

# Owatonna Learn & Earn Initiative

## State Funding Proposal, January 2023

### Project Summary

The Owatonna Area Chamber of Commerce and its Foundation along with the Owatonna Partners for Economic Development will orchestrate a unique community workforce development project, called the Owatonna Learn and Earn Initiative, involving local businesses, education providers and community leaders to provide a new advanced manufacturing pathway, and “Owatonna Opportunity” scholarships to increase high school graduation, technical college completions, and regional career placement for hundreds of Minnesotans in high-demand, high-skilled occupations, especially for the growing number of underrepresented students residing in the Owatonna community.

The Owatonna Learn and Earn Initiative has three main goals or phases. This state funding request will support goals 2 and 3:

1. To conduct a comprehensive local needs assessment to do an in-depth environmental scan of the current and future workforce needs.
2. To develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment, and instructional support to grow and retain talent in Owatonna.
3. To create the “Owatonna Opportunity” scholarship model for the Learn and Earn initiative for students and employers.

### Regional Need

The timing is right to strengthen the Owatonna Learn to Earn Coalition, which is made up of local business and industry leaders, community organizations, and educational partners, to help the Owatonna/Steele County region grow and retain a talented workforce. The community is experiencing high business growth, experiencing high job vacancies, and building a new state-of-the-art high school. Owatonna is located in Steele County, in the Southeast Minnesota Planning Region. The Southeast Minnesota Planning Region encapsulates Economic Development Region 10 and Workforce Service Area 8, and 18. “Without the new high school project, which is permitted and reviewed by the state and not the city, Owatonna saw \$82 million in new construction in 2022. If the high school project was a part of the city's permit and valuation process, Klecker said the city would have set a new record of \$155 million,” (Associate Editor Annie Harmon, APG Media of Southern Minnesota, Jan 12, 2022). Owatonna has a robust and growing advanced manufacturing sector who are motivated to partner to create a unique workforce development program. A new company, KAMP Automation, is breaking ground this spring, which will need 20+ Automation Robotics Engineers and Technicians. The Owatonna Chamber of Commerce, business leaders, and educational partners are engaged in exploring new strategies to meet their current and future workforce needs. They have formed a specific

task force called the “Owatonna Learn to Earn Coalition,” and have selected the Owatonna Area Chamber of Commerce Foundation as its convener and fiscal host to utilize shared resources to accomplish short and long-term goals of growing and retaining their own talent.

Owatonna High School has initiated a program called Career Pathways which connects students to careers that fit their assets and skill set to be career and college ready post-high school. The Career Pathways program has set high goals in reaching all students at Owatonna High School through internships, mentorships, and capstone experiences giving them value-added skills for their future. Furthermore, we are embracing our diversity and exploring ways to enhance experiences for our diverse students to remove barriers for future success. This requires partnerships with industry, business leaders, and post-secondary institutions to become a reality.

Riverland Community College has been working on several academic programs and career pathways with Owatonna High School in high-demand, high-skill, high-wage career sectors. A Practical Nursing program has been implemented, where students in high school are taking Concurrent Enrollment and PSEO courses during their 10-12 grades, and then have automatic admission into Riverland’s Nursing program with only two semesters left to finish a degree. Next, Riverland is launching an Advanced Manufacturing pathway, to support the large business sector in Owatonna. Riverland will be utilizing funds from the “Learn and Earn Initiative” congressionally designated spending over the next three years to build high tech labs and curriculum in manufacturing and transportation. The timing of this funding request will allow Owatonna’s Learn and Earn Initiative to leverage the federal funding and momentum of that grant project to create an innovative pathway for students and employers in Owatonna. Graduates of the Automation Robotics Engineering Technology program will be equipped with the mechanical, electrical, and industrial Control technology skills leveraged in a total of 127 occupations according to O\*Net. A review of those industries projected to have a “Bright Outlook” by O\*Net is expected to grow by 6% over the next decade according to Economic Modeling Specialists Intl (EMSI). Moreover, in the Southeast Minnesota Planning Area, these occupations pay on average \$8.23 more per hour than the Workforce Innovation Opportunity Act (WIOA) Basic Needs Cost of Living Estimates.

Table 1: Estimated Job Growth and Basic Needs Cost of Living Comparison

Planning Area	Estimated Jobs - 2021	Estimated Jobs - 2031	2021 - 2031 Change	2021 - 2031 % Change	Avg. Hourly Earnings	Basic Needs Cost of Living Estimates (2018): Hourly wage required*	Basic Needs Cost of Living Estimates (2018): Family yearly living cost *
<b>Southeast Minnesota</b>	<b>5,969</b>	<b>6,320</b>	<b>351</b>	<b>6%</b>	<b>\$24.04</b>	<b>\$15.81</b>	<b>\$49,332</b>

Job and Wage Estimates Source = EMSI

Basic Needs Cost to Living Estimates Source = WIOA

Partnerships that serve students and employers throughout Steele County are strong as evidenced by the SteeleCoWorks program. For the last 4 years, this partnership brings together business, school districts and community partners to give students an understanding of the career opportunities in their own backyard through job tours, job shadow, mentorships and internships. The privately funded initiative with in-kind school support focuses on students who

don't have a plan after high school graduation and demonstrates the commitment of the local partners to educate young adults on opportunities close to home.

By partnering together, local businesses, education providers and community leaders can provide best-in-class student services and curriculum to increase high school dual credit attainment, college credential completion, and regional career placement for hundreds of adults, and specifically for those growing underrepresented populations within Owatonna.

The Owatonna Learn and Earn Initiative has three main goals or phases. This state funding request will support goals 2 and 3:

**1. To conduct a comprehensive local needs assessment to do an in-depth environmental scan of the current and future workforce needs.** Our preliminary data points to building career pathways in healthcare (we are already working on) and advanced manufacturing (which this plan addresses). A consultant and state demographer resources will be utilized to involve education, business, and community stakeholders to guide the high school's career pathways, the college's credit and non-credit offerings/programs of study, and the businesses support of work-based learning programs that help them recruit, develop, and retain a vibrant workforce to keep the regional economy strong. The Owatonna Area Chamber of Commerce has agreed to assist with this process to engage the environmental scan and gap analysis to produce the qualitative and quantitative data necessary to build a sustainable, market-driven workforce education partnership designed to deliver relevant career pathways and support learners. In addition, a new Owatonna Learn to Earn Coalition has been formed as a steering group to assess the data from the environmental scan and gap analysis and support the activities of this project and other school-to-college-to-career pathways and programs. This will include key business leaders, Riverland Community College, Workforce Development, Inc, the Owatonna Area Chamber of Commerce, the Owatonna Public Schools, City of Owatonna, Owatonna Partnership for Economic Development (OPED), The Owatonna Area Business Development Center, Steele County Works, and other community stakeholders. While we know that Healthcare and Manufacturing are key industries in Owatonna, we want to examine other areas of need and ensure that employers are shaping the design of the educational programs from the beginning.

**2. To develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment, and instructional support to grow and retain talent in Owatonna.**

Our labor market research and testimonials from Chamber members, new developers, and other business representatives have already indicated the need for more Healthcare, Information Technology, and Manufacturing Technicians across the region. More specific academic program details and needs will be prioritized after the environmental scan is completed. Since the Owatonna nursing pathway is already underway, this project would support the development of an advanced manufacturing career pathway available to 9th grade to adult students in Owatonna; without requiring them to travel far for education or good jobs.

The Owatonna business and education partners will share instructional spaces, supplies, equipment, and even faculty, as needed and agreed upon, to build educational programming that will meet the needs of high school and adult learners. We will braid this state funding with local business contributions and the Congressional Designated funding that Riverland was awarded for the development of a Learn and Earn Initiative, to equip Owatonna classrooms with state-of-the-art instructional equipment to offer technical instruction. Automation Robotics equipment will allow high school students to take their introductory classes at the high school and begin a Learn and Earn pathway with advanced coursework at Riverland and work-based learning at local companies. Several dual-credit classes will be offered between the high school and Riverland, taking advantage of this community approach to growing our own talent. In addition, the Chamber, high school, and college will work collaboratively with other learn and earn locations at businesses or at the Owatonna Area Business Development Center to make the instruction accessible to serve the community's needs for years to come.

Estimated cost: \$950,000 (*see attached estimated equipment list*)

### **3. To create the “Owatonna Opportunity” scholarship model as a Learn and Earn initiative for students and employers.**

This work will involve engaging employers in the Owatonna community to develop the part-time work and part-time school schedules for employees who agree to continue their education while working for local manufacturers and a community fund to offer tuition reimbursement or guaranteed scholarships as they “Learn and Earn.” This will particularly help the underrepresented population of students who do not want to or cannot leave the community for higher education. This funding request is for program start-up with anticipated business and local funding to fund the scholarship opportunities long-term. We believe this initiative will allow the Owatonna Chamber Foundation to address the short-term and long-term to help Owatonna businesses grow their talent, in partnership with Owatonna High School and Riverland Community College.

Estimated cost of related support services: \$100,000

### **Summary**

This one-time public investment will support the collaboration and innovation of the Owatonna regional partners to develop win-win workforce solutions that will have short-term and long-term economic impact. In the short-term, employers do not have to compete with each other for students/employees if they work together to build a schedule that allows individuals the ability to do both part-time. Longer term, using their collective strengths to build and sustain relevant school-to-career pathways for its residents, this group can develop multiple business/education learn and earn pathways beyond healthcare and manufacturing. By building a model to provide tuition support, technician education, alongside part-time employment opportunities, we can grow talent for Owatonna's future economic vitality into the future. The partners greatly appreciate the start-up public investment of this pilot program.

**Total request: \$1,050,000 for the Owatonna Area Chamber of Commerce Foundation**

### Owatonna's Learn and Earn Initiative Equipment List

Instructional Equipment Item	Quantity	Estimated Price
Mini Mill	2	\$66,000
TL-2 CNC Lathe	2	\$64,000
Vertical Drill Press	1	\$4,500
Horizontal Band Saw	1	\$5,000
Welders	15	\$57,500
CNC Laser Table	1	\$50,000
CNC Plasma Cutting Table	1	\$30,000
3D Printers	6-8	\$134,000
3D Printer Materials		\$12,000
Laser Engraver/Cutter - 75 Watt	1	\$27,000
3D Scanner	1 or 2	\$10,000
Engineering Design Software, IT equipment/carts/furniture	class license	\$50,000
Hydraulics/Pneumatics Trainers	2	\$50,000
Industrial Robot	1-2	\$110,000
Electrical PLC Trainers	5-10	\$50,000
Automation Sensors and Controls	28	\$40,000
CNC Benchtop Units/Mini Mills	8	\$64,000
Electrical Trainers/Supplies	14	\$56,000
Corresponding curriculum and faculty training for the above equipment	2-4 instructors	\$50,000

Instructional lab installation/facility expenses		\$20,000
	<b>Total</b>	<b>\$950,000</b>