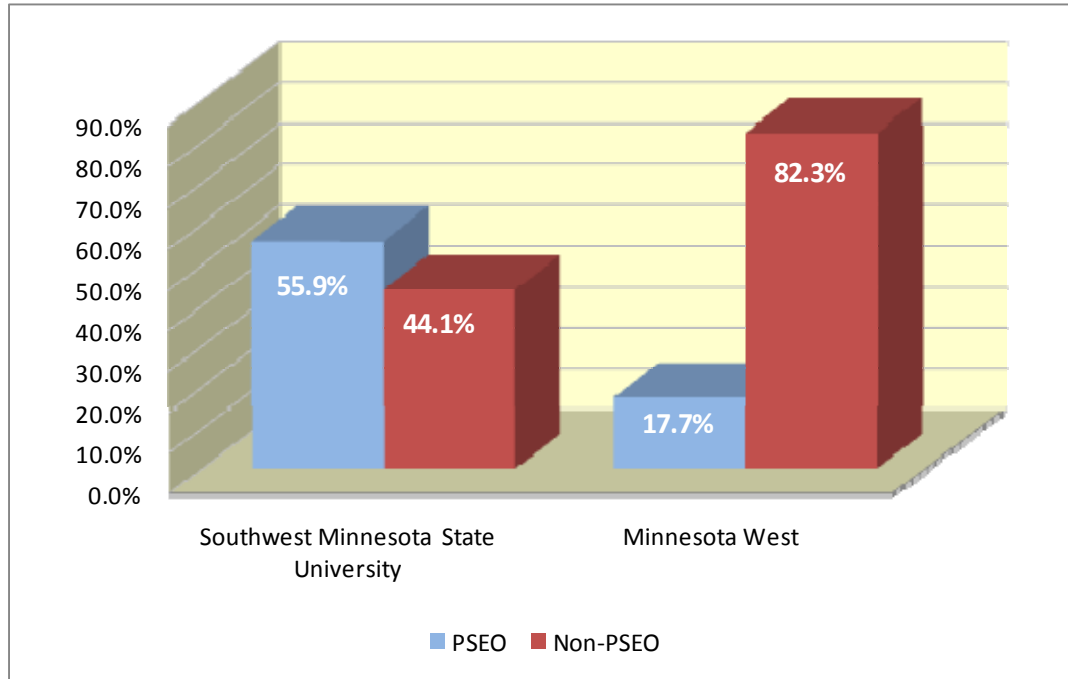
**County is from student's permanent address.

3.3.4 Post-Secondary Enrollment Option Program Enrollment

In 1985, the State of Minnesota passed a bill creating the Post-Secondary Enrollment Option (PSEO) Program which allows Minnesota high school juniors and seniors to take college-level courses that apply to both high school graduation requirements and a college degree.

At SMSU and Minnesota West, any qualified student classified as a high school junior or senior, may enroll either full-time or part-time in courses. **Exhibit 3-10** depicts the proportions of PSEO credit headcount enrollments at both SMSU and Minnesota West. Interestingly, about 56 percent of all SMSU credit headcount enrollments are PSEO program participants. However, only 18 percent of credit headcount enrollments at Minnesota West are enrolled in the PSEO program.

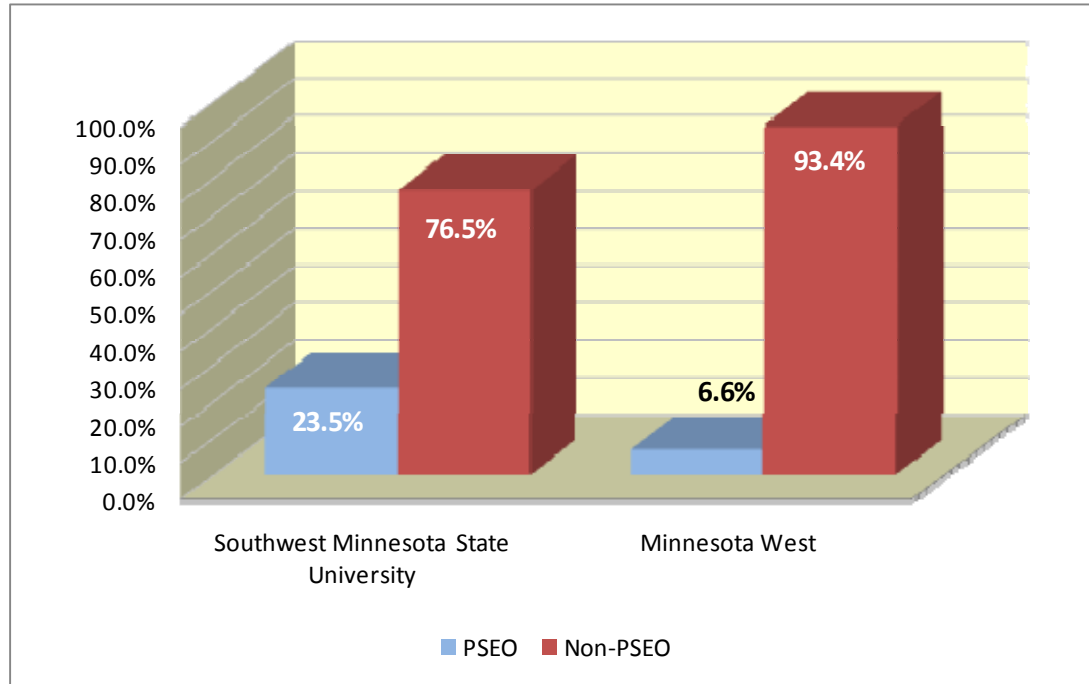
**EXHIBIT 3-10
SMSU AND MINNESOTA WEST,
PSEO VS NON-PSEO CREDIT HEADCOUNT ENROLLMENT
FY 2010**



Source: Office of the Chancellor Research, Planning, and Effectiveness.

Exhibit 3-11 depicts the proportions of PSEO full-year equivalent (FYE) enrollments at both SMSU and Minnesota West. Although the majority of SMSU's headcount enrollments are PSEO participants, 77 percent of the institution's FYE enrollments are non-PSEO participants. This is consistent with SMSU's large proportion of part-time enrollment, as most high school students participating in the program are not enrolled full-time. At Minnesota West, about 93 percent of FYE enrollments are non-PSEO participants.

**EXHIBIT 3-11
SMSU AND MINNESOTA WEST,
PSEO VS NON-PSEO FULL-YEAR EQUIVALENT (FYE) ENROLLMENT
FY 2010**



Source: Office of the Chancellor Research, Planning, and Effectiveness.

3.4 Staffing Trends

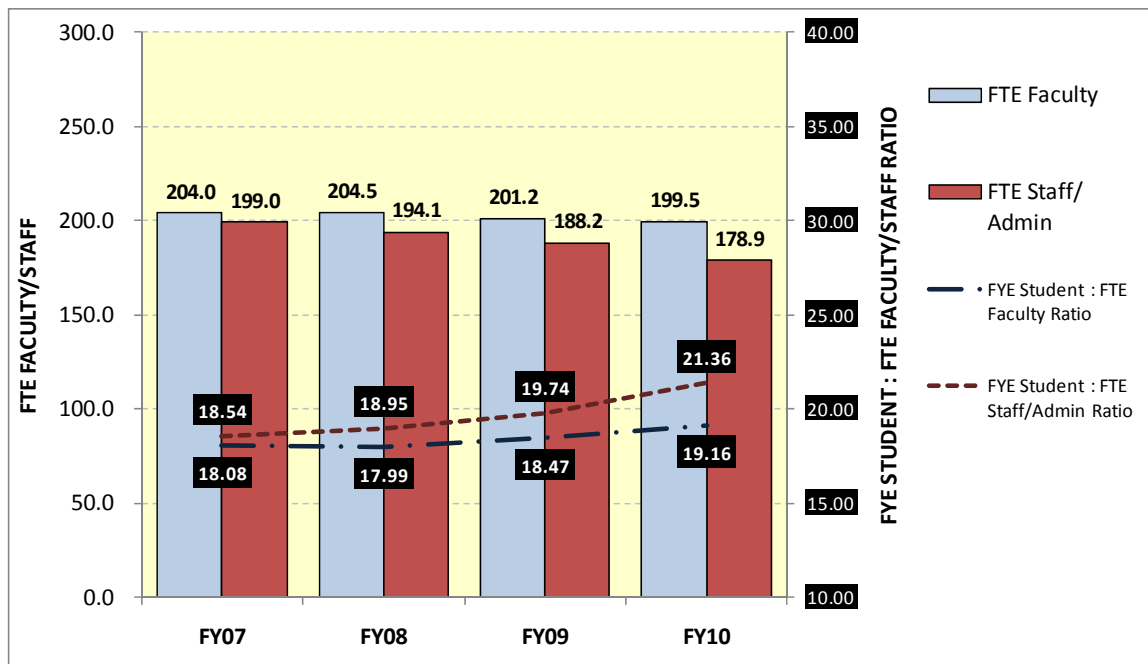
To make assessments of staffing levels at the focus institutions, some measure of operational scale must be revisited to provide context. Enrollment levels serve as the best single measure of scale in this instance due to the respective missions of these organizations, which is primarily to serve students.

SMSU has a FYE enrollment level of about 3,822 students as of FY2009-10, and a recent growth rate in student FYE of about 3.6 percent between FY2007 through FY2010 (an increase of 133 FYE). Staffing data corresponding to these enrollment trends can be examined in two categories – faculty and staff/administration – and in terms of headcount and FTE numbers for each year. Over the last four years, actual counts of faculty have declined by six members (to 222, a decline of -5.3%). Consistently, as depicted in **Exhibit 3-12**, FTE has declined from 204.0 to 199.5 (-2.2%) as of FY 2009-10, increasing the FYE student-to-FTE faculty ratio by about 6 percent over the period.

At the same time, non-instructional staff headcounts (capturing service and support, professionals, managers, and administrators) have declined by 19 (-13.5%) to a low for the period of 122, while FTE measures of this employee group dropped by just over 20, or a decrease of 10.1 percent, to 178.9 (depicted in **Exhibit 3-12**). As was communicated clearly in stakeholder sessions held on campus, the University continues

to serve more students with fewer support personnel, illustrated by the increase in the FYE student-to-FTE staff ratio, which rose from about 19 students per staff member at the beginning of the period to over 21 in FY2009-10 (a 15.2% increase).

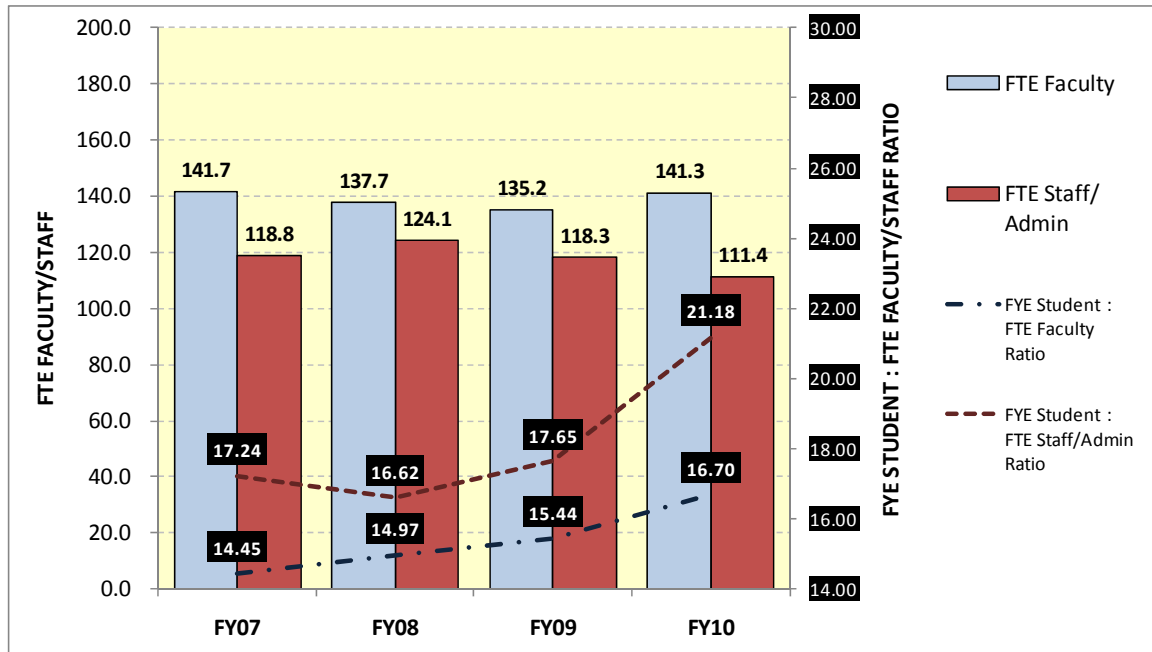
**EXHIBIT 3-12
TRENDS IN FTE STAFFING LEVEL AND FTE/1,000 FYE STUDENT RATIOS
SOUTHWEST MINNESOTA STATE UNIVERSITY**



Source: Office of the Chancellor Research, Planning and Effectiveness, Institution Profile Fiscal Year 2011.

Similarly, Minnesota West's combined campus enrollment change since FY2006-07 to FY2009-10 has been a net increase of 312 FYE students (15.2%). The numbers of faculty peaked in FY2008-09 at 245, but fell to 237 in FY2009-10 (a net loss of 3 headcount faculty since FY2006-07). As depicted in **Exhibit 3-13** in terms of FTE faculty, the college's levels have remained static over four years, holding at about 141. For reported non-instructional staffing and administrative positions, Minnesota West has lost 15 individuals and approximately seven FTEs over the last four completed fiscal years. They are now at 131 persons representing 111 non-instructional FTEs across all campuses. Both their FYE student-to-FTE faculty and FTE student-to-FTE staff ratios have increased over the period: by almost 16 percent in terms of the student-to-faculty counts, and by nearly 23 percent in terms of students per non-instructional staff. Minnesota West maintains staff at five campuses and four learning centers which requires some redundancy in services.

**EXHIBIT 3-13
TRENDS IN FTE STAFFING LEVEL AND FTE/1000 FYE STUDENT RATIOS
MINNESOTA WEST COMMUNITY AND TECHNICAL COLLEGE**



Source: Office of the Chancellor Research, Planning and Effectiveness, Institution Profile Fiscal Year 2011.

3.5 Articulation Agreements

In an effort to establish potential enrollment pipelines to the University, SMSU has successfully developed nineteen articulation agreements with community and technical colleges across the state. These include agreements with; Minnesota West (three programs), Pine Technical College (three programs), Riverland Community College (three programs), Alexandria Technical and Community College (two programs), St. Cloud Technical and Community College (two programs), Dakota County Technical College (one program), Hennepin Technical College (one program), Inver Hills Community College (one program), Minnesota State College - Southeast Technical (one program), Ridgewater College (one program), St. Paul Community and Technical College (one program). These agreements provide a seamless transition upon degree completion from the lower division institution to one of six designated baccalaureate degree programs at SMSU.

Southwest programs that potentially benefit from these agreements include:

- Early Childhood Education - Bachelor of Science (8 agreements)
- Management - Bachelor of Science, Bachelor of Applied Science (6 agreements)
- Computer Science - Bachelor of Science (2 agreements)

- Physical Education - Bachelor of Science (1 agreement)
- Code Enforcement Administration - Bachelor of Applied Science (1 agreement)
- Culinology - Bachelor of Science (1 agreement)

Conversely, Minnesota West has likewise engaged formal pathways for their program completers (51 programs) to pursue a baccalaureate degree option at four senior institutions across the state, including those with SMSU mentioned above. The receiving institutions and their respective programs are:

- Southwest Minnesota State University - Early Childhood Education (BS), Computer Science (BS)
- Mankato State University - Law Enforcement (BS)
- University of Minnesota, Crookston - Animal Science (BS), Agronomy (BS), Agricultural Systems Management (BS, BA)
- Minnesota State University, Moorhead¹ - Nursing (BSN), Operations Management (BS)

The mix of articulation agreements engaged in by Minnesota West illustrates their willingness to pursue a variety of degree options for their students' further educational attainment. It is noteworthy that only two such arrangements have been negotiated with SMSU, the prime four-year institution serving the Southwest Minnesota region. Commentary from the stakeholder meetings implied that these two agreements took a considerable amount of time and effort to arrange, placing an additional workload burden on all parties involved, and creating a potential barrier to similar efforts in the future.

3.6 Student Transfer Data

A study provided by the system illustrates 3-year trends for in-bound and out-bound student transfer records for SMSU and Minnesota West (FY 2006, 2007, and 2008). SMSU acquired 786, 780, and 760 new student transfer records from all institutions and sectors during the three fiscal years respectively who sought to transfer approximately 800 FYE credits each year. In FY 2008, 53 transfers were sent from Minnesota West campuses, 44 from Ridgewater College, 33 from the University of Minnesota, 32 from Minnesota State Community and Technical College and St. Cloud State respectively, 71 from other non-system institutions in state, and 142 from border states.

During those same three fiscal year periods; 1,783, 1,763, and 1,788 SMSU enrollees respectively transferred to other institutions. This translates to a net loss of nearly 1,000 students each year, averaging about 300 FYE credits transferred annually from SMSU.

¹ *Minnesota West has a single AS Nursing program that aligns with MSU-Moorhead's BSN program, but has 39 other diploma, AAS, and AS technical/occupational programs that can transfer to MSU-Moorhead for students to pursue a Bachelor of Science degree in Operations Management with their specialty.

Higher Education Providers Serving the Southwest Minnesota Region

A significant part of the outbound transfer is likely PSEO enrollees who decide to pursue their higher education career somewhere other than at SMSU.

Over the same 3-year period, the most common target institutions for transfer from Minnesota West included: the University of Minnesota, MSU-Mankato, SMSU, and St. Cloud State in descending order, excluding border states and other out-of-state institutions.

The number of student records transferred in and out of each institution from FY 2006-08 are displayed in **Exhibits 3-14** and **3-15**. Between FY 2006 and 2008, more than twice the number of students who transferred into SMSU transferred out of the institution. Even more dramatically, more than three times the number of students who transferred into Minnesota West transferred out of the institution between FY 2006-08.

**EXHIBIT 3-14
TRANSFERS INTO AND OUT OF SOUTHWEST MINNESOTA STATE UNIVERSITY**

| Transfers Into SMSU | | | | | | |
|---|------------|---------------|------------|---------------|------------|---------------|
| Source Institution | FY 2006 | | FY 2007 | | FY 2008 | |
| | Count* | % | Count* | % | Count* | % |
| Minnesota West | 53 | 6.7% | 48 | 6.2% | 53 | 7.0% |
| Minnesota Community & Technical Colleges (excluding Minnesota West) | 286 | 36.4% | 299 | 38.3% | 298 | 39.2% |
| MNSCU Senior Institutions | 70 | 8.9% | 97 | 12.4% | 72 | 9.5% |
| Other (University of Minnesota, other Minnesota institutions, and all out of state institutions) | 377 | 48.0% | 336 | 43.1% | 337 | 44.3% |
| TOTAL | 786 | 100.0% | 780 | 100.0% | 760 | 100.0% |

| Transfers From SMSU | | | | | | |
|---|--------------|---------------|--------------|---------------|--------------|---------------|
| Source Institution | FY 2006 | | FY 2007 | | FY 2008 | |
| | Count* | % | Count* | % | Count* | % |
| Minnesota West | 32 | 1.8% | 47 | 2.7% | 49 | 2.7% |
| Minnesota Community & Technical Colleges (excluding Minnesota West) | 436 | 24.5% | 445 | 25.2% | 414 | 23.2% |
| MNSCU Senior Institutions | 639 | 35.8% | 669 | 37.9% | 731 | 40.9% |
| Other (University of Minnesota, other Minnesota institutions, and all out of state institutions) | 676 | 37.9% | 602 | 34.1% | 594 | 33.2% |
| TOTAL | 1,783 | 100.0% | 1,763 | 100.0% | 1,788 | 100.0% |

*Note: Count indicates the number of student records sent.

Source: SMSU Transfer Student Profile, 2009 from the system Office of the Chancellor Program Collaboration and Transfer, Office of Research and Planning.

**EXHIBIT 3-15
TRANSFERS INTO AND OUT OF MINNESOTA WEST**

| Transfers Into Minnesota West | | | | | | |
|--|------------|---------------|------------|---------------|------------|---------------|
| Source Institution | FY 2006 | | FY 2007 | | FY 2008 | |
| | Count* | % | Count* | % | Count* | % |
| Minnesota Community & Technical Colleges | 68 | 22.7% | 88 | 27.9% | 103 | 30.0% |
| Southwest Minnesota State University | 32 | 10.7% | 47 | 14.9% | 49 | 14.3% |
| MNSCU Senior Institutions (excluding SMSU) | 32 | 10.7% | 28 | 8.9% | 42 | 12.2% |
| Other (University of Minnesota, other Minnesota institutions, and all out of state institutions) | 168 | 56.0% | 152 | 48.3% | 149 | 43.4% |
| TOTAL | 300 | 100.0% | 315 | 100.0% | 343 | 100.0% |

| Transfers From Minnesota West | | | | | | |
|--|--------------|---------------|--------------|---------------|--------------|---------------|
| Source Institution | FY 2006 | | FY 2007 | | FY 2008 | |
| | Count* | % | Count* | % | Count* | % |
| Minnesota Community & Technical Colleges | 103 | 9.4% | 119 | 11.5% | 83 | 8.3% |
| Southwest Minnesota State University | 53 | 4.8% | 48 | 4.6% | 53 | 5.3% |
| MNSCU Senior Institutions (excluding SMSU) | 133 | 12.1% | 116 | 11.2% | 161 | 16.0% |
| Other (University of Minnesota, other Minnesota institutions, and all out of state institutions) | 807 | 73.6% | 755 | 72.7% | 707 | 70.4% |
| TOTAL | 1,096 | 100.0% | 1,038 | 100.0% | 1,004 | 100.0% |

*Note: Count indicates the number of student records sent.

Source: Minnesota West Transfer Student Profile, 2009 from the system Office of the Chancellor Program Collaboration and Transfer, Office of Research and Planning.

3.7 Financial Overview

Included in this section is a brief analysis of summary budget and operating data for SMSU and Minnesota West. The analyses rely primarily on Integrated Postsecondary Education Data System (IPEDS) survey data published by the National Center for Education Statistics for the 2008-09 year, while more recent data included in the section were provided by the system Office of the Chancellor. It should be noted that the volatility of public funding (and the economy in general) in recent years may have led to significant deviations from the figures that are depicted in some instances.

The first perspective in this analysis is a side-by-side comparison of revenue streams by source at the two institutions (**Exhibit 3-16**). SMSU collects roughly twice the revenues collected by Minnesota West, which is approximately in accord with their respective enrollment levels. On a per FTE student basis, SMSU slightly outpaces Minnesota West in terms of operating revenues, primarily due to higher tuition and fee rates, and has a pronounced advantage in auxiliary funds. However, Minnesota West exhibits a pronounced advantage in funds derived from state appropriations and federal grants from this perspective, resulting in an overall funding advantage per FTE student (+12%) at Minnesota West.

**EXHIBIT 3-16
COMPARISON OF REVENUES:
SMSU AND MINNESOTA WEST, 2008-09**

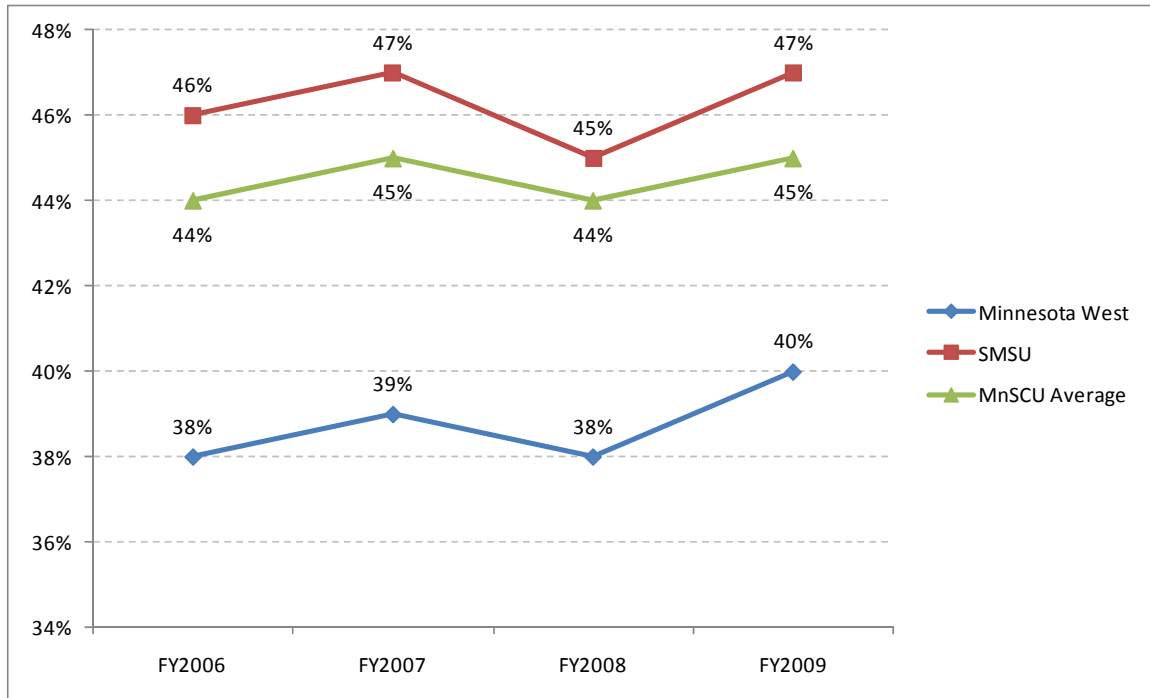
| REVENUE SOURCE | SMSU | | MINNESOTA WEST | |
|---|---------------------|-----------------|---------------------|-----------------|
| | Total | per FTE* | Total | per FTE* |
| Tuition and fees after deducting discounts and allowances | \$13,993,000 | \$3,631 | \$7,329,000 | \$3,801 |
| Federal operating grants and contracts | \$751,000 | \$195 | \$654,000 | \$339 |
| State operating grants and contracts | \$1,915,000 | \$497 | \$1,659,000 | \$860 |
| Sales and services of auxiliary enterprises | \$5,454,000 | \$1,415 | \$367,000 | \$190 |
| <i>Total operating revenues</i> | <i>\$22,493,000</i> | <i>\$5,836</i> | <i>\$10,034,000</i> | <i>\$5,203</i> |
| Other sources - operating | \$380,000 | \$99 | \$25,000 | \$13 |
| State appropriations | \$17,887,000 | \$4,641 | \$13,820,000 | \$7,167 |
| Federal nonoperating grants | \$2,792,000 | \$724 | \$3,064,000 | \$1,589 |
| Gifts including contributions from affiliated organizations | \$1,295,000 | \$336 | \$125,000 | \$65 |
| Investment income | \$311,000 | \$81 | \$43,000 | \$22 |
| <i>Total nonoperating revenues</i> | <i>\$22,285,000</i> | <i>\$5,782</i> | <i>\$17,052,000</i> | <i>\$8,843</i> |
| Capital appropriations | \$1,458,000 | \$378 | \$688,000 | \$357 |
| Capital grants and gifts | \$2,897,000 | \$752 | \$4,000 | \$2 |
| Other revenues and additions | \$248,000 | \$64 | \$3,000 | \$2 |
| <i>Total other revenues and additions</i> | <i>\$4,603,000</i> | <i>\$1,194</i> | <i>\$695,000</i> | <i>\$360</i> |
| Total all revenues and other additions | \$49,381,000 | \$12,813 | \$27,781,000 | \$14,407 |

*Full-time equivalent students estimated as sum of all full-time plus 1/3 of part-time students.

Source: IPEDS finance (2008-09) and enrollment (Fall 2008) surveys.

A quick and useful metric for gauging the composition of an institution's revenue streams is to examine its reliance on tuition and fees as a proportion of its total general fund revenues. As illustrated in **Exhibit 3-17**, the entire system has been forced to rely more heavily on tuition revenues as state appropriations are reduced. This is a common trend nationally, and successive data should show even more severe shifts in funding proportions as institutions adjust to the deteriorating fiscal climates.

**EXHIBIT 3-17
TUITION AND FEES AS A PERCENTAGE OF GENERAL FUND REVENUES**



Source: Office of the Chancellor Finance Division/Budget Office, Institutional Profiles FY2008 through FY2010.

Further illustrating the financial hardships faced by these institutions, **Exhibit 3-18** presents the declining shares of the state allocation received by each institution. This is a function of declining proportion of system enrollments relative to institutions in the more urban locales. SMSU declined from 12th in the system among 32 institutions to 15th over this period, while Minnesota West declined from 22nd to 25th. The rates of decline for the two institutions were among the sharpest in the system at 20th and 25th, respectively (where 32nd would indicate the steepest decline in system share).

**EXHIBIT 3-18
PERCENT SHARE OF ALLOCATION FRAMEWORK, SORTED BY PERCENT
CHANGE, FY2006 THROUGH FY2012**

| INSTITUTION | % SHARE OF ALLOCATION BY FISCAL YEAR | | |
|---|--------------------------------------|-------------|--------------|
| | FY2006 | FY2012 | TOTAL CHANGE |
| Southwest Minnesota SU <i>Rank among 32 institutions</i> | 2.92% 12 | 2.82% 15 | -0.10% 20 |
| Minnesota West College <i>Rank among 32 institutions</i> | 2.15% 22 | 1.98% 25 | -0.17% 25 |

Source: Office of the Chancellor Finance Division/Budget Office.

In terms of how resources are used, pronounced differences in certain expenditure categories are apparent, as shown in **Exhibit 3-19**. Instructional and academic support costs per FTE student are significantly higher at Minnesota West, while SMSU spends significantly more on auxiliaries (in fact, auxiliaries appear to be operating at a net loss for SMSU, with under \$5.5 million in revenues versus over \$6 million in expenses). Overall, Minnesota West spends a marginal amount more per FTE student (+13%) than SMSU, consistent with the patterns observed in revenues.

**EXHIBIT 3-19
COMPARISON OF EXPENDITURES:
SMSU AND MINNESOTA WEST, 2008-09**

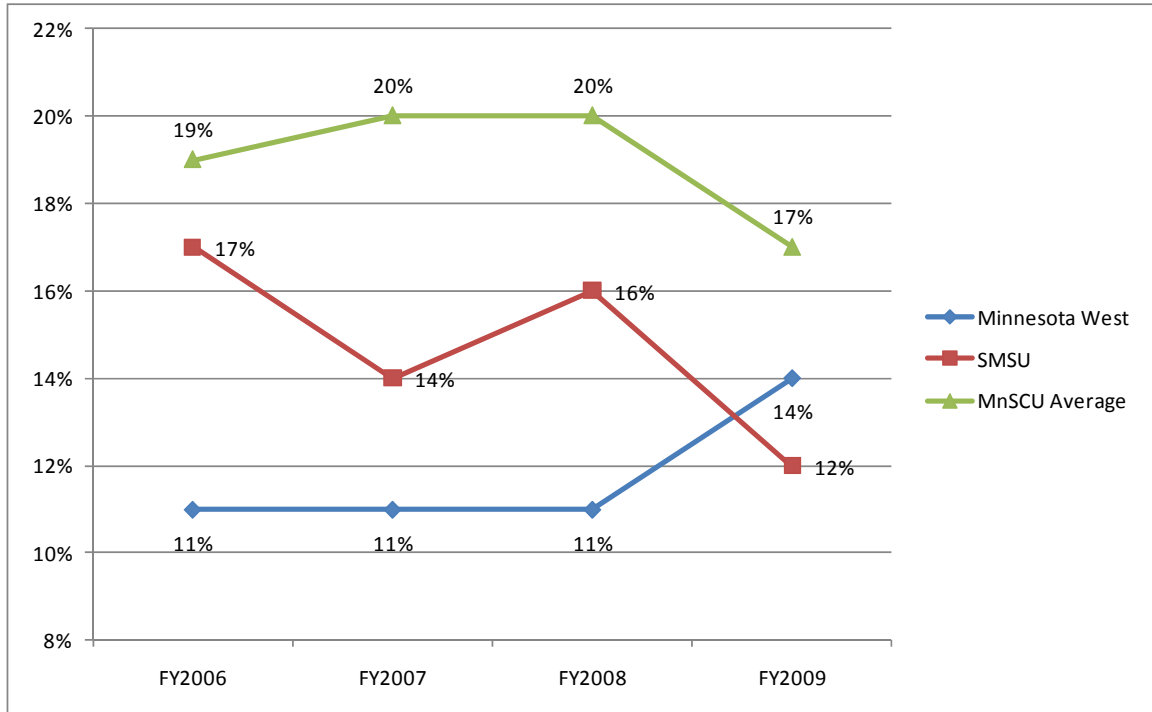
| EXPENDITURE FUNCTION | SMSU | | MINNESOTA WEST | |
|---|---------------------|-----------------|---------------------|-----------------|
| | Total | per FTE* | Total | per FTE* |
| Instruction | \$15,760,000 | \$4,089 | \$11,277,000 | \$5,848 |
| Research | \$0 | \$0 | \$23,000 | \$12 |
| Public service | \$700,000 | \$182 | \$4,000 | \$2 |
| Academic support | \$3,830,000 | \$994 | \$4,018,000 | \$2,084 |
| Student services | \$7,616,000 | \$1,976 | \$3,657,000 | \$1,896 |
| Institutional support | \$5,330,000 | \$1,383 | \$3,402,000 | \$1,764 |
| Operation maintenance of plant | \$4,377,000 | \$1,136 | \$2,458,000 | \$1,275 |
| Depreciation | \$2,972,000 | \$771 | \$876,000 | \$454 |
| Scholarships and fellowships expenses | \$549,000 | \$142 | \$539,000 | \$280 |
| Auxiliary enterprises | \$6,080,000 | \$1,578 | \$542,000 | \$281 |
| <i>Total operating expenses</i> | <i>\$47,214,000</i> | <i>\$12,251</i> | <i>\$26,796,000</i> | <i>\$13,896</i> |
| Interest | \$670,000 | \$174 | \$165,000 | \$86 |
| Other nonoperating expenses and deductions | \$28,000 | \$7 | \$37,000 | \$19 |
| <i>Total nonoperating expenses and deductions</i> | <i>\$698,000</i> | <i>\$181</i> | <i>\$202,000</i> | <i>\$105</i> |
| Total expenses deductions | \$47,912,000 | \$12,432 | \$26,998,000 | \$14,001 |

*Full-time equivalent students estimated as sum of all full-time plus 1/3 of part-time students.

Source: IPEDS finance (2008-09) and enrollment (Fall 2008) surveys.

As a final measure of financial performance, the cash balances of the institutions as a proportion of general revenues are shown in **Exhibit 3-20**. While the system and SMSU have experienced precipitous decline in balances, Minnesota West has managed to increase its proportion. Again, it is likely that these will continue to erode in coming years as institutions adapt to leaner appropriations.

**EXHIBIT 3-20
GENERAL FUND BUDGETARY CASH BALANCE AS PERCENT OF
GENERAL FUND CURRENT REVENUES**



Source: Office of the Chancellor Finance Division/Budget Office, Institutional Profiles FY2008 through FY2010.

4.0 STAKEHOLDER'S OPINIONS AND PERCEPTIONS

4.0 STAKEHOLDERS' OPINIONS AND PERCEPTIONS

Throughout the study, the MGT team sought to uncover the gaps and barriers to successful higher education opportunities for students in the Southwest Minnesota region. Part of this effort entailed interviews with community and business leaders and campus stakeholders (see **Appendix A**), as well as surveys of three constituent groups: employers, Southwest Minnesota State University (SMSU) students, and Minnesota West Community and Technical College (Minnesota West) students.¹ What follows is a summary of the issues presented throughout this process.

4.1 Perceptions of Campus Stakeholders

Regionally, the area is losing population, yet the unemployment rate has been significantly lower than other areas of the state and the country, despite difficult economic times. It is rural in nature, with population points spread across a vast 19-county geography. There is a local, as well as regional, sense of urgency to attract new residents, keep locals from leaving the area, and sustain an educated workforce to attract new industry or expand existing operations. Local businesses and economic development entities have been successful in evolving with consumer and industry needs, and it has allowed for impressive successes and adaptations within the labor market. The higher education providers of the region and their local sites are a critical economic development element of each community and the loss of one could be devastating to local or regional initiatives.

Intrinsic to these evolutions and adaptations, economic development includes a key component – the postsecondary educational assets of the region. The focal institutions of the Southwest Minnesota region are SMSU in Marshall and Minnesota West, with campuses in Canby, Granite Falls, Jackson, Pipestone, and Worthington. External stakeholder comments from areas outside the immediate vicinity of Marshall suggest SMSU has not been a fully engaged partner in these regional efforts, however. There is an expressed desire to more closely align SMSU programs and services with regional economic initiatives and goals. Current perceptions are that there is a “disconnect,” particularly outside the local Marshall area.

This disconnect was further confirmed by employer commentary that SMSU needs to do more to strengthen and sustain an educated regional workforce through its academic programming. Regional stakeholders noted that Minnesota West has been active in this regard but due to economic constraints, the college had to pull back in some locations or disciplines. The SMSU academic mix has been seen as more focused on a Liberal Arts curriculum and less so towards career-oriented or applied four-year degree options. While recognizing the value of liberal arts education, many local industry representatives MGT spoke with would like to see a shift in this focus toward a more direct response to regional needs in industry sectors related to agriculture, food sciences, healthcare, and business management and operations. Employers expressed the inability to find adequately trained applicants for their technical positions that require a bachelor's

¹ **Appendix A** contains a list of internal and external stakeholder interviews and group meetings held during two weeks of onsite visits by the consultant team.

degree or higher. They also shared the sentiment that their current employees were unable to pursue desired upper division training programs due to holes in the local program array.

Onsite meeting participants suggest that there are a number of opportunities for more collaboration and alignment of academic programs between the two institutions to provide clear and defined degree pathways for students to choose in response to local needs. However, developing such collaborations has proven to be a difficult process to accomplish in the past. Barriers that were perceived between the institutions and their programs included insufficient articulation agreements, inconsistencies in faculty credentialing standards, and conflicting delivery models between the institutions.

Regarding delivery models, many Minnesota West stakeholders noted a strong desire for SMSU to partner in offering 2+2 programs that could be hosted, in whole or in part, on the various Minnesota West sites through iTV, online delivery formats, or mobile faculty where possible. Opportunities in areas including assorted healthcare, information technology, and education programs were among those referenced by representatives. Stakeholders further communicated that a strong contingent of Minnesota West students that complete transfer programs move on to four-year institutions besides SMSU, including several out-of-state providers. While a holistic perspective of educational provision should recognize and appreciate the efforts of out-of-state institutions, it is perceived that local providers should fill their state's needs to the greatest extent possible as a function of their stewardship of state resources. It is perceived that a lack of available programming has led to a "brain drain" of the area's promising young students.

Although SMSU has been very aggressive and successful in attracting high school students to take basic general education courses through PSEO offerings, a significant number of enrollments have been from outside the Southwest Minnesota region. Very few (2-3%) of these PSEO enrollments are converted into full-time entering students at SMSU to enhance the University's enrollment pipeline.

There is concern that "alignment," in whatever form, may compromise the differing missions and roles of the two institutions and, thus, diminish the value of each to the region. Similarly, if both institutions came under the same leadership, there are expressed fears that one institution will be absorbed into or, conversely, overshadowed by the other, creating a greater gap in programmatic or service delivery to certain segments within the Southwest Minnesota region. If such an administrative consolidation were to occur, it would require very dynamic and energetic leadership to pull these two institutions together in a more collaborative arrangement, maintain the current local relationships that each have developed over the years, yet at the same time cultivate a regional postsecondary education focus beyond what now exists across the vast 19-county geography. Already having experienced several consolidations or mergers in recent years, representatives of Minnesota West frequently noted the difficulties in transitioning between and combining cultures and principals, as well as the challenges of maintaining communication between various arms and outreaches of the institution. Fundraising efforts also are perceived to be closely linked with each community's level of ownership relative to the education provider.

The financial outlook for both institutions was perceived as tenuous, with dropping support levels and tuition costs already excessively burdensome to students. Comments compiled during the site visits suggest that staffing at both institutions may already be “stretched to the limit” in terms of maintaining the expected and necessary levels of service and support to prospects, students, faculty, staff, and the community due to recent trends in financial cutbacks from state appropriations and other sources. This implies that the alignment of some services may not result in significant financial savings to those areas, although it may serve to restore some acceptable level of backup and infill for service delivery to be shared by the two institutions. However, stakeholders did acknowledge that some opportunities for improvements in efficiency may be possible in areas such as accounting, payroll, financial aid, and other back office operations. Ultimately, both institutions value the advantages that their small size offers in terms of enabling a high level of customer service – seeing this as pivotal in both attracting new enrollments and improving retention – and therefore would not be in favor of sacrificing aspects of this as a function of alignment.

There is a strong sense of “ownership” and value within each community where Minnesota West has a physical presence. Minnesota West, through its many locations, has a stronger regional prominence that is very important and vital to each community. SMSU is seen as having strong ties to the local Marshall area, but less so in outlying sectors of the Southwest Minnesota region. Eliminating this local connection for any of these sites would be a significant setback to their respective communities.

Local residents, employees, and students (both traditional and nontraditional) expressed the importance of and reliance on local access to affordable higher education. Either due to economic or other personal or job-related constraints, higher education options outside the local area are often limited or a non-option for many. A number of residents pursue educational programs at out-of-state institutions due to cost, convenience, program availability, or, in some cases, a lack of awareness of available options in the Southwest Minnesota region or other parts of the state. Representatives of displaced and under-employed workers from the area highlighted the specific importance of physical access and flexible scheduling in training/education programs to advance the skill sets of those placebound individuals that must maintain current employment or household responsibilities. Finally, the local presence is also perceived as being a vital element of outreach to diverse ethnic groups – representing a “majority” in some communities – who reside in the area and have great difficulty overcoming the initial hurdles of enrollment.

4.2 Student Survey Analysis

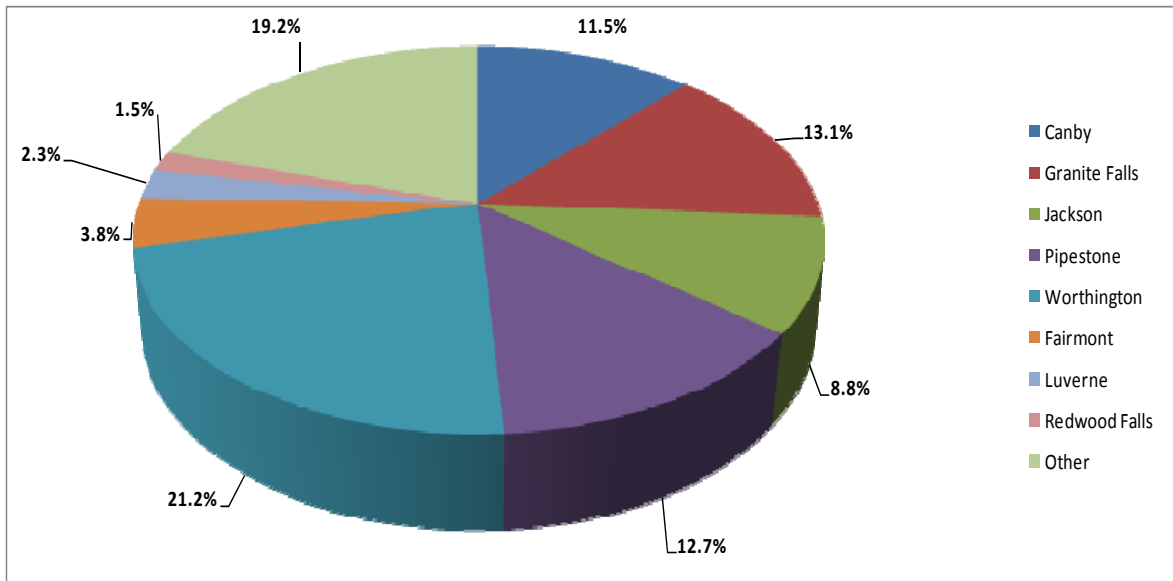
Qualitative and quantitative data about community perceptions of the gaps and barriers to higher education were solicited through surveys emailed to students enrolled at SMSU and/or Minnesota West for the Spring 2011 term.

This section presents insights and observations on this topic as provided by university/college students through email surveys. Several questions included in the student surveys queried perceptions regarding barriers to access or gaps in the academic and training programs available.

Students were asked to identify the educational providers from which they are currently taking courses or are enrolled in degree/training programs, as well as the campus where they take their courses. Ninety-eight percent of SMSU students were taking courses from SMSU, while 4.3 percent were also taking courses at Minnesota West and 4.0 percent were taking courses at other institutions. The majority of SMSU students indicated that they were taking courses on the Marshall Campus (74.7%).

Similar to SMSU students, 97.7 percent of Minnesota West students were taking courses at Minnesota West, while 2.3 percent were also taking courses at SMSU and 3.1 percent were taking courses at other institutions. **Exhibit 4-1** shows the campuses where Minnesota West students reported taking their courses. The Minnesota West campuses where most students are taking their courses include Canby Campus (21.2%), Jackson Campus (19.2%), Granite Falls Campus (13.1%), and Pipestone Campus (12.7%).

EXHIBIT 4-1
CAMPUS WHERE MINNESOTA WEST STUDENTS ARE CURRENTLY TAKING COURSES
(n=245)

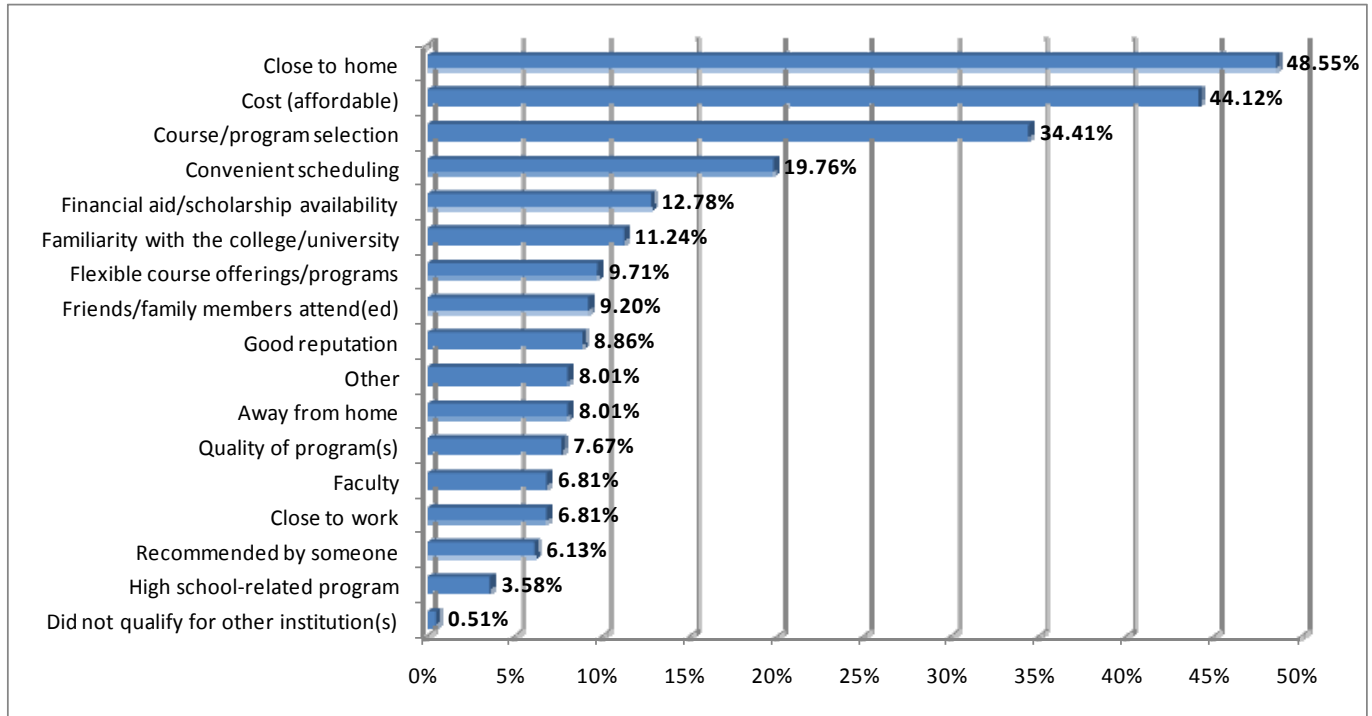


Source: MGT of America, Inc. survey of Minnesota West Community and Technical College students, Spring 2011.

When asked about the main reason(s) they chose to take courses from their current college/university, both SMSU and Minnesota West students indicated that being close to home, the cost, and the course program/selection were the main reasons for choosing their current college/university. **Exhibits 4-2** and **4-3** show the reasons indicated by student respondents for choosing to take courses from their current college/university.

Almost half (48.6%) of SMSU students indicated that being close to home was a reason for choosing their university, followed by cost (44.1%) and the course/program selection (19.8%). Other reasons reported by SMSU students that were not listed in the survey include athletics, small class sizes, and that they liked SMSU's campus and faculty.

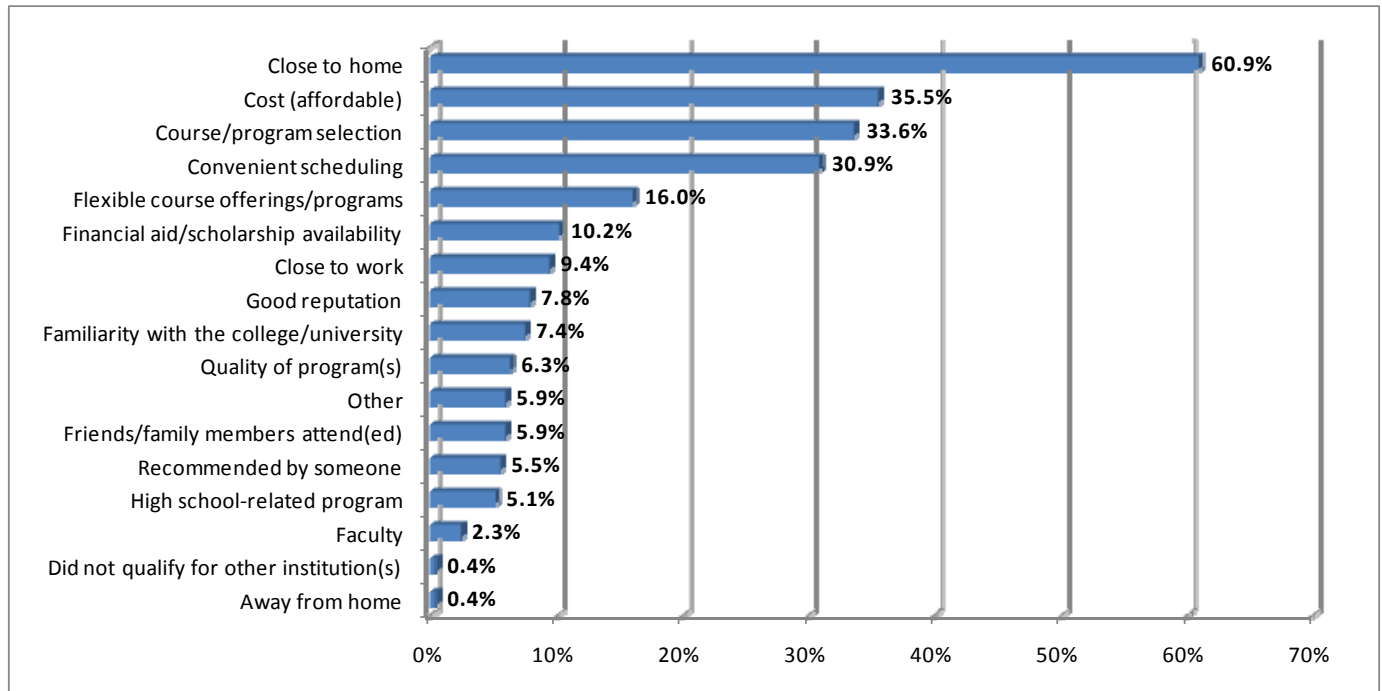
**EXHIBIT 4-2
REASONS FOR CHOOSING TO TAKE COURSES AT SMSU
(n=300)**



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

Almost 61 percent of Minnesota West students indicated that being close to home was a reason for choosing their university, followed by cost (35.6%), and the course/program selection (33.6%). An additional reason reported by Minnesota West students that was not listed in the survey includes online programs.

EXHIBIT 4-3
REASONS FOR CHOOSING TO TAKE COURSES AT MINNESOTA WEST
(n=256)



Source: MGT of America, Inc. survey of Minnesota West Community and Technical College students, Spring 2011.

Students were also asked to indicate the institution they were most interested in attending other than the one where they are currently enrolled. Almost 47 percent of SMSU students and 56 percent of Minnesota West students reported that they were not interested in any other institution, while 18.2 percent of SMSU students and 11.7 percent of Minnesota West students reported that they would be interested in attending other institutions. Both SMSU and Minnesota West students reported that they were interested in other institutions in Minnesota, particularly Minnesota State University – Mankato, as well as institutions in South Dakota.

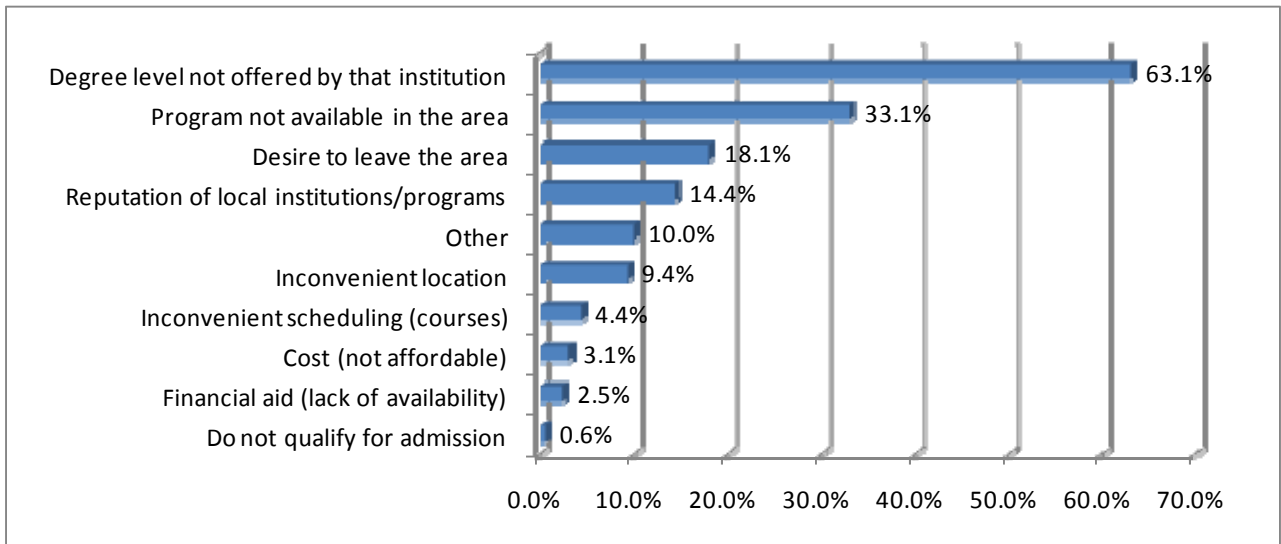
To investigate these views further, students were asked how likely they were to consider a local institution in the Southwest Minnesota region for further education:

- Almost 48 percent of SMSU students who plan to continue their education beyond their current degree (n=139) indicated that they were not at all likely to consider Minnesota West for further education, while 25.5 percent were very likely to consider further education at the college. Almost 29 percent of SMSU students were not at all likely to consider further education at SMSU, while 25.8 percent were very likely to consider further education at the university.
- Almost 49 percent of Minnesota West students who plan to continue their education beyond their current degree (n=154) indicated that they were very likely to consider further education at Minnesota West, while 16.9 percent were not at all likely. Thirty percent of Minnesota West students were not at all likely

to consider further education at SMSU, while 18.7 percent were very likely to seek further education from the university.

Students that did not select SMSU or Minnesota West as an option for further education were asked to identify how likely they were to seek further education from another institution in the Southwest Minnesota region. Forty-eight percent of SMSU students and 20.8 percent of Minnesota West students reported that they were very likely to consider another institution in the Southwest Minnesota region, particularly at Minnesota State University – Mankato. Students who reported that they were not likely to seek further education from any institution in the Southwest Minnesota region were asked to identify their reasons, as shown in Exhibits 4-4 and 4-5. The main reasons reported by both SMSU and Minnesota West students include that their degree level was not offered by a Southwest Minnesota institution, their program was not available in the area, and they desired to leave the area. Nearly two-thirds (63.1%) percent of SMSU students noted that their degree level was not offered in the Southwest Minnesota region, 33.1 percent indicated that their program was not available in the area, and 18.1 percent desired to leave the area.

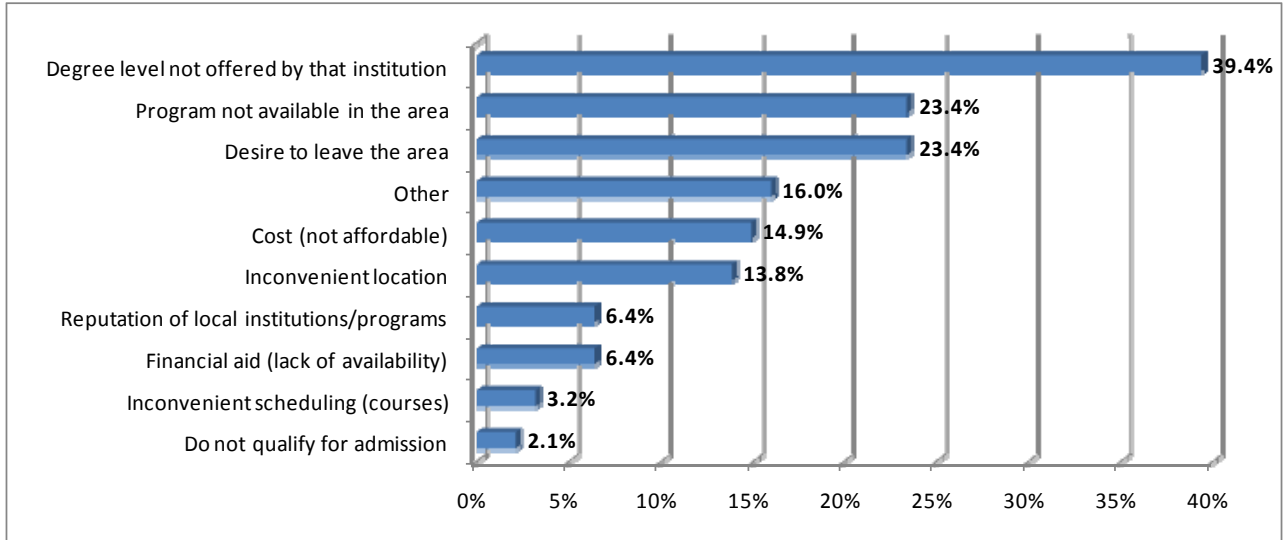
EXHIBIT 4-4
REASONS THAT SMSU STUDENTS ARE NOT LIKELY TO CONSIDER ANY
INSTITUTION IN THE SOUTHWEST MINNESOTA REGION
(n=160)



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

Nearly 40 percent (39.4%) of Minnesota West students noted that their degree level was not offered in the Southwest Minnesota region, 23.4 percent indicated that their program was not available in the area, and 23.4 percent desired to leave the area.

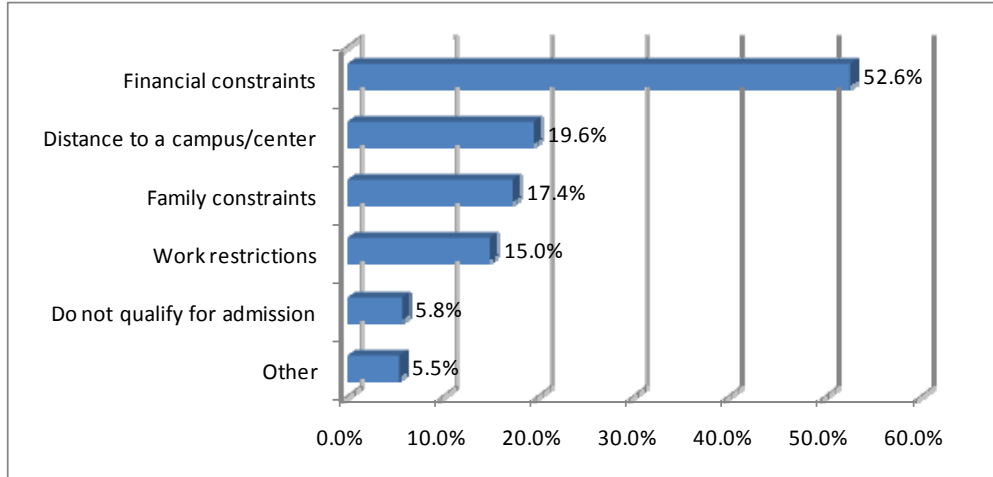
EXHIBIT 4-5
REASONS THAT MINNESOTA WEST STUDENTS ARE NOT LIKELY TO CONSIDER
ANY INSTITUTION IN THE SOUTHWEST MINNESOTA REGION
(n=94)



Source: MGT of America, Inc. survey of Minnesota West Community and Technical College students, Spring 2011.

All students were asked several questions regarding educational barriers and gaps. Both SMSU and Minnesota West students indicated that financial constraints, the distance to the campus/center, and family constraints were the main barriers to their educational goals (**Exhibits 4-6** and **4-7**). Almost 53 percent of SMSU students cited financial constraints as a barrier, followed by the distance to the campus/center (19.6%) and family constraints (17.4%). Another barrier mentioned by SMSU students includes the availability of their desired program/course offerings.

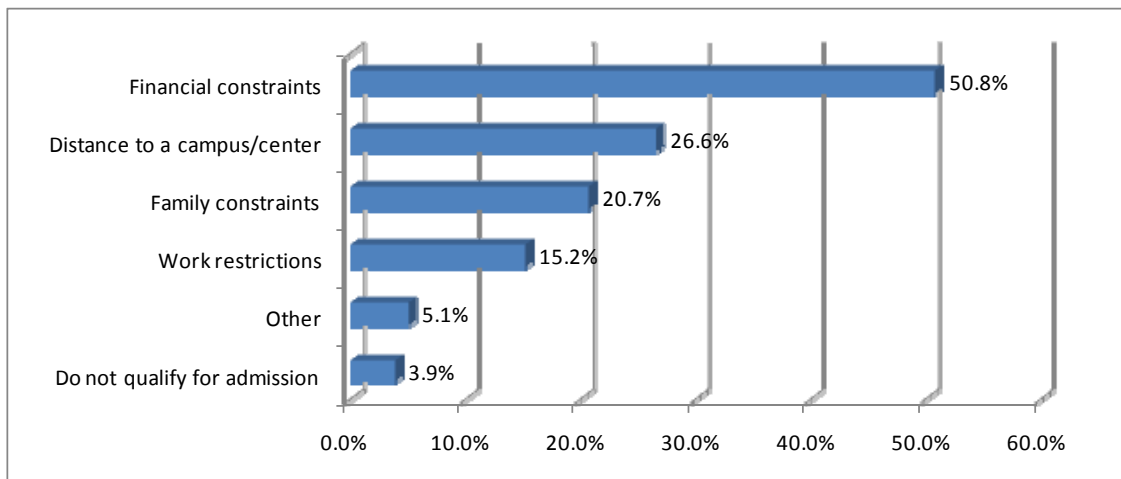
**EXHIBIT 4-6
BARRIERS TO PURSUING EDUCATIONAL GOALS – SMSU STUDENTS
(n=300)**



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

Nearly 51 percent of Minnesota West students reported financial constraints as a barrier, followed by the distance to the campus/center (26.6%) and family constraints (20.7%).

**EXHIBIT 4-7
BARRIERS TO PURSUING EDUCATIONAL GOALS – MINNESOTA WEST
STUDENTS
(n=256)**

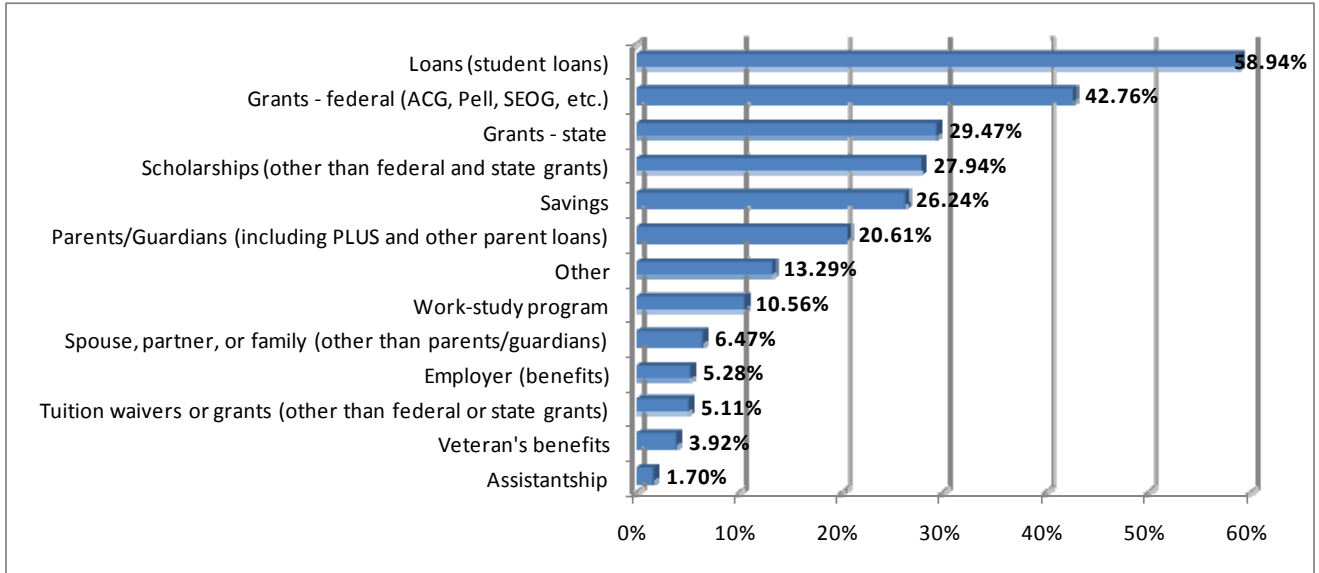


Source: MGT of America, Inc. survey of Minnesota West Community and Technical College students, Spring 2011.

The financial barrier identified by student respondents can be better understood by examining how students are generating income for their education and related expenses. Almost 70 percent of SMSU students reported that they were currently employed, with almost 69 percent working part-time. Sixty-three percent of Minnesota West students were currently employed, with 27.42 percent working part-time. **Exhibits**

4-8 and **4-9** present data on how students are currently financing their education and expenses. Over half of SMSU students are financing their education through loans (58.9%), while large proportions also rely on federal grants (42.8%) and state grants (29.5%). Other means identified by SMSU students include disability aid, participation in the dislocated worker program, and Trade Adjustment Assistance.

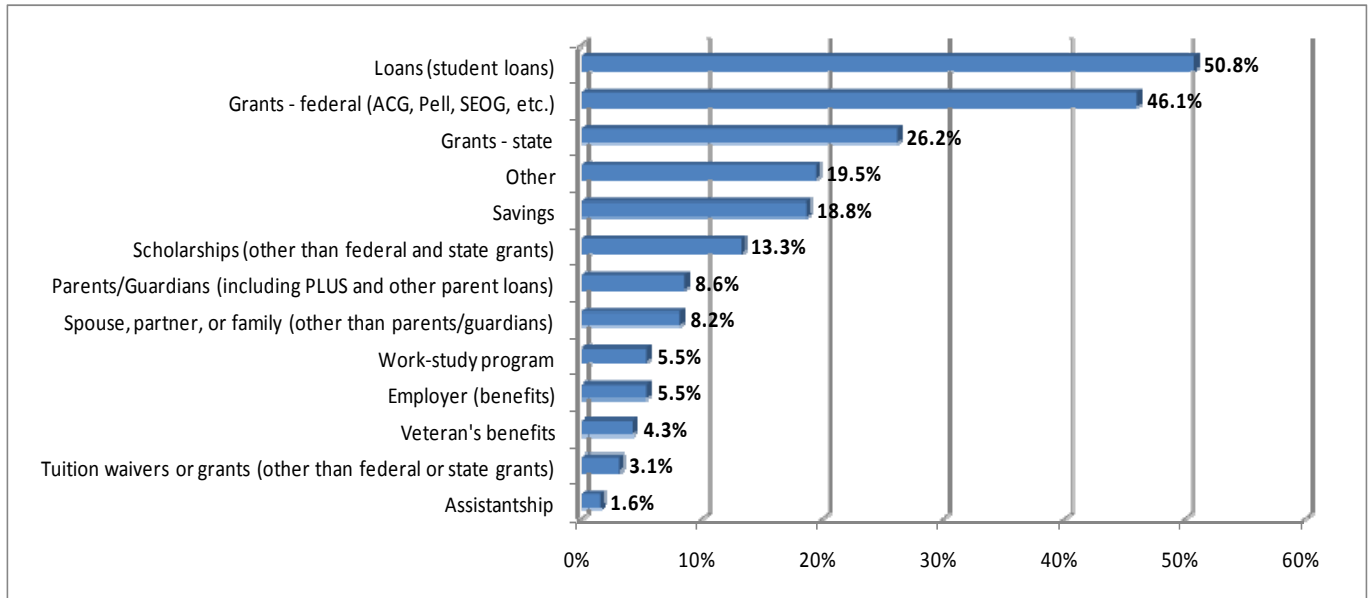
**EXHIBIT 4-8
MEANS OF FINANCING EDUCATION AND RELATED EXPENSES – SMSU
(n=300)**



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

Similar to SMSU students, half of Minnesota West students are financing their education through loans (50.8%), while large proportions also rely on federal grants (46.1%) and state grants (26.2%). Other means identified by SMSU students also parallel those at SMSU, including disability aid, participation in the dislocated worker program, and Trade Adjustment Assistance.

**EXHIBIT 4-9
MEANS OF FINANCING EDUCATION AND RELATED EXPENSES – MINNESOTA
WEST
(n=256)**



Source: MGT of America, Inc. survey of Minnesota West Community and Technical College students, Spring 2011.

Another barrier identified by students was the lack of program and course offerings available in the Southwest Minnesota region.

In the survey, SMSU and Minnesota West students were asked to identify the current top areas of study at their university/college as well as the type of educational or training program(s) in which they are currently enrolled:

SMSU:

- Business, Management, Marketing, and Related Support Services
- Education
- Biological and Biomedical Sciences

- 46.68% Bachelor's degree (B.A., B.S., etc.)
- 26.92% Associate's degree – technical (A.A.S., A.S., etc.)
- 11.07% Associate's degree – for transfer to a four year college or university (A.A.)

Minnesota West:

- Health Professions and Related Clinical Sciences
- Business, Management, Marketing, and Related Support Services
- Liberal Arts and Sciences, General Studies and Humanities

- 57.03% Associate's degree – technical (A.A.S., A.S., etc.)
- 20.70% Associate's degree – for transfer to a four year college or university (A.A.)
- 10.94% Technical certificate (non-degree)

Students were asked to identify any desired program/course offerings that are not currently offered at institutions in the region. Fifteen percent of the 183 SMSU respondents indicated that there are college-level degree programs and training of interest to them that are currently not offered in the local area. Several of these program areas include the following:

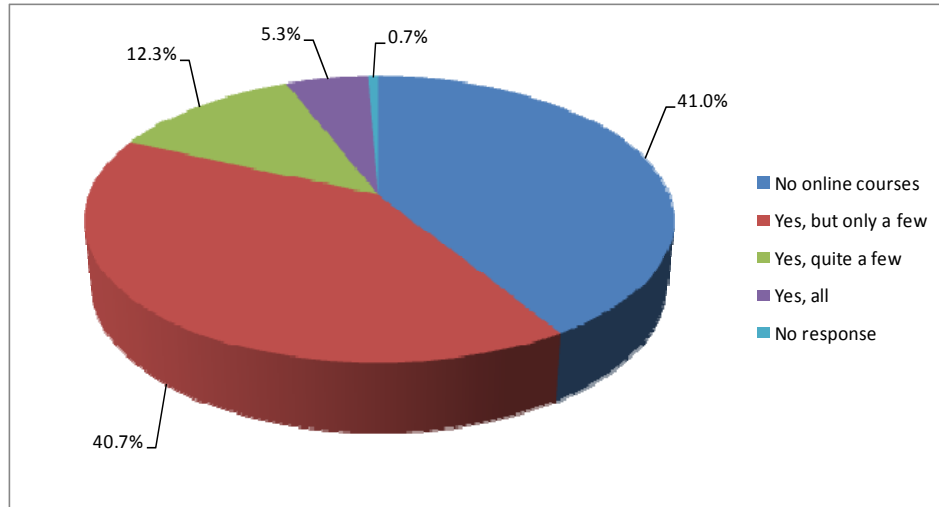
- More and advanced health-related offerings (physical therapy, pharmacy, nursing, speech pathology, and veterinarian medicine)
- Arts (dance, film, writing, advanced English, foreign languages)
- Psychology, Social Sciences, and Social Work (counseling)

Of the 157 Minnesota West respondents, 10.5 percent indicated that their desired program or training was not currently being offered in their local area. Several of the programs identified include the following:

- More and advanced health-related offerings (nursing, surgical, pharmacy, medical technology, radiology, and veterinarian medicine)
- Engineering, Energy Management and Technology, and Environmental Science

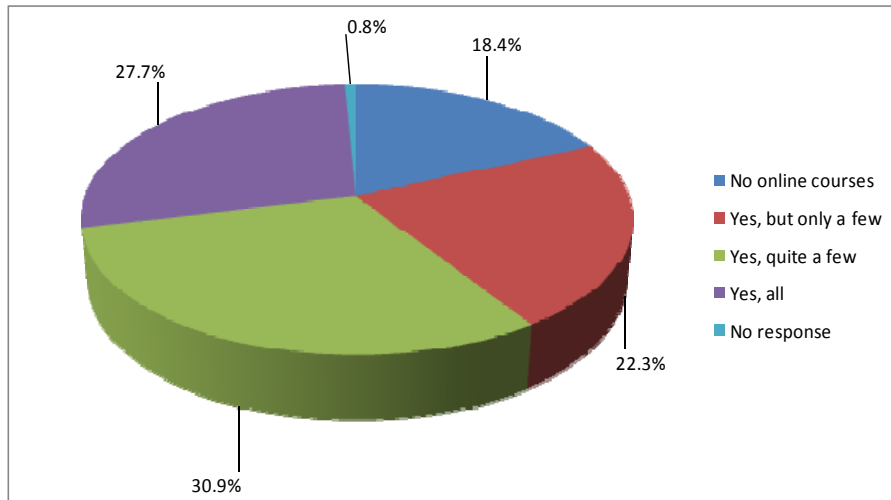
In addition to more and advanced program offerings, students also indicated a need for more online program options. To learn more about student participation in online courses currently available, students were asked to indicate if they took any online courses from SMSU and/or Minnesota West, as shown in **Exhibits 4-10** and **4-11**. Fifty-eight percent of SMSU students and almost 81 percent of Minnesota West students reported that they participate in online programs or courses.

EXHIBIT 4-10
ONLINE COURSES TAKEN BY SMSU STUDENTS
(n=298)



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

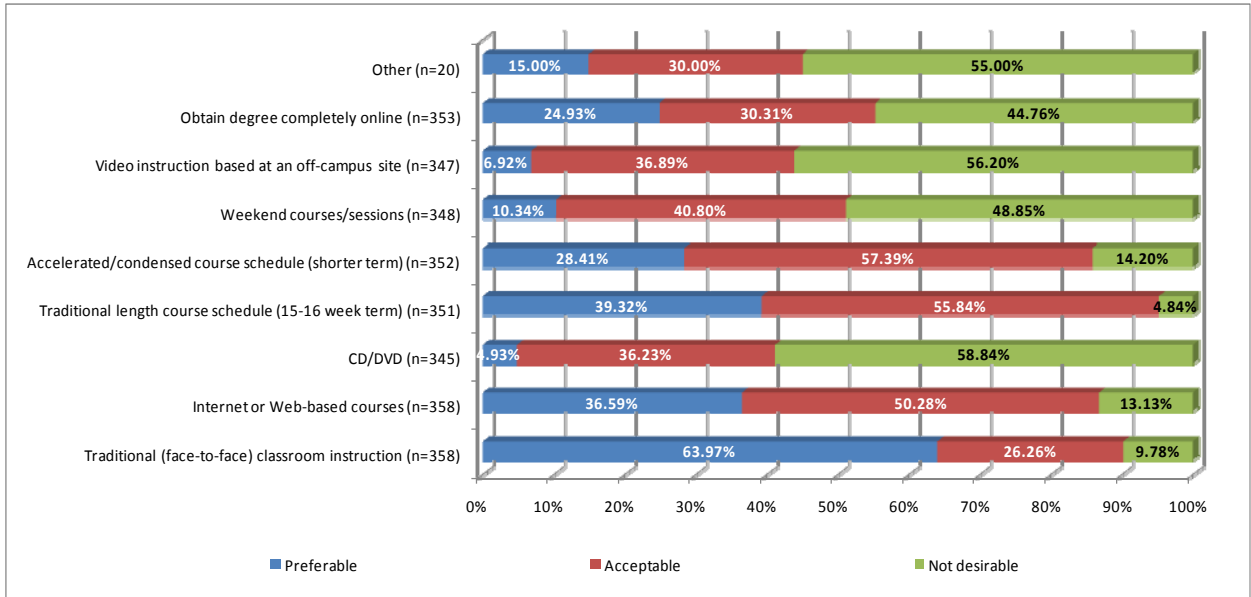
EXHIBIT 4-11
ONLINE COURSES TAKEN BY MINNESOTA WEST STUDENTS
(n=254)



Source: MGT of America, Inc. survey of Minnesota West Community and Technical College students, Spring 2011.

Students were also asked about their course delivery preferences, as shown in **Exhibits 4-12** and **4-13**. SMSU students indicated a stronger preference for traditional classroom instruction than online programs and courses, though a majority still find online or web-based learning programs acceptable.

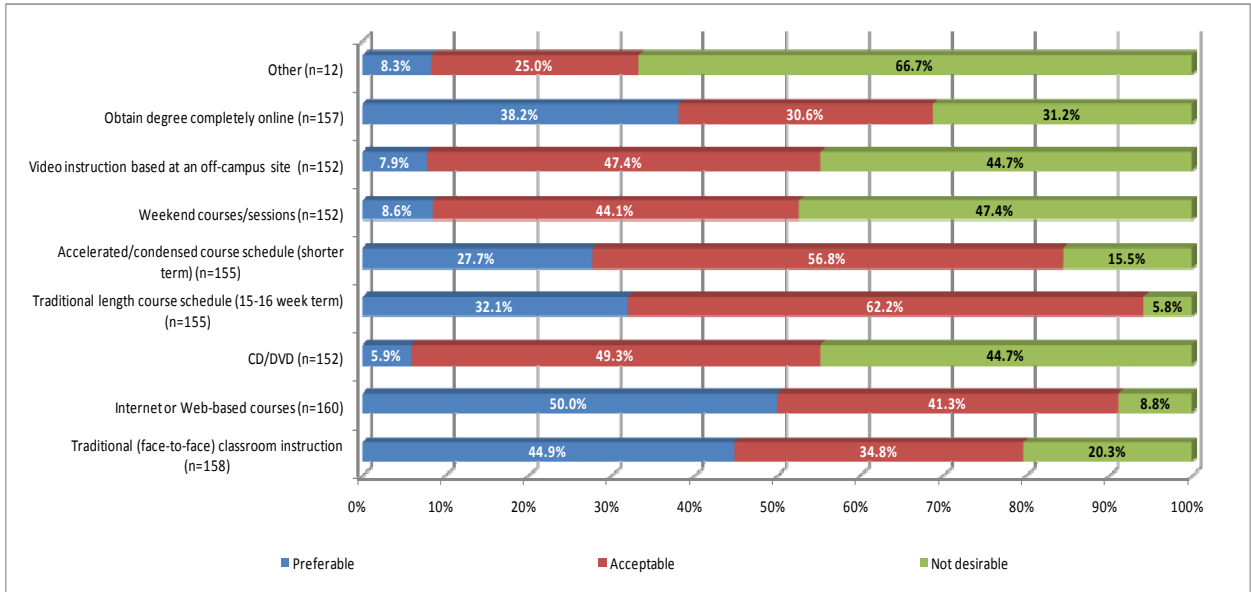
**EXHIBIT 4-12
COURSE DELIVERY PREFERENCES – SMSU STUDENTS**



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

In contrast, Minnesota West students indicated a stronger preference for online programs and courses over traditional classroom instruction.

**EXHIBIT 4-13
COURSE DELIVERY PREFERENCES – MINNESOTA WEST STUDENTS**



Source: MGT of America, Inc. survey of Southwest Minnesota State University students, Spring 2011.

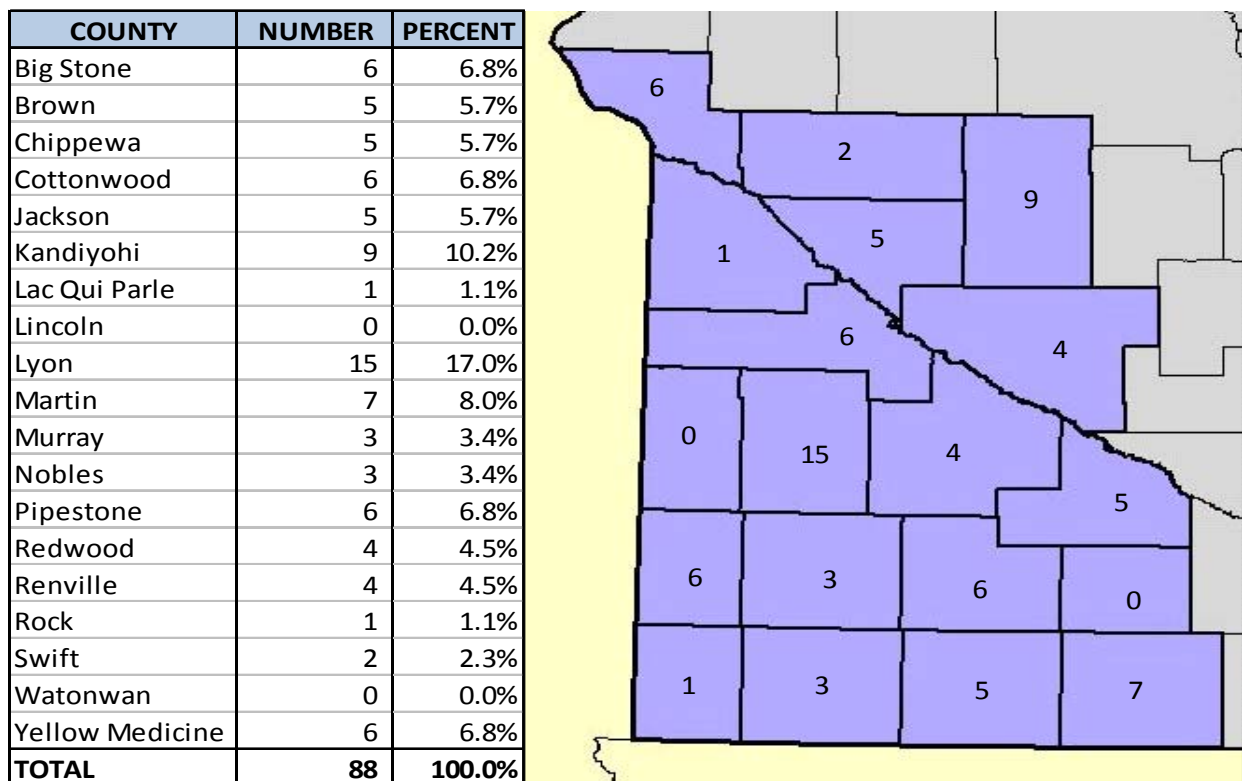
4.3 Employer Survey Analysis

4.3.1 Methodology and Overview of Respondents

Invitations to participate in an online survey of employer education and training needs were sent to area employers in the Southwest Minnesota region by mail and email in April 2011. A total of 445 invitations (226 by email and 219 by mail/USPS) were distributed to contacts provided to system project officials by assorted labor development boards. Three email reminders and two postcard (mail) reminders were distributed to nonrespondents between initial distribution and the survey's closing date in early June. Ultimately, 88 full or partial responses were collected from the sample, yielding a response rate of approximately 20 percent.

The composition of the group from a geographical perspective reflects an adequate representation of respondents from the various encompassed geographies (**Exhibit 4-14**), though two counties in the market area have no representation within the sample (Lincoln and Watonwan). While the regional account is sufficient, the numbers of respondents from individual counties are not sufficient to perform any meaningful analysis at a heightened level of geographic specificity.

**EXHIBIT 4-14
DISTRIBUTION OF RESPONDENTS BY COUNTY**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

From an industrial perspective (**Exhibit 4-15**) the pool of respondents includes several expected concentrations of industries – namely, agriculture, manufacturing, education,

and healthcare. Several industry segments have fairly light representation; therefore, bias towards the more heavily represented industry segments noted above should be considered when evaluating results.

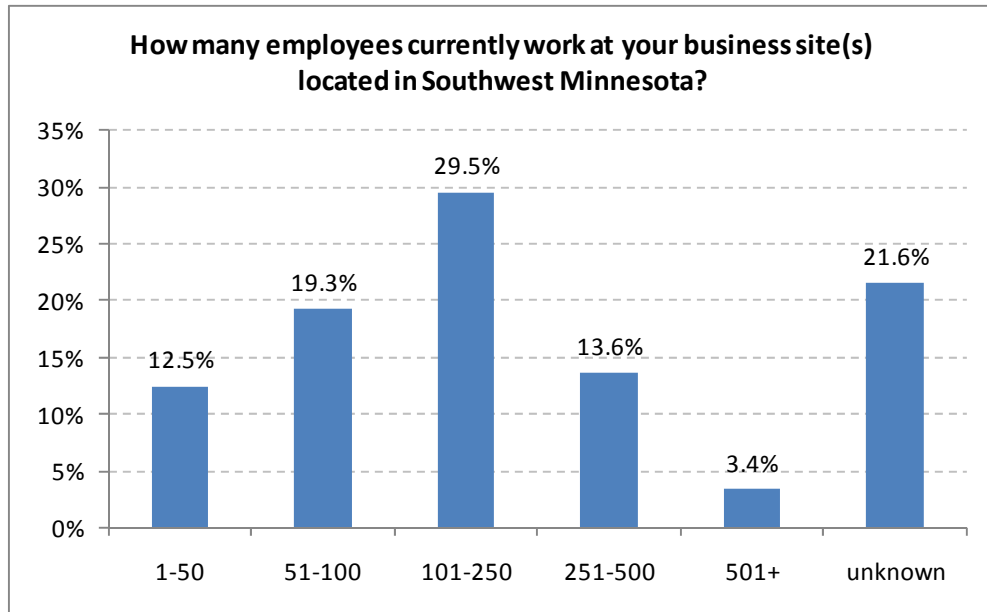
**EXHIBIT 4-15
DISTRIBUTION OF RESPONDENTS BY INDUSTRY**

| NAICS INDUSTRY | NUMBER | PERCENT |
|---|--------|---------|
| Agriculture, Forestry, Fishing and Hunting (NAICS 11) | 9 | 10.2% |
| Mining, Quarrying, and Oil and Gas Extraction (NAICS 21) | 1 | 1.1% |
| Utilities (NAICS 22) | 2 | 2.3% |
| Construction (NAICS 23) | 1 | 1.1% |
| Manufacturing (NAICS 31-33) | 14 | 15.9% |
| Wholesale Trade (NAICS 42) | 1 | 1.1% |
| Retail Trade (NAICS 44-45) | 7 | 8.0% |
| Transportation and Warehousing (NAICS 48-49) | 1 | 1.1% |
| Information (NAICS 51) | 2 | 2.3% |
| Finance and Insurance (NAICS 52) | 2 | 2.3% |
| Real Estate and Rental and Leasing (NAICS 53) | 0 | 0.0% |
| Professional, Scientific, and Technical Services (NAICS 54) | 2 | 2.3% |
| Management of Companies and Enterprises (NAICS 55) | 0 | 0.0% |
| Administrative and Support and Waste Management and Remediation Services (NAICS 56) | 0 | 0.0% |
| Educational Services (NAICS 61) | 19 | 21.6% |
| Health Care and Social Assistance (NAICS 62) | 21 | 23.9% |
| Arts, Entertainment, and Recreation (NAICS 71) | 0 | 0.0% |
| Accommodation and Food Services (NAICS 72) | 1 | 1.1% |
| Other Services (except Public Administration) (NAICS 81) | 0 | 0.0% |
| Public Administration (NAICS 92) | 5 | 5.7% |

Source: MGT of America, Inc. survey of area employers, Spring 2011.

Employers participating in the survey represent an estimated 16,000 workers within the Southwest Minnesota labor market. This represents approximately seven to eight percent (7-8%) of the approximate labor force of 200 to 210 thousand workers in the area. As depicted in **Exhibit 4-16**, the sample includes businesses and organizations ranging in size from fewer than 50 employees to well over 500.

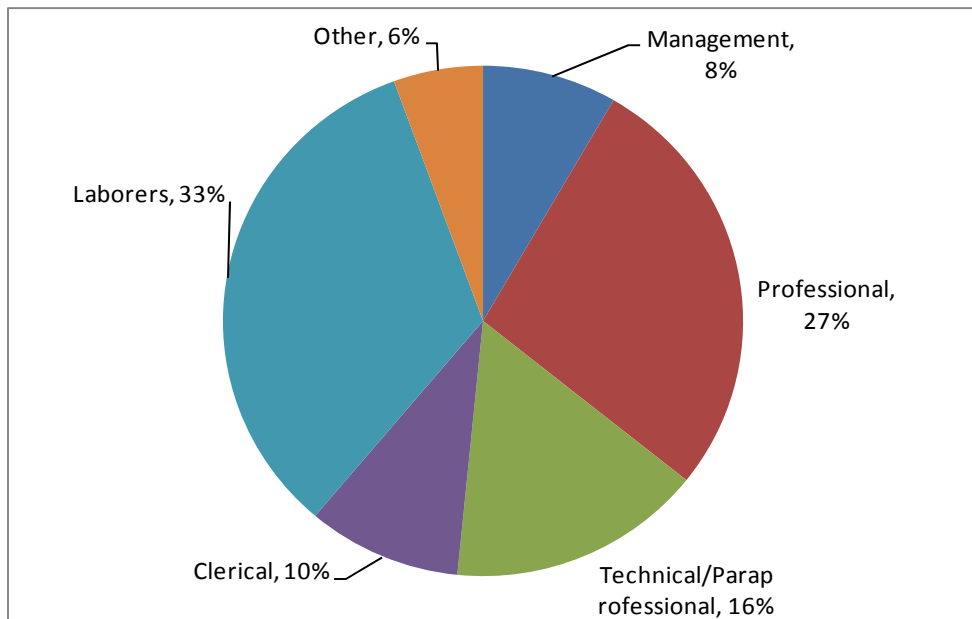
**EXHIBIT 4-16
DISTRIBUTION OF RESPONDENTS BY SIZE (NUMBER OF EMPLOYEES)**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

The composition of the workforces employed by the respondents includes the full spectrum of occupational sectors (**Exhibit 4-17**). Thus, we should expect to see training needs ranging from programs associated with executives all the way through the types of programs typically expressed for front-line workers.

**EXHIBIT 4-17
DISTRIBUTION OF RESPONDENT WORKFORCE BY OCCUPATIONAL SECTOR**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

4.3.2 Perspectives on Area Educational Providers

As might be expected, Minnesota West and SMSU are relied upon most frequently for training and education needs (**Exhibit 4-18**) at the associate and bachelor's degree levels, respectively. Minnesota State-Mankato was identified by nearly an equal proportion of respondents (26% of respondents versus 32% for SMSU) as the bachelor's degree provider of choice. Ridgewater College was the next most popular provider of associate degree training (with a 16% share of respondents, versus 32% for Minnesota West). However, respondents did indicate in a successive, more pointed question² that Minnesota West and SMSU were, in order of frequency, the most relied upon institutions for company training and education needs.

**EXHIBIT 4-18
HISTORIC UTILIZATION OF EDUCATIONAL PROVIDERS**

| PROVIDER | TYPE OF TRAINING | | | | | | | |
|---|----------------------------------|-----------|------------|----------|---|-------------------|-----------------------------|----------------------------------|
| | Certificate (Trade or Technical) | Associate | Bachelor's | Graduate | Continuing Education/ Customized Training | Degree Completion | On-Site Customized Training | Other Training (Please Indicate) |
| Southwest Minnesota State University | 5.7% | 6.8% | 31.8% | 9.1% | 12.5% | 9.1% | 1.1% | 1.1% |
| Minnesota West Community & Technical College | 31.8% | 31.8% | n/a | n/a | 19.3% | 6.8% | 8.0% | 1.1% |
| Minnesota State University, Mankato | 2.3% | 5.7% | 26.1% | 5.7% | 8.0% | 4.5% | 1.1% | 1.1% |
| Ridgewater College | 15.9% | 15.9% | 5.7% | 0.0% | 12.5% | 3.4% | 2.3% | 1.1% |
| Presentation College (SD) | 1.1% | 2.3% | 4.5% | 0.0% | 2.3% | 0.0% | 0.0% | 1.1% |
| Other Provider/Institution (Please Indicate): | 2.3% | 3.4% | 4.5% | 1.1% | 6.8% | 1.1% | 3.4% | 1.1% |

Source: MGT of America survey of area employers, spring 2011.

Each of the identified educational providers received favorable ratings (meet needs “very well” or “somewhat”) in terms of satisfaction with the training/preparedness of its new employees (**Exhibit 4-19**). Minnesota West received the highest assessment in this regard while SMSU followed closely, also outpacing other area institutions.

**EXHIBIT 4-19
SATISFACTION WITH TRAINING FOR NEW EMPLOYEES (JOB PROSPECTS)**

| PROVIDER | RATING: MEETING NEEDS FOR NEW EMPLOYEES | | | | | |
|---|---|----------|---------|---------------|------------|----------------|
| | Very well | Somewhat | Neutral | Not very well | Not at all | Not applicable |
| Southwest Minnesota State University | 16.4% | 34.5% | 18.2% | 3.6% | 5.5% | 21.8% |
| Minnesota West Community & Technical College | 19.6% | 37.5% | 17.9% | 3.6% | 3.6% | 17.9% |
| Minnesota State University, Mankato | 12.2% | 30.6% | 18.4% | 4.1% | 8.2% | 26.5% |
| Ridgewater College | 8.0% | 32.0% | 26.0% | 2.0% | 4.0% | 28.0% |
| Presentation College (SD) | 2.3% | 7.0% | 11.6% | 0.0% | 16.3% | 62.8% |
| Other Provider/Institution (Please Indicate): | 22.7% | 22.7% | 9.1% | 0.0% | 4.5% | 40.9% |

Source: MGT of America survey of area employers, spring 2011.

² The specific question referenced was phrased as, “Which education provider and site do you rely upon the most for your company education and training needs?”

In terms of training for their current employees, the disparity in satisfaction between Minnesota West and SMSU was more substantial (**Exhibit 4-20**), as employers were about twice as likely to rate Minnesota West as having met its needs “very well” as they were to assess SMSU in this manner (15% versus 8%).

**EXHIBIT 4-20
SATISFACTION WITH TRAINING FOR CURRENT EMPLOYEES**

| PROVIDER | RATING: MEETING NEEDS FOR <u>CURRENT</u> EMPLOYEES | | | | | |
|---|--|----------|---------|---------------|------------|----------------|
| | Very well | Somewhat | Neutral | Not very well | Not at all | Not applicable |
| Southwest Minnesota State University | 7.5% | 28.3% | 13.2% | 5.7% | 17.0% | 28.3% |
| Minnesota West Community & Technical College | 14.8% | 31.5% | 13.0% | 5.6% | 13.0% | 22.2% |
| Minnesota State University, Mankato | 8.2% | 24.5% | 16.3% | 2.0% | 14.3% | 34.7% |
| Ridgewater College | 11.8% | 19.6% | 15.7% | 2.0% | 15.7% | 35.3% |
| Presentation College (SD) | 0.0% | 2.3% | 9.3% | 2.3% | 18.6% | 67.4% |
| Other Provider/Institution (Please Indicate): | 0.0% | 11.1% | 5.6% | 0.0% | 5.6% | 77.8% |

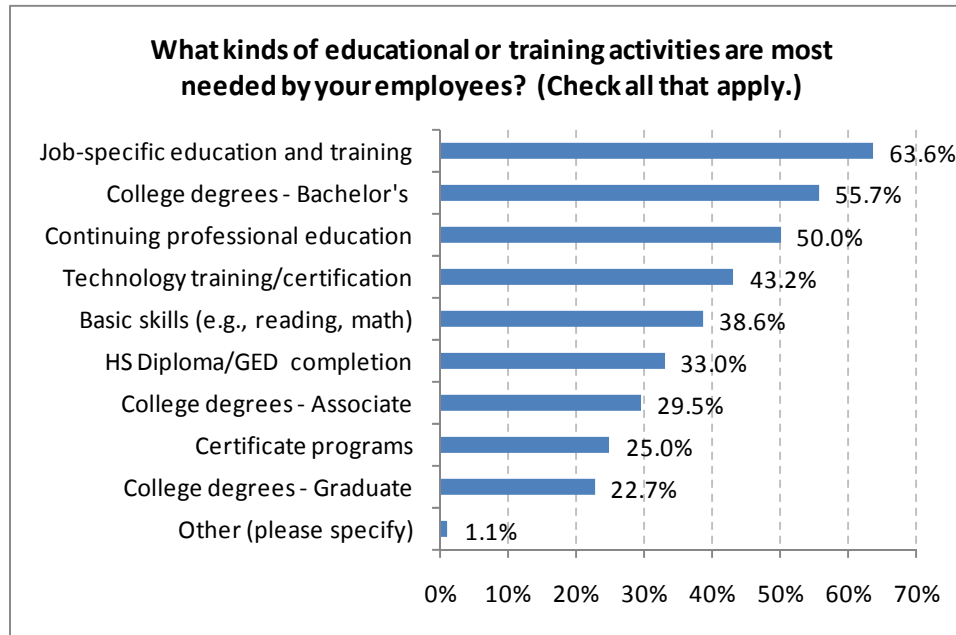
Source: MGT of America survey of area employers, spring 2011.

Only about 13 percent of respondents felt there are particular groups or segments of the local population that do not have appropriate regional access to postsecondary education and training through local providers. However, a large proportion of respondents (over 27%) were unsure whether any such groups existed. Those that answered affirmatively, that such groups exist, most commonly cited issues of geographic isolation (distance to programs) and racial/ethnic or socioeconomic status.

4.3.3 General Training Needs and Practices

Employers expressed a wide variety of needs for their employees (**Exhibit 4-21**). The most frequently identified types of programs desired include job-specific programs (64%), Bachelor’s level degrees (56%), and continuing education (50%).

**EXHIBIT 4-21
TYPES OF TRAINING AND EDUCATION PROGRAMS NEEDED**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

The means of acquiring training and education for employees were also diverse (**Exhibit 4-22**). A majority of employers relied on off-site provision by educational institutions (73%) or on-site provision by company trainers (63%), while precisely half (50%) of the sample indicated reliance on distance learning programs to employees in the office.

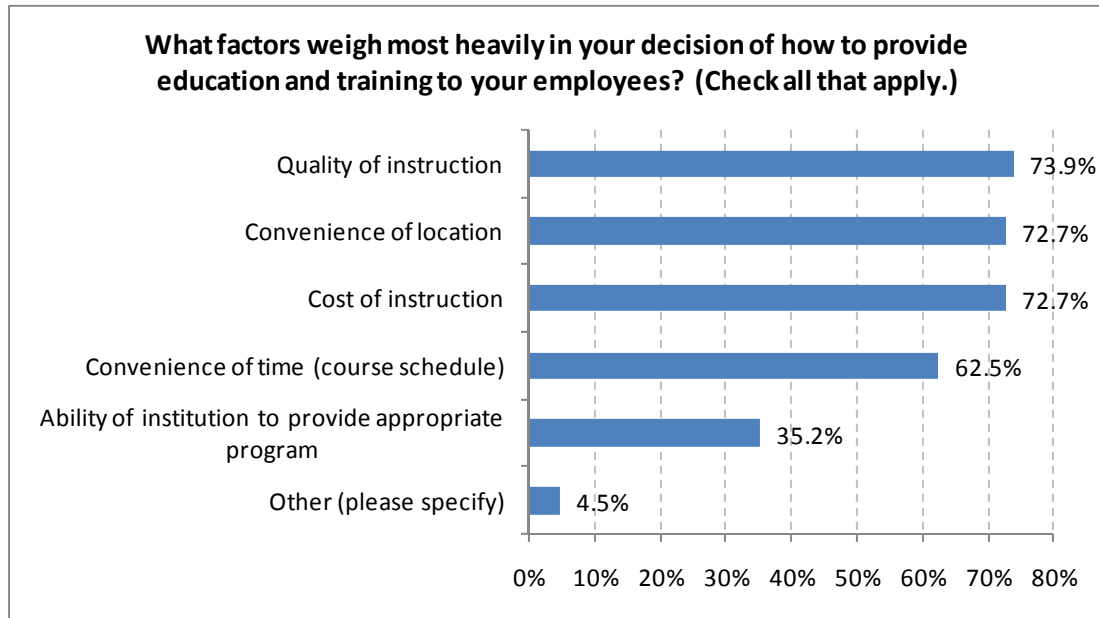
**EXHIBIT 4-22
UTILIZATION OF TRAINING AND EDUCATION MODELS**

| METHOD OF TRAINING | LOCALE | NUMBER | PERCENT |
|---|----------|--------|---------|
| By company trainers | On-Site | 55 | 62.5% |
| | Off-Site | 20 | 22.7% |
| By educational institutions or training organizations | On-Site | 30 | 34.1% |
| | Off-Site | 64 | 72.7% |
| Through distance learning or telecommunications | On-Site | 44 | 50.0% |
| | Off-Site | 29 | 33.0% |
| Not applicable | | 1 | 1.1% |

Source: MGT of America, Inc. survey of area employers, Spring 2011.

Decisions regarding the modes of training selected were based on logical factors (**Exhibit 4-23**). Quality (74%), convenience (both locations – 73% -- and times – 63%), and cost (73%) were identified as important by large majorities of respondents.

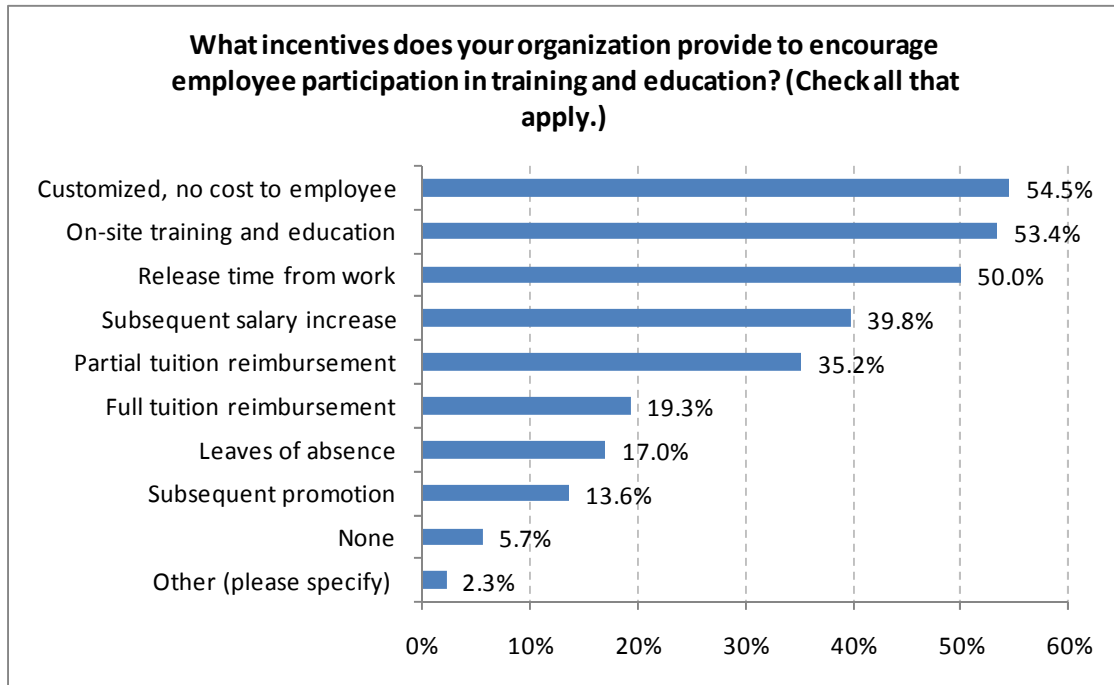
**EXHIBIT 4-23
CRITERIA FOR SELECTING TRAINING PROGRAMS**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

Perhaps reflecting the difficult economic circumstances and tighter margins faced by businesses, incentives for the pursuit of training are generally limited to practices and programs that do not represent a direct expense to employers (**Exhibit 4-24**). Fifty percent (50%) or more of employers expressed support through onsite training programs, customized training programs, and release time from work, while smaller shares indicated partial (35%) or full (19%) tuition reimbursement.

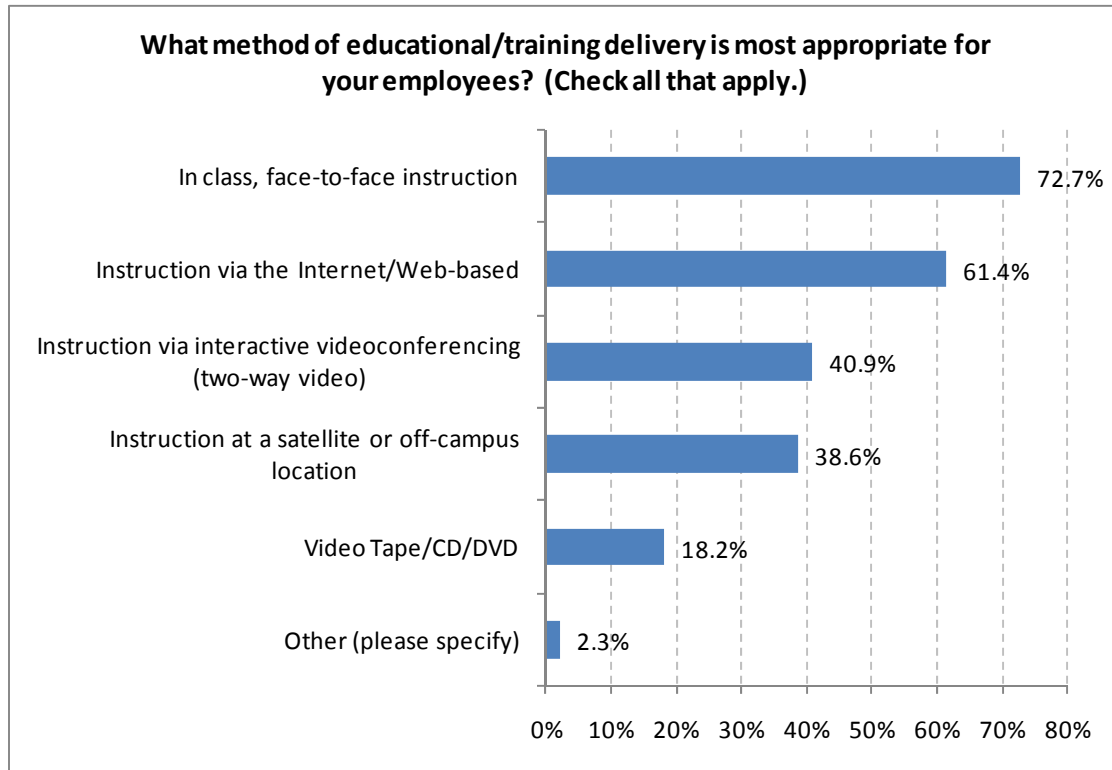
**EXHIBIT 4-24
INCENTIVES TOWARDS PURSUIT OF SKILL UPGRADES**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

While traditional face-to-face instruction is the most preferred model of training (73% noted as appropriate), respondents also showed a strong affinity for internet-based programs (61%), as shown in **Exhibit 4-25**. This is particularly crucial to the delivery of education in this area due to substantial travel distances between population centers and/or places of work and educational providers, as well as the severe weather conditions that often inhibit even relatively short commutes.

**EXHIBIT 4-25
PREFERRED DELIVERY MODELS**

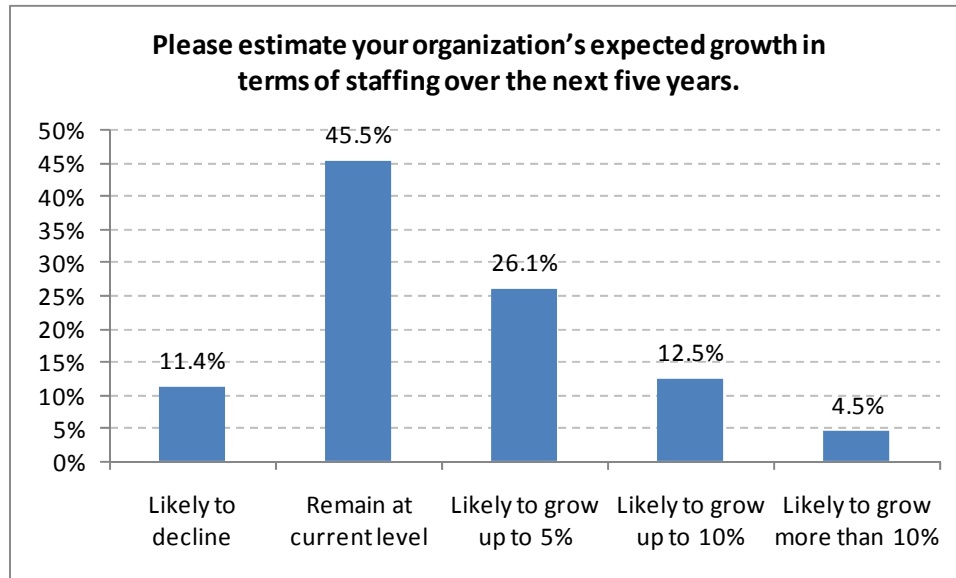


Source: MGT of America, Inc. survey of area employers, Spring 2011.

4.3.4 Employer Outlook and Needs

As depicted in **Exhibit 4-26**, employers' expectations for growth were surprisingly positive relative to the national outlook of the economy. Nearly 90 percent of respondents indicated that they expected to either remain at their current size (46%) or expand (43%) their respective workforces over the next five years.

**EXHIBIT 4-26
EXPECTATIONS FOR JOB GROWTH**



Source: MGT of America, Inc. survey of area employers, Spring 2011.

In terms of the occupational sectors and number of new positions expected over this five-year time frame (**Exhibit 4-27**), the segments of professional-level employees were most frequently cited as an area of growth. However, these hiring expectations appear to show needs for employees with a full spectrum of skill levels.

**EXHIBIT 4-27
ANNUAL HIRING EXPECTATIONS BY OCCUPATIONAL SECTOR**

| TYPE OF JOB | EMPLOYER ANNUAL HIRING EXPECTATIONS | | | | | No Resp. |
|----------------------------|-------------------------------------|-------|-------|-------|-------|----------|
| | None | 1-5 | 6-10 | 11-25 | >25 | |
| Management | 22.7% | 47.7% | 3.4% | 1.1% | 0.0% | 25.0% |
| Professional | 11.4% | 39.8% | 13.6% | 3.4% | 4.5% | 27.3% |
| Technical/Paraprofessional | 19.3% | 37.5% | 9.1% | 3.4% | 4.5% | 26.1% |
| Clerical | 18.2% | 52.3% | 4.5% | 1.1% | 0.0% | 23.9% |
| Laborers | 12.5% | 26.1% | 17.0% | 8.0% | 10.2% | 26.1% |
| Other | 2.3% | 2.3% | 2.3% | 1.1% | 1.1% | 90.9% |

Source: MGT of America, Inc. survey of area employers, Spring 2011.

Employers were also asked to identify the specific types of occupational groups in which they were expecting to face shortages (**Exhibit 4-28**). Not surprisingly, the need for assorted healthcare workers were the most pronounced among respondents. Assorted technical occupations, business-related occupations, and teacher education programs were also cited as substantial shortage areas.

**EXHIBIT 4-28
IDENTIFIED LABOR MARKET SHORTAGE AREAS AND OPENINGS OVER NEXT FIVE YEARS**

| AREA | SUM | JOB | NEED | AREA | SUM | JOB | NEED |
|----------------------------|-------|--------------------------|------|------------------------------------|----------------|--------------------------|----------------|
| EDUCATION | 127.0 | K12 Teachers | 29.0 | HEALTHCARE | 628.0 | Nurses/MSN | 2.0 |
| | | PK Teachers | 1.0 | | | Nurses/RN | 87.0 |
| | | Postsec Teachers | 3.5 | | | Nurses/LPN | 102.0 |
| | | Spec Education | 11.5 | | | Cert Nursing Asst/CAN | 419.0 |
| | | Speech/Language | 4.5 | | | Nurse Anesthetist/CRNA | 1.0 |
| | | Math Teachers | 7.0 | | | Occupational Therapy | 2.5 |
| | | Science Teachers | 8.5 | | | Physical Therapy | 1.5 |
| | | Teaching Assistant | 60.0 | | | Respiratory Therapy | 1.0 |
| ESL Instructor | 2.0 | Respiratory Therapy Tech | 2.0 | | | | |
| BUSINESS | 145.5 | Accounting | 19.0 | | | Surgical Tech | 1.0 |
| | | Finance | 10.5 | | | Physicians | 1.0 |
| | | Business/Mgmt | 60.0 | | | Laboratory Tech | 5.0 |
| | | HR | 11.0 | | | Medical Coding Spec | 3.0 |
| | | Sales/Marketing/Cust Svc | 45.0 | | | SOCIAL SCIENCES | 10.0 |
| AGRICULTURE/SCIENCE | 12.0 | Agriculture | 11.0 | | | Counselors/Therapists | 5.0 |
| | | Biology | 1.0 | INDUSTRIAL/MANUFACTURING | 68.0 | Social Workers | 5.0 |
| TECHNICAL | 156.5 | Electrical | 23.0 | | | Boiler Operator/Tech | 17.0 |
| | | Electronics | 21.0 | | | Drafting/CAD Tech | 5.0 |
| | | Info Tech/Computers | 34.0 | | | Manufacturing Oper/Tech | 44.0 |
| | | Engineer | 59.5 | OTHER | 207.0 | Heavy Equipment Oper | 2.0 |
| | | Engin Tech | 8.0 | | | Drivers | 124.0 |
| | | Robotics | 10.0 | | | Culinary/Cooks/Food Prep | 13.0 |
| | | Wind Energy | 1.0 | | | Clerical/Office Support | 3.0 |
| SKILLED TRADES | 68.0 | Plumbing | 0.0 | General Labor | 40.0 | | |
| | | Mechanic | 13.0 | Sanitation/Janitorial/Housekeeping | 10.0 | | |
| | | Carpentry | 4.0 | Cosmetics | 10.0 | | |
| | | Welders | 51.0 | Graphic Art | 2.0 | | |
| | | | | | | Journalism | 2.0 |
| | | | | | | Meat Cutters | 3.0 |
| | | | | SUM, ALL AREAS | 1,422.0 | Sum, All Jobs | 1,422.0 |

Source: MGT of America, Inc. survey of area employers, Spring 2011.

Note: For identified occupations with skill sets spanning across multiple fields (e.g., IT Managers), the identified shortages were divided evenly between assorted relevant components.

The training and education programs associated with employer needs were also diverse (**Exhibit 4-29**). Again, business-related programs of all levels, teacher education programs, and healthcare programs were frequently cited. However, substantial numbers of agricultural and IT-related training programs were also identified in this specific context.

**EXHIBIT 4-29
NUMBER OF EMPLOYERS IDENTIFYING TRAINING AND EDUCATION NEEDS BY
PROGRAM AND AREA**

| PROGRAM | LEVEL | | | |
|--|---|-------------------------|-----------------------|----------------------|
| | Associate Degree or Certification Level | Bachelor's Degree Level | Graduate Degree Level | Continuing Education |
| Agricultural Sciences. | 2 | 4 | 4 | 5 |
| Agriculture, Agriculture Operations, and Related Sciences. | 3 | 5 | 1 | 6 |
| Architecture and Related Services. | 1 | 3 | | 3 |
| Area, Ethnic, Cultural, and Gender Studies. | 1 | | 1 | 3 |
| Basic Skills. | 3 | | | 2 |
| Biological and Biomedical Sciences. | 1 | 2 | 1 | 3 |
| Business, Management, Marketing, and Related Support Services. | 6 | 7 | 4 | 4 |
| Citizenship Activities. | 1 | 1 | | |
| Communication, Journalism, and Related Programs. | | 2 | 1 | |
| Communications Technologies/Technicians and Support Services. | 5 | 2 | | 3 |
| Computer and Information Sciences and Support Services. | 8 | 5 | 1 | 5 |
| Construction Trades. | | | | 1 |
| Education. | | 6 | 3 | 8 |
| Engineering Technologies/Technicians. | 3 | 4 | | 3 |
| Engineering. | 2 | 5 | 1 | 1 |
| Health Professions and Related Clinical Sciences. | 5 | 6 | 5 | 9 |
| Health-related Knowledge and Skills. | 5 | 1 | | 6 |
| High School/Secondary Diplomas and Certificates. | 1 | 1 | 1 | 4 |
| Interpersonal and Social Skills. | 2 | 1 | | 5 |
| Liberal Arts and Sciences, General Studies and Humanities. | 1 | 1 | 1 | |
| Mathematics and Statistics. | | 1 | | |
| Mechanic and Repair Technologies/Technicians. | 2 | | 1 | 3 |
| Personal and Culinary Services. | 1 | | | 1 |
| Personal Awareness and Self-Improvement. | | | | 4 |
| Physical Sciences. | 1 | | | 1 |
| Precision Production. | 1 | | | |
| Public Administration and Social Service Professions. | | 1 | | 3 |
| Science Technologies/Technicians. | | 2 | | |
| Security and Protective Services. | | | | 1 |
| Social Sciences. | | | | 1 |
| Technology Education/Industrial Arts. | 1 | | | |
| Transportation and Materials Moving. | 1 | | | 1 |
| Other Program (not listed) | 1 | | 1 | 2 |
| Grand Total, All Disciplines | 58 | 60 | 26 | 88 |

Source: MGT of America, Inc. survey of area employers, Spring 2011.

4.3.5 Summary of Employer Survey Findings

A continuing theme in employers' responses was the desire for training to be tailored to meet the specific needs of industry. Collaboration between employers and educational providers is seen as a critical component in meeting tomorrow's demands for a skilled workforce.

Economic and geographic factors accentuate certain barriers to pursuit of educational programs. Increased access is desired in terms of the times and locations of program

offerings, as well as the associated costs. Relating to this issue of access, traditional delivery is still the preferred model, but online programs are a readily accepted and sometimes inevitable option

The strongest expected areas of occupational growth (and therefore the strongest expected areas of training needs) include:

- Healthcare occupations, particularly nurses of varying levels.
- Technical occupations, including IT and engineering-related fields.
- Business-related occupations, often with an agricultural element or focus.
- Teacher education programs, particularly in science, math, and special education.

Overall, employers are satisfied with the quality of instruction received from local providers but there is more concern regarding program array. Specific desires were expressed for the institutions (particularly SMSU) to strive to meet needs specific to their businesses and the area.

**5.0 IDENTIFICATION OF
PROGRAM AND SERVICE
OPPORTUNITIES**

5.0 IDENTIFICATION OF PROGRAM AND SERVICE OPPORTUNITIES

This section presents a summary and aggregation of assorted needs identified in previous sections, with the intent of staging the critical issues to be addressed in the successive chapter (**6.0 – Conclusions and Recommendations**). These needs are divided between two general areas: academic/programmatic and operational/staffing.

5.1 Academic/Programmatic Needs

Three major components are utilized in the summary assessment of academic needs for this region. As a basis for the assessment, we rely on the occupational projections published by DEED (presented in **Chapter 2.0**) to establish the occupational areas – and related academic programs – that are expected to be in highest demand. As a second component of the analysis, we tailor and/or verify the needs identified in the occupational data with findings from our employer survey (**Chapter 4.0**). While the survey did not have sufficient responses to document a comprehensive representation for the region's entire workforce, its results can be used anecdotally or at a micro-level to verify that certain employers within specific industrial sectors are indeed expecting pronounced hiring or training needs in targeted areas. Thus, the information can be used to narrow the field of prospective training to an assortment of programs with current, documented need. Finally, these verified needs identified through these first steps are compared to the program inventories of local providers (as presented in **Chapter 3.0**) to illuminate the critical gaps in education or training provision.

The occupational projections published by DEED pointed to a number of occupational areas at various levels expecting substantial hiring needs over the next decade (**Exhibit 5-1**). Adjacent to these projections are MGT's assessments of need based on information received from respondents to the employer survey. The highlighted rows within each segment of the table (associate/certificate and bachelor's) represent MGT's determination of the occupational/training areas that represent the strongest areas of demand for educational services within the respective levels.

Having established the critical areas of demand for education and training services, we can proceed to consider the adequacy of the current array of programs available through local providers to meet these needs. In addition to the program arrays provided by the system office, MGT also considered stakeholder input from interview and focus groups and the employer surveys to arrive at these assessments of available training programs. **Exhibits 5-2** and **5-3** document findings relative to the available programs by level, respectively, and their apparent adequacy to address the critical occupational growth areas.

**EXHIBIT 5-1
IDENTIFICATION OF VALIDATED PROGRAM NEEDS
PER DEED OCCUPATIONAL PROJECTIONS (2009-2019) AND MGT SURVEY (SPRING 2011)**

| LEVEL AND PROGRAM AREA | ANNUAL HIRING NEEDS PER DEED | GROWTH VERIFIED IN MGT SURVEY* | LEVEL AND PROGRAM AREA | ANNUAL HIRING NEEDS PER DEED | GROWTH VERIFIED IN MGT SURVEY* |
|--|---------------------------------------|---|--|---------------------------------------|---|
| Associate-Level Occupations/Training | | | Bachelor's-Level Occupations/Training | | |
| Personal and Home Care Aides | 184 | ✓✓ | Elementary School Teachers, Exc. Special Education | 43 | ✓✓✓ |
| Home Health Aides | 181 | ✓✓ | Accountants and Auditors | 33 | ✓✓✓ |
| Truck Drivers, Heavy and Tractor-Trailer | 119 | ✓✓✓ | Middle School Teachers, except Special and Vocational | 30 | ✓✓✓ |
| Registered Nurses | 107 | ✓✓✓ | Market Research Analysts | 14 | |
| Customer Service Representatives | 102 | ✓✓✓ | Advertising, Marketing, Promotions, Public Relations | 13 | |
| Licensed Practical and Licensed Vocational Nurses | 93 | ✓✓✓ | Special Education Teachers, Preschool, Kindergarten | 13 | ✓✓✓ |
| Business Operations Specialists, All Other | 91 | ✓✓ | Child, Family, and School Social Workers | 13 | ✓ |
| Nursing Aides, Orderlies, and Attendants | 75 | ✓✓✓ | Human Resources, Training, and Labor Relations Specialists | 13 | ✓ |
| Child Care Workers | 69 | | Medical and Health Services Managers | 12 | ✓ |
| Social and Human Service Assistants | 57 | | Management Analysts | 11 | |
| First-Line Supervis./Managers of Retail Sales Work | 51 | ✓ | Educational, Vocational, and School Counselors | 10 | ✓✓ |
| Tellers | 50 | ✓✓ | Teachers and Instructors, All Other | 10 | ✓✓ |
| Bookkeeping, Accounting, and Auditing Clerks | 47 | ✓✓✓ | Industrial Engineers | 9 | ✓✓ |
| First-Line Supervisors/Managers of Office and Admin. | 34 | ✓ | Sales Managers | 8 | ✓✓ |
| Carpenters | 31 | ✓✓ | Securities, Commodities, and Financial Services Sales Agents | 8 | ✓ |
| Operating Engineers and Other Construction Equipment | 29 | ✓✓ | | | |
| Printing Machine Operators | 29 | | | | |
| Maintenance and Repair Workers, General | 29 | ✓✓ | | | |
| Cooks, Restaurant | 27 | ✓ | | | |
| Executive Secretaries & Administrative Assistants | 27 | ✓ | | | |
| Industrial Machinery Mechanics | 25 | ✓✓ | | | |
| Assemblers and Fabricators, All Other | 24 | ✓ | | | |
| First-Line Supervisors/Managers of Construction Trades | 24 | ✓ | | | |
| Insurance Sales Agents | 24 | | | | |
| Highway Maintenance Workers | 23 | | | | |
| Fire Fighters | 20 | | | | |
| Protective Service Workers, All Other | 20 | | | | |
| Truck Drivers, Light or Delivery Services | 20 | ✓ | | | |
| Pharmacy Technicians | 20 | | | | |
| Industrial Truck and Tractor Operators | 20 | ✓ | | | |

*Legend:

| | |
|-----|--|
| ✓✓✓ | Frequent references to occupational/educational area and BOTH substantial number of employers desiring training AND volume of hiring needs cited by survey respondents. |
| ✓✓ | Frequent references to occupational/educational area and EITHER substantial number of employers desiring training OR volume of hiring needs cited by survey respondents. |
| ✓ | Frequent references to occupational/educational area cited by survey respondents. |

Source: Annual hiring needs per Minnesota Department of Employment and Economic Development occupational projections for 2009 through 2019. MGT verifications per quantitative and qualitative input from spring 2011 survey of area employers.

**EXHIBIT 5-2
ASSESSMENT OF AVAILABLE TRAINING ARRAY FOR IDENTIFIED CRITICAL
TRAINING NEEDS: ASSOCIATE- AND CERTIFICATE-LEVEL PROGRAMS**

| PROGRAM AREA | ASSESSMENT OF AVAILABLE TRAINING ARRAY |
|---|--|
| ASSOCIATE'S- OR CERTIFICATE-LEVEL OCCUPATIONS/TRAINING | |
| Personal and Home Care Aides | Multiple educational offerings associated with these occupations are available through Minnesota West (through each of its five campuses and various centers) as well as through Ridgewater College. However, both stakeholder interviews and employer survey findings indicate current shortages of these individuals which may indicate additional needs in capacity, if not locale. Campuses should examine application:admittance ratios to determine if sufficient resources are being devoted to fill this need. |
| Home Health Aides | See review for "Personal and Home Care Aides," above. |
| Nursing Aides, Orderlies, and Attendants | See review for "Personal and Home Care Aides," above. |
| Licensed Practical and Licensed Vocational Nurses | Four LPN programs are offered in the area; two by Minnesota West (Pipestone, Worthington) and two by Ridgewater (Hutchinson, Willmar). Demand would again indicate considerable expansion of these offerings, but costs and/or clinical limitations may again be prohibitive. |
| Registered Nurses | Despite exceedingly high demand, only 3 offerings are listed in the MnSCU array for RN training - two programs offered by Ridgewater (in Hutchinson and Willmar), and one through Minnesota West (in Worthington). The high cost of these programs and limitations based on clinical training may be prohibitive, but indications of demand universally suggest a substantial expansion of these programs is warranted. |
| Business Operations Specialists, All Other | A wide and geographically dispersed array of business-related programs are offered in the area by assorted providers. Survey results suggest, however, that specialization and tailoring of these programs to better meet industry needs may be warranted. As an illustration, a number of agriculturally-related business positions were cited as needs by respondents to the MGT employer survey. |
| Bookkeeping, Accounting, and Auditing Clerks | Similar to the business programs, a wide array of accounting programs are available through area providers in multiple locales. The capacity of these programs is not clear from program inventories, however, so an examination of the ratios of applicants : enrollees may be warranted, to determine if any bottlenecks in training workers exist. |
| Tellers | General business/finance training (for which program arrays are extensive) is pertinent to this area. Educational providers should continue to reach out to local businesses to ensure that related training programs incorporate appropriate skills sets for entry-level positions of this nature. |
| Customer Service Representatives | While specific degree programs are not frequently tailored to this area, Ridgewater offers a number of awards in Selling Skills and Sales Operations and Marketing, while SMSU offers several levels of Marketing awards (though not to a comprehensive geography). This may be an area where continuing education and professional development courses could best meet demands. |
| Carpenters | Programs are offered in single locations by Minnesota West (in Pipestone) and by Ridgewater (in Willmar). This represents a limited geographical array for a program that cannot be offered through distance learning models. However, the capital investments/needs that limit its availability through alternative delivery models also entails higher costs for instruction. |
| Operating Engineers and Other Construction Equipment | A single manufacturing technology program is offered by Minnesota West in Granite Falls, though a variety of electronic, computer, and other technologist/technician training programs are available through various local providers. In this instance, the means of determining and meeting demand most often entails direct relationships between educational providers and employers to tailor programs specific to their needs, as critical mass allows, highlighting further the importance of close communications between educators and industry. |
| Maintenance and Repair Workers, General | See review for "Carpenters," above. Also relevant: a variety of mechanic/technician programs are also offered through the Canby and Jackson campuses of Minnesota West and the Willmar and Hutchinson campuses of Ridgewater, while other skilled trades (electrical, plumbing, etc.) programs are offered at multiple Minnesota West sites, as well. |
| Industrial Machinery Mechanics | No specific programs tailored to industrial machinery mechanics is referenced within the MnSCU array. These may reflect jobs associated with specific, specialized equipment for which training is only available through the vendor/manufacturer. |
| Truck Drivers, Heavy and Tractor-Trailer | Despite pronounced need demonstrated in DEED projections and MGT survey, only one commercial driver certification program is apparent in the local system array (through Minnesota West-Worthington). While needs are possibly being met through proprietary (or other non-system) programs, it would appear that demand is sufficient to sustain multiple programs in this area. |

Source: Critical needs per Exhibit 5-1. Program array per system Office of the Chancellor.

**EXHIBIT 5-2
ASSESSMENT OF AVAILABLE TRAINING ARRAY FOR IDENTIFIED CRITICAL
TRAINING NEEDS: BACHELOR’S-LEVEL PROGRAMS AND ABOVE**

| PROGRAM AREA | ASSESSMENT OF AVAILABLE TRAINING ARRAY |
|---|---|
| BACHELOR’S-LEVEL OCCUPATIONS/TRAINING | |
| Elementary School Teachers, Exc. Special Education | Though a wide array of general education programs is offered, only a single elementary education program is offered in the area, at the main campus of SMSU in Marshall. Given the considerable demand, expansion of this program to other sites (including those of Minnesota West) might be warranted to meet significant demands. Distance learning or hybrid formats may be viable. |
| Accountants and Auditors | A single BS in accounting program is offered locally, at the main campus of SMSU in Marshall. If adequate faculty resources can be made available, extending portions of these programs to other sites (Minnesota West and others) would appear to be warranted based on demand. Distance learning or hybrid formats may be viable. |
| Middle School Teachers, except Special and Vocational | As noted above, a variety of education programs are available through SMSU; however, most are either located in Marshall or, alternately, outside the area. Expansion of these programs through distance learning or hybrid formats could help to meet needs. |
| Special Education Teachers, Preschool, Kindergarten | SMSU offers a special education program in Marshall. Expansion through distance learning or hybrid formats could help to meet needs. |
| Educational, Vocational, and School Counselors | This field would typically be associated with graduate level training in counseling. However, there do not appear to be any bachelor’s level preparatory programs within the array of education-related programs at SMSU, so some specialization of programs to this career path might be warranted. |
| Teachers and Instructors, All Other | As noted regarding other education-related fields, while SMSU offers a wide array of programs, the locale of these options appears to be limited to the Marshall campus within the Southwest Minnesota region. Consideration of distance learning or hybrid models would be worthwhile. |
| Industrial Engineers | While a variety of engineering-related technology programs are offered by Minnesota West and Ridgewater, SMSU does not have an engineering program. |
| Sales Managers | A wide variety of marketing- and management-related training programs are available through multiple providers at assorted levels. Local providers must continue to solicit feedback from area businesses to ensure that training programs are tailored to meet specific industry needs as the regional economy evolves. |

Source: Critical needs per Exhibit 5-1. Program array per system Office of the Chancellor.

5.2 Operational/Staffing Needs

Though shifts in faculty and staff counts in recent years for both SMSU and Minnesota West were noted in an earlier section of this report, we relied heavily on the commentary and input provided by both internal and external stakeholders during site visits and interviews to determine related need. Expecting a defensive posture by staff at both institutions out of concern for their jobs (resulting from discussions, suspicions, and rumors relating to a potential alignment of providers), the MGT team was pleasantly surprised by the number of positive suggestions and comments that were received.

Areas mentioned for possible alignment included financial aid, human resources, and other administrative functions, such as payroll, purchasing, accounting, IT, and continuing education/outreach. Further illustrating one particular area, financial aid staff from both institutions routinely discussed issues, problems, processes and other components of the work that were uniform between the institutions. Minnesota West staff indicated that, due to cutbacks and staffing reductions, coupled with the need to have a financial aid representative visit each site periodically, the key decisions and some back office processing either slows down or stops completely during peak demand periods. A shared or aligned approach to financial aid might provide additional capacity and backup to cover the workload in a timelier manner, while maintaining some adequate level of service, which, otherwise, may no longer be sustainable under looming budget limitations.

Through interviews, group sessions and the survey, community and local business leaders, expressed the desire to see more distance education at remote sites or regional campuses/centers, but realized that manpower (faculty and support staff) limitations could be prohibitive relative to expansion (or, at best, could result in more extended workloads for current staff). Similar demands for more community engagement on the part of SMSU faculty and staff was also met with a similar conclusion: that all are having to do more with less, thus limiting some of the opportunities to respond to local needs.

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.0 CONCLUSIONS AND RECOMMENDATIONS

This final chapter provides a consolidation of findings and observations from the various data and commentary collected during the study and presented earlier in this report. The focus of this study and report was two-fold in response to our charge from the Minnesota State Colleges and Universities system, Office of the Chancellor to:

- (1) Identify higher education needs of the region, and
- (2) Suggest opportunities for alignment of higher education to better meet those needs in the future.

The consultant team first identified a set of higher education issues, concerns and needs across the Southwest Minnesota region. We then suggest a set of strategic opportunities for the system and the two local institutions to consider as they seek ways to better serve the region in response to the expressed needs. Finally, we discuss four possible scenarios regarding collaboration of academics and support services (or “alignment”) of Southwest Minnesota State University (SMSU) and the Minnesota West Community and Technical College (Minnesota West) in pursuit of improved access to and delivery of higher education in this unique region of the state. The remaining sections of this chapter summarize the findings, conclusions, and considerations that led the study team to a set of strategies and recommendations offered to system officials as they make a decision regarding this matter.

The next two sections summarize concerns and needs that we have identified from our research and analysis of both objective sources of data as well as opinions and perceptions expressed by a wide range of area stakeholders. We follow with a list of potential strategies in response to the expressed needs, conditions, and circumstances of the region for the two system institutions that share responsibility for serving the higher education needs of the area.

6.1 Identified Issues, Concerns and Needs

- Southwest Minnesota is an expansive market area (19 counties) that is rural in nature and sparsely populated, with only a few population hubs of significant size (Marshall/Lyon County is one of the largest at 25,857 residents). The region is faced with a declining and aging population, along with an economic and industry base that does not align well with the current SMSU academic program array. Though jobs are available (the unemployment rate has remained relatively low compared to state and national benchmarks in recent years), the sheer annual number of openings, earning power, and educational requirements are limited at this time.
- Stakeholder commentary from across the region, and particularly in Marshall, suggest that Southwest Minnesota State has done a good job in engaging both the business community and local residents close to home (Marshall) in a variety of areas including social and cultural functions, community service, and academic program delivery. They were particularly appreciative of the SMSU

efforts and accomplishments given the austere economic environment in recent years. There is less of an endorsement for the University beyond the immediate service area.

- Local employers and community leaders noted that it is sometimes difficult to recruit and retain quality employees to the area, so they would prefer to “grow their own.” They also commented that many young residents seek higher education outside the region, and may not choose to return creating a local “brain drain.”
- Employers and community leaders are passionately supportive of the higher education entities located in their respective communities, and appreciate the critical role each plays in the economic and educational well being of their locale. A loss of one of these education sites would be a huge setback to the surrounding community in many ways.
- Transition to more applied academic programs that better meet local needs has been slow to develop over the last 10 years. Local concerns center on the lack of alignment of SMSU programs to the mix of business and industry sectors most prevalent across the region.
- If Southwest Minnesota State can grow enrollments overall, and particularly on the campus in Marshall, much of the current concerns and criticism would likely subside. The institution’s recent curriculum mix has not consistently generated the enrollment levels needed to maintain targeted revenue goals and efficiencies.
- Furthermore, a sizeable proportion of current headcount (56%, but a much smaller proportion of FYE at 23%) is generated by Post-Secondary Enrollment Options (PSEO) enrollments who, for the most part, never visit the campus nor convert to full-time status at Southwest Minnesota State upon high school graduation. Roughly seventy-three percent of those high school dual enrollments are from outside the Southwest Minnesota region, and, by nature and location, are not likely candidates for full-time on-campus enrollment at SMSU during their pursuit of a four-year degree.
- Although SMSU and Minnesota West are the two main public providers of higher education in the region, there continues to be increased competition from other system institutions, as well as institutions from neighboring states that border this region. Assessments of area resources and strategies for future system initiatives should be cognizant of the roles of the full array of providers.
- The University has experienced some challenges in recruiting and retaining faculty and senior leadership to the campus when openings do arise.
- With diminishing state appropriations resulting in personnel reductions, it has also proved difficult in recent years to maintain appropriate levels of faculty and staff to deliver services and programs traditionally offered at both institutions.

- Under the current fiscal allocation model utilized by the system, Southwest Minnesota State and Minnesota West have not kept pace with other growing system institutions across the state. As a result, each institution's respective share of the funding pool continues to decline annually.

6.2 Potential Strategies for Consideration

The following strategies for addressing many of the issues and concerns uncovered during the study are geared primarily towards efforts that could be initiated and directed by SMSU, but clearly involve the cooperation of and collaboration with Minnesota West, as the two primary providers of public higher education across the Southwest Minnesota region.

Under current circumstances, the consultant team encourages both system officials, as well as SMSU and Minnesota West leaders, to carefully consider the following strategic initiatives to address the higher education needs of Southwest Minnesota. It should be noted that, in recent years, SMSU has begun to respond to a number of these points with varying degrees of success. Likewise, Minnesota West has a history of "nimble" responses and a distributive model for delivering programs and services throughout the region to meet local needs.

Despite these efforts, the consultant team recommends attention to the following six strategic opportunities to address four major higher education needs/gaps/deficiencies in the region going forward. *(Unless otherwise noted, the strategies are primarily directed towards SMSU.)*

Academic Needs / Programmatic Refocus

- 1. More closely align the academic programs of the University to the economic initiatives and industry sector needs of the full 19-county region.**
 - Offer differing program mixes by location that more closely align with predominant local/regional industry clusters and expressed needs.
 - Develop new and expanded partnership opportunities with local businesses and industry that match with current academic programs or potential program shifts.
 - Continue to gradually align program options with industry needs and job opportunities to attract or retain enrollments at SMSU and, in turn, attract and retain an educated, skilled workforce within the region. SMSU has established a solid foundation for expansion of areas of most interest including the agricultural sector, food sciences, environmental sciences, health sciences/wellness, hard sciences, and business/management curriculum. Other new areas of interest include alternative and wind energy, and manufacturing including operations management.
 - Demonstrate the connection between SMSU degree program options and job opportunities locally and across the Southwest Minnesota region.

- Continue to examine interdisciplinary program opportunities across the full spectrum of the SMSU curriculum. Some have called for a downsizing of the current liberal arts curriculum at SMSU; however, it is an important and valued aspect of the University's mission to engage the communities it serves. SMSU officials noted that the University recently completed a review and re-design of its liberal arts core. The new *Liberal Education Program* implemented this past fall semester, is based on a national survey of business, community, and campus leaders who identified what all college graduates, regardless of major, need to know and be able to do in order to succeed in the 21st Century. Thus, a continuous "rebalancing" of the curriculum mix over time is a more reasonable and practical approach, that again establishes or sustains both community and business connections and meets the core educational needs of its students.

Enrollment Growth / Market Penetration

2. Expand baccalaureate program access points and opportunities across the region beyond the main campus in Marshall.

- Seek opportunities to utilize existing locations, facilities, and support services on Minnesota West campuses and centers to better serve the full region and specific local markets.
- Develop and expand distance/hybrid delivery modes for academic programs and services.
- Build program "critical mass" through both on-campus and off-campus distance delivery options. This includes within the region, other locations across the state, and out of state, as opportunities arise and demand matches SMSU programming or new curriculum options.
- Devise collaborative arrangements to provide key support services to SMSU enrollees located away from the main campus in Marshall.
- Aggressively market these connections jointly throughout the Southwest Minnesota region.

3. Create a renewed focus on recruiting and marketing efforts to increase both on-campus and off-campus FYE at SMSU from a local, regional, statewide perspective and beyond.

- Develop several new or revamped academic programs that will have potential to attract new enrollments to the main campus from within the region, from other areas of the state, as well as outside the state. The growing SMSU program in Culinology is a good example that now draws enrollments both locally and statewide, and has gained recent national success and recognition. Other critical areas identified for the area (see **Chapter 5.0**), at the certificate, associate, bachelor's, and continuing education levels include:
 - Expansion and extension of business, management, accounting, and finance programs through distance learning or hybrid course formats.

Additionally, continuing education courses in supervision and leadership appear to be in strong demand. Specialization in regionally strategic industry sectors (agriculture, renewable energy, etc.) would also enhance demand.

- Expansion and extension of sales, marketing, and customer service training programs, including both formal awards as well as continuing education. Distance, hybrid, and other nontraditional formats should be utilized.
- Expansion and extension of education programs, with emphasis towards primary school certification, special education, and vocational education, utilizing distance and hybrid programming formats.
- Specific manufacturing technology training programs, tailored to local business needs. Institutional officials must reach out to local employers capable of providing a critical mass of students for these programs to determine opportunities for curriculum.
- Engineering technology/technologist and related programs, aligned with the greatest industry needs.
- Assorted healthcare training and education programs, including health or nursing aide and assistant training, as well as all other levels of nurse training (LPN, RN, BSN, MSN);
- Development of some of these programs (particularly in healthcare) may be prohibited by either high cost of instruction or limited opportunities for clinical rotations. The costs and merits of each program should be considered independently to determine the best options to pursue.
- Focus emphasis on SMSU opportunities for nontraditional students in locations at or adjacent to current Minnesota West sites. A possible cohort-based hybrid delivery model MBA program mentioned by SMSU faculty for working professionals might attract participants from both local and distant sites.
- Similar options could be created at the undergraduate upper division level to attract new or transfer students for entry into baccalaureate degree completion programs in business, management, operations, marketing or agriculture related fields.

Community Engagement

4. Expand non-academic efforts to engage both the residents and the business community throughout the region.

- In each community the consultant visited, it was clearly evident that local higher education access was considered a key factor in the area's economic well being. Therefore, the University should expand efforts to reach out to business, industry and local civic leaders in all counties of the Southwest

Minnesota region. Beyond academic and workforce needs, this outreach should include establishing or strengthening partnerships in civic, community, cultural events and services, collaborating in specialty areas of research, as well as providing technical expertise and advisement.

- Heighten participation levels by appropriate University personnel in local/regional economic development initiatives. In some instances, stakeholders cited other out-of-region institutions as more engaged and supportive of local economic development initiatives.
- Include a student community service component geared toward local interests and needs.

Operations and Administration (Both Institutions)

5. *Take full advantage of potential opportunities for pooled operational and support functions between Southwest Minnesota State and Minnesota West, or among other system institutions.*

- Both institutions should actively seek opportunities to collaborate or share responsibilities for the delivery of services and support to students, faculty, staff, residents and the business community between themselves and with other system institutions across the state. Possible participation in the system's *Campus Service Cooperative* may provide for savings through economies of scale, improved efficiencies, capacity building, and expanded expertise beyond what would be readily available from a single campus or an institution spread across multiple sites in rural locations of the region.
- Minnesota West has developed a workable model to distribute (deliver) services across its various sites. However, in recent years both institutions have faced budget and staff reductions, which has put tremendous strain on the staff that remain to provide adequate and timely services needed and expected by students, staff, and other constituents. SMSU should explore opportunities to collaborate with Minnesota West in this delivery model of like services.
- Both institutions should work to create incentives for faculty/staff to collaborate on internal initiatives relevant to the region.

6. *SMSU should establish institutional and academic leadership that can foster a sense of engagement, collaboration, and involvement, both internally and externally.*

- Seek out individuals who will provide the dynamic leadership and coalition building required to make both local system institutions more effective options for pursuing higher education opportunities within the region.
- These individuals should have a clear understanding of and an appreciation for the unique role and mission of the community/technical college and the four-year university, and how they can work jointly to address the unique

issues, obstacles and needs posed by a large, rural region such as Southwest Minnesota

- They must also possess the willingness, skills, and energy to be good stewards of the institution's traditions, while simultaneously acting as change agents for higher education to better serve the local communities and the region overall.

6.3 Alignment Scenarios

When addressing possible changes and improvements to higher education access and delivery across Southwest Minnesota, the word "alignment" has invoked much concern and consternation among administration, faculty, staff, and students at both SMSU and Minnesota West. It has also raised concerns among business and community leaders who suspect such an effort may diminish or lead to the closing of a campus or education center in their respective areas. There are also fears that a "consolidation" of the two institutions would eliminate valued programs and services in a location. Business leaders and citizens expressed a desire for more access and opportunities, not less. They have seen the results of recent budget reductions, and are concerned that consolidation at any level might further deplete what local resources and opportunities they currently have.

When further discussing alignment during the course of this study, our team sees three levels of coordination between the two institutions that may be required to more readily address the identified needs of the region:

- **Collaboration of academic programs** to better meet regional needs, which would likely include articulation agreements, seamless transfer options, and matching programs with local/regional needs.
- Implementation of a **shared service model** to support improved efficiencies in program and service delivery, access points, and similar operational functions, in a time of declining resources.
- **Alignment of institutional leadership** to create a more unified, strategic approach to serving the full array of higher education needs across Southwest Minnesota.

The first two are a direct response to identified needs and, for the most part, are practical and acceptable actions based on what the team heard from local stakeholders. The third component is the most controversial, and opinions run strong and divided.

It should be noted that a similar approach to alignment through all three levels has been implemented by the system involving Bemidji State University and Northwest Technical College. A brief summary of the approach, timeline (to-date), and some of the issues they faced will set the stage for a description of potential options for considered implementation in Southwest Minnesota.

Bemidji State/NTC Alignment Model

Based on information conveyed to the consultant team in discussions with senior leadership at Bemidji State, the alignment process (not merger) with Northwest Technical College (NTC) began nearly seven years ago with the appointment of a single President. Initially it also entailed consolidation of several administrative functions including human resources, financial aid, and payroll. Gradually over the next several years, consolidation of budgetary functions, capital planning, facilities, technology, security and safety, and continuing education/customized training (the latter moved to NTC) followed. The latest efforts have aligned student services and student affairs across institutions. These alignments included a single Vice President for Finance and Administration, a single Vice President of Student Affairs (but created two campus deans), and a single Chief Information Officer. Academic affairs and the accreditation of each institution remain separate and two institutional Academic Officers sit on the President's Cabinet. At this point in the process, they estimate annual cost savings approach \$750,000 from the level of alignment currently achieved.

However, progress has not been without issues and significant obstacles to overcome. Of particular note are two areas of contention related to staffing and capital appropriations. Numerous staffing issues and conflicts have arisen from the established and differing bargaining units for each institution and the myriad of agreements, rules, regulations, protocols, and protections that they encumber. Capital appropriations now come to the aligned Bemidji State/ Northwest Technical College as a single allocation, and then must be apportioned as needed by the administration to address each institution's needs and priorities. That has proven to be a far more difficult endeavor than originally anticipated. There is some perception that the joint allocation provides less dollars than if separate requests were made, yet the facilities inventory has not been dramatically altered in terms of capacity and upkeep needs.

Finally, Bemidji representatives offer four observations or "lessons learned" that may prove beneficial to other institutional alignments that follow:

- 1. All parties involved in the alignment decisions from each institution should be included at the table working together to arrive at mutual solutions. This will require a considerable amount of time, energy, effort, and patience to conclude successfully. It should last as long as the alignment process is on-going, and there should be some means to resolve issues or conflicts that arise well after the alignment has been implemented for an organizational unit.*
- 2. It is often better to have new hires take over an aligned or consolidated unit as opposed to the "old guard" who have a history with one institution or allegiance to the previous administration. Unfortunately, this situation is often difficult to avoid.*
- 3. It is easy to underestimate the differences between students typically served by the two types of institutions. They have very different goals, objectives, backgrounds, learning habits, and constraints that may not easily mesh in a combined operation of aligned services.*
- 4. Policies and procedures at the senior institution may not easily apply to a community and technical college setting; therefore, alignment must take into account such differences and make accommodations where appropriate. This may result in some added layer of operations, increased work load, and disputes over outcomes or decisions*

6.4 Alignment Action Steps and Sequencing

After careful analysis and reflection regarding the conditions, circumstances, outlook and needs of the region, and the current working example described above, we have identified four “options” or action steps for the system to consider when determining strategic directions that SMSU and Minnesota West should take as they seek to better serve the Southwest Minnesota region. The first option merely offers a suggested course of action to maintain the status quo and provides no explicit direction for change from the system. The latter three options or action steps depict a “continuum of collaboration” or progression towards alignment that could be implemented in sequence over time, as deemed appropriate.

Action Step #1: Maintain “Status Quo”. (no change)

Action Step #2: Academic Collaboration

Encourage and develop additional collaboration between the two institutions on academic programs, articulation agreements, and academic related services for seamless student access and transition.

Action Step #3: Shared Services

Seek out and initiate alignment of selected support and operational services, through a shared service or cooperative model to maintain adequate levels of service and achieve some level of improved efficiencies across institutions.

Action Step #4: Administrative Alignment

Align the administration/leadership of the two institutions (current Bemidji State/Northwest Technical College model) that would include the president and selected senior leadership positions.

6.5 Advantages and Disadvantages of Proposed Action Steps

We mention the first option merely as a course of action or “no action” that may be taken, but the expected outcome (meeting the needs of the region) would be no different than what is currently being realized, thus we find this option problematic in light of the issues identified within the region and the expressed need to continue progress beyond achievements to-date.

Action steps #2 through #4 provide an ever-increasing level of alignment between the two institutions that eventually approaches the model currently instituted at Bemidji State/Northwest Technical College (described above), but short of a full merger. As noted in the Bemidji model description earlier in this chapter, they still have not

addressed any “alignment” of academics, and currently maintain separate accreditation, curriculum, and credentialing for each institution.

Though it was beyond the scope of this study to conduct a feasibility analysis of detailed alignment opportunities (programs, services, units, positions, facilities) and their explicit capacity and potential net cost savings, we do concur that an incremental cost saving would result over time if Action Steps #3 and #4 were implemented. Any cost savings are welcomed in these difficult budgetary times, however we caution that based on anecdotal information provided by Bemidji State, annual costs savings due to alignment may be limited compared to the full institutional operating budgets, will take an extended time to fully realize, and may not prove to be a viable trade-off in relation to the functional or operational changes required or those assets that would be eliminated or reduced.

Though academic alignment through collaboration is the focus of Action Step #2, all of the latter three steps call for a concerted effort for academic program collaboration between the two institutions to better meet business and industry needs identified in **Chapters 4.0** and **5.0** of this report. Similar to the Bemidji State/NTC experience, we do not foresee a formal merger of the academic components of these two institutions in the future due to many factors, including mission, accreditation requirements, and faculty credentialing. However, we would envision more emphasis and encouragement on the part of both institutions to streamline the process of developing articulation and transfer agreements, promote joint/shared program delivery locations, and offer and market a seamless transition from Minnesota West to SMSU for transfer track students.

Action Step #3 represents an alignment process of shared services to be put in place over a longer period of time as deemed appropriate by the system and local institution leaders. Units to be considered for a shared services approach or alignment may closely follow the components of the Bemidji model. It should be noted that the system is currently offering opportunities and related efficiencies of a “shared services” model across institutions on a statewide or regional basis or across institutional profile levels. Participation in the *Campus Service Cooperative* might allow both SMSU and Minnesota West to take advantage of economies of scale savings, to maintain adequate levels of service, to develop capacity beyond individual institutions, and to extend special expertise not readily available or affordable at each campus. If this co-op model proves viable, it could be a substantial element of, or replace, the support services and operations alignment called for in Action Step #3.

The alignment of institutional leadership depicted in Action Step #4 is by far the most dramatic and bold phase and, therefore, the most controversial. Born from the pending opportunity to appoint a new President at Southwest Minnesota State, this becomes a key decision factor in the prospects for alignment of the two institutions. Based on the apparent success achieved through the Bemidji State/NTC alignment, single administrative leadership for the two institutions seems a logical option. However, there are several fundamental differences that make the choice more difficult. First, the physical distance between the SMSU campus in Marshall, and the multiple campuses and sites of Minnesota West, and the sheer expanse of the entire region to be served will make a leadership alignment extremely challenging. The Bemidji State and NTC campuses are less than two miles apart making communication, events, operations, and

shared use very easy, convenient, and timely. This will not be the case with administratively aligned institutions in Southwest Minnesota.

Secondly, as we have discovered, the educational needs, gaps and issues of a region of this size, and with such diverse economic drivers, are formidable. The history, culture, and current response level and capabilities of the two institutions are quite complex and divergent as well. It will take a very dynamic president and leadership team considerable time and a significant level of effort to bring about substantial change of an aligned higher education entity across this region. Before full (administrative) alignment between the two institutions can be considered and achieved, it is our opinion there are a number of issues facing a new SMSU president and leadership team that will require their full attention. The SMSU program mix needs to continue its rebalancing effort to more closely align with identified and emerging local/regional needs. Enrollment growth strategies and budgetary pressures are also paramount and will require careful and decisive directions. Maintaining the long standing relationships the University has cultivated locally as well as opening new doors across the region will be a key leadership role. Finally, changing the longstanding culture of the institution to a perspective more aware, engaged, and responsive to regional needs will be an additional, critical priority.

All of the above mentioned tasks and redirections (internal and external) for SMSU alone must take place before the newly appointed president is also charged with the responsibility of leading a full alignment effort and overseeing the operation of Minnesota West and its many sites. We believe that a new president and their new leadership team at SMSU being encumbered with the added responsibility of implementing administrative alignment between the two institutions (Action Step #4), simultaneous to transition into leadership at SMSU, would represent a difficult and likely unsuccessful process.

RECOMMENDATION

Given the regional situation and scenarios previously described, it is the recommendation of the consulting team that system officials consider (as the new SMSU president takes office) beginning with Academic Collaboration as the initial step of an eventual longer-term approach to possible alignment of SMSU with Minnesota West over time.

As progress is achieved in repositioning SMSU as an institution better serving regional needs and engaging in more collaboration of academic opportunities with Minnesota West, a transition from Academic Collaboration to Shared Services should occur.

Eventually the system could initiate an Administrative Alignment, if and when it is deemed necessary and appropriate. In our professional opinion, the time for administrative alignment is not yet at hand.

**APPENDIX A:
STAKEHOLDER PARTICIPANTS
IN INTERVIEWS AND GROUP
SESSIONS**

APPENDIX A

STAKEHOLDER PARTICIPANTS IN INTERVIEWS AND GROUP SESSIONS

| INDIVIDUAL INTERVIEWS (42 individuals) | | | | | | |
|---|------------|-------------|--|---|---------------|---------|
| Category | First Name | Last Name | Title | Business/Organization Name | City | Date |
| Board of Trustees | David | Paskach | Member of Board of Trustees | Minnesota State Colleges and Universities | Cottonwood | 4/1/11 |
| Community | Don | Louwagie | Board Member | MARL Advisory Board | Marshall | 3/29/11 |
| Community | Bob | Byrnes | Mayor | City of Marshall | Marshall | 3/30/11 |
| Community | Brad | Strootman | General Manager | Marshall Radio | Marshall | 3/30/11 |
| Community | Cal | Brink | Executive Director | Marshall Area Chamber | Marshall | 3/30/11 |
| Community | Karen | Van Kuelen | Director of Community Relations | Marshall Area Chamber | Marshall | 3/30/11 |
| Community | Dave | Smiglewski | Mayor | City of Granite Falls | Granite Falls | 3/31/11 |
| Community | Sherry | Ristau | President & CEO | Southwest Initiative Foundation | Hutchinson | 3/31/11 |
| Community | Harry | Weilage | Director | Marshall Community Services, City of Marshall | Marshall | 5/4/11 |
| Economic Development | Julie | Rath | Administrator | MN Valley Regional Rail Authority (MVRRA) | Redwood Falls | 5/4/11 |
| Economic Development | Cliff | Carmody | Executive Director | SW/WC Service Cooperative | Marshall | 5/5/11 |
| Education/Employer | Dan | Deitte | Superintendent | Minneota Public Schools | Minneota | 3/30/11 |
| Education/Employer | Klint | Willert | Superintendent | Marshall Public Schools | Marshall | 3/30/11 |
| Employer | Bruce | Saugstad | President, Ice Cream Division | Schwan Foods | Marshall | 3/29/11 |
| Employer | Roger | Madison | Charter CEO for SW Minnesota | Bremer Bank | Marshall | 3/29/11 |
| Employer | Mary | Maertens | Regional President & CEO | Avera Health Systems | Marshall | 3/30/11 |
| Employer | Bill | Toulouse | Attorney | QDPLM | Marshall | 3/30/11 |
| Employer | Marty | Seifert | Executive Director | Avera Marshall Foundation | Marshall | 3/30/11 |
| Employer | Tom | Hoff | Director | Southwest & West Central Co-op | Marshall | 3/30/11 |
| Employer | Kevin | Wald | Chief Executive Officer | Ritalka, Inc./ SpecSys | Montevideo | 5/10/11 |
| Employer | Dave | Verkinderen | General Manager | US Bancorp | Marshall | 5/10/11 |
| Employer/Community | John | DeCramer | Vice President of Engineering | BH Electronics/Marshall City Council | Marshall | 3/29/11 |
| Employer/Economic Devel. | Duane | Anderson | Chief Executive Officer | Farmers Union Industries | Redwood Falls | 5/12/11 |
| Higher Education | Beth | Weatherby | Provost | SMSU | Marshall | 3/29/11 |
| Higher Education | David | Danahar | President | SMSU | Marshall | 3/29/11 |
| Higher Education | Bill | Mulso | Associate Vice President for Advancement | SMSU | Marshall | 3/29/11 |
| Higher Education | Deb | Kerkaert | Interim VP, Finance & Administration | SMSU | Marshall | 3/29/11 |
| Higher Education | Chris | Hmielewski | Director of Athletics | SMSU | Marshall | 3/30/11 |
| Higher Education | Dan | Baun | Interim Chief Information Officer | SMSU | Marshall | 3/30/11 |
| Higher Education | Deb | Almer | Director of Human Resources | SMSU | Marshall | 3/30/11 |
| Higher Education | Richard | Shrubb | President | Minnesota West | Worthington | 4/5/11 |
| Higher Education | Lori | Voss | Vice Preseident, Administration | Minnesota West | Canby | 4/6/11 |
| Higher Education | Bill | Maki | Vice President for Finance | Bemidji State University | Bemidji | 5/5/11 |
| Higher Education | Jeff | Williamson | Provost | Minnesota West | Canby | 4/6/11 |
| Legislatre | Doug | Magnus | State Senator | State Senate | Dist. 22 | 4/1/11 |

Appendix A: Stakeholder Participants in Interviews and Group Sessions

| INDIVIDUAL INTERVIEWS (continued) | | | | | | |
|--|-------------------|------------------|--|---|-------------|-------------|
| Category | First Name | Last Name | Title | Business/Organization Name | City | Date |
| System Administration | Scott | Olson | Interim Vice Chancellor, Academic & Student Affairs | Office of the Chancellor | St. Paul | 3/28/11 |
| System Administration | Laura | King | Vice Chancellor & Chief Financial Officer | Office of the Chancellor | St. Paul | 3/28/11 |
| System Administration | Lori | Lamb | Vice Chancellor for Human Resources | Office of the Chancellor | St. Paul | 3/28/11 |
| System Administration | Darrel | Huish | Vice Chancellor & Chief Information Officer | Office of the Chancellor | St. Paul | 3/28/11 |
| System Administration | Leslie | Mercer | Associate Vice Chancellor for Research, Planning and Effectiveness | Office of the Chancellor | St. Paul | 3/28/11 |
| System Administration | James | McCormick | Chancellor | Minnesota State Colleges and Universities | St. Paul | 4/1/11 |
| System Administration | Judy | Borgen | Associate Vice Chancellor, Budget | Office of the Chancellor | St. Paul | 5/26/11 |

Appendix A: Stakeholder Participants in Interviews and Group Sessions

| GROUP MEETINGS (38 group sessions) | | |
|---|-------------------------------------|-------------|
| Location | Group | Date |
| SMSU | Community Open Forum | 3/29/11 |
| SMSU | President's Cabinet | 3/29/11 |
| SMSU | AFSCME Representatives/Members | 3/29/11 |
| SMSU | MSUAASF Representatives/Members | 3/29/11 |
| SMSU | MAPE Representatives/Members | 3/29/11 |
| SMSU | Faculty Leadership | 3/29/11 |
| SMSU | Student Representatives | 3/30/11 |
| MnWest - Granite Falls | Staff/Administration | 3/31/11 |
| MnWest - Granite Falls | Students | 3/31/11 |
| MnWest - Granite Falls | Faculty | 3/31/11 |
| MnWest - Granite Falls | Bargaining Unit Reps/Members | 3/31/11 |
| MnWest - Granite Falls | Community/Business/Industry | 3/31/11 |
| MnWest-Canby | Faculty | 3/31/11 |
| MnWest-Canby | Community Leaders | 3/31/11 |
| MnWest-Canby | Business/Industry | 3/31/11 |
| MnWest-Canby | Staff/Administration | 3/31/11 |
| MnWest-Canby | Students | 3/31/11 |
| MnWest - Jackson | Students | 4/4/11 |
| MnWest - Jackson | Community Leaders | 4/4/11 |
| MnWest - Jackson | Staff/Administration | 4/4/11 |
| MnWest - Jackson | Industry Leaders | 4/4/11 |
| MnWest - Jackson | Union Representatives | 4/4/11 |
| MnWest - Jackson | Faculty | 4/4/11 |
| MnWest - Worthington | Foundation/Campus Liaison Committee | 4/5/11 |
| MnWest - Worthington | Community Leaders | 4/5/11 |
| MnWest - Worthington | Industry Leaders | 4/5/11 |
| MnWest - Worthington | Students | 4/5/11 |
| MnWest - Worthington | Faculty | 4/5/11 |
| MnWest - Worthington | Faculty | 4/5/11 |
| MnWest - Worthington | Faculty | 4/5/11 |
| MnWest - Worthington | Staff/Administration | 4/5/11 |
| MnWest - Worthington | Open Forum | 4/5/11 |
| MnWest - Pipestone | Students | 4/6/11 |
| MnWest - Pipestone | Faculty | 4/6/11 |
| MnWest - Pipestone | Staff/Administration | 4/6/11 |
| MnWest - Pipestone | Bargaining Unit Reps/Members | 4/6/11 |
| MnWest - Pipestone | Community | 4/6/11 |
| MnWest - Pipestone | Business/Industry | 4/6/11 |

Note: It is estimated that MGT visited with upwards of two hundred individuals combined during group meetings held at the campuses.