

Form A

**COVER SHEET
STATEMENT OF NEED**

Program Information

Program Name: Bachelor of Applied Science – Applied Management

Institution Name: Centralia College

Degree: BAS Level: Bachelor Type: Business CIP Code:
52.0803 –
(e.g. B.S. Chemistry) (e.g. Bachelor) (e.g. Science)

Proposed Start Date: September, 2012

Projected Enrollment (FTE) in Year One: 20 At Full Enrollment by Year: 40
(# FTE) (# FTE)

Funding Source: State FTE Self Support Other

Mode of Delivery

Single Campus Delivery Centralia College
(enter locations)

Off-site _____
(enter locations)

Distance Learning Online and hybrid
(enter formats)

Statement of Need

- *Employer demand*
- *Student demand*
- *Options for place-bound students*

Please see criteria and standard sheet FORM B

Contact Information (Academic Department Representative)

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John Martens _____

Form B

Statement of Need – Criteria #1

Criteria #1: Relationship to institutional role, mission, and program priorities.

Standard:

- Describe how the proposed program reflects and supports the role and mission of the institution, and reflects program priorities.

Centralia College is the nexus of higher education in District 12, Lewis and south Thurston Counties, brokering and offering opportunities for higher education to the citizens of our essentially rural service district. The Board of Trustees' stated mission for Centralia College is to "improve peoples' lives through lifelong learning" with the goal of a providing all students a "quality education while keeping the costs of their college experience as affordable as possible". A local BAS degree offered at BAS tuition rates fills a gap in our educational offerings and meets the affordability requirement for those seeking to attain a bachelor's degree.

Centralia College's vision is "to be an economic driver in our local economy". Lewis County currently and historically has one of the highest unemployment rates in the state. Timber and agriculture have been historically the major employers in Centralia College's service district. With the decline of these industries a new economic development strategy has been emerging. New businesses and industries are being recruited to the area, easy access to the I-5 corridor and good rail access has attracted new distribution centers, shopping malls and other industrial development. A more educated workforce will give economic development efforts by the Economic Development Council and Ports of Centralia and Chehalis an important selling point in attracting and retaining similar new business and industry.

The largest employment group in the service district is now "small business", which unfortunately has one of the highest failure rates. BAS degree graduates will have the skills to improve success and survival of our small businesses.

As stated by Governor Gregoire and President Obama, there are jobs for an educated workforce. That is as true here as elsewhere in the state and nation. The attainment of a BAS degree will give incumbent workers more opportunities for advancement in larger organizations preparing them to promote into management and higher wage positions giving themselves and their families a higher standard of living.

Like many potential time and place bound students in rural communities around the state there is little desire to go online and find a business program elsewhere of this sort. We have found that students prefer to take online and hybrid programs from instructors with a local perspective that they know and trust. Our program of online and hybrid courses meeting on evenings and weekends will meet that need.

The Centralia College BAS – Applied Management Degree reflects and supports the role and mission of Centralia College and its attainment has been designated a priority by the Board of Trustees for the coming year.

Statement of Need – Criteria #2

Criteria #2: Employer/community demand for graduates with baccalaureate level of education proposed in the program.

Standard:

- Employer demand must exceed regional supply of graduates with relevant degrees.
- Demand must be based on data sources including but not limited to local employer survey, traditional labor market data, industry data, trade association data, and other transactional data. Please provide evidence of the gap between the number of program graduates versus the number of job openings locally and regionally.

Overview

Centralia College's BAS in Applied Management will serve a critical educational need in a county suffering the second-worst jobless rate in the state. There is reason for optimism as new businesses move to Lewis County and occupations in this sector are projected to be in demand. However, there is a marked lack of higher educational attainment in the county. This results in the inability to meet current and projected employer needs and contributes to high rates of small business failure. This program will fuel economic recovery in a county that has struggled with its shift from an agricultural, timber, and mining based economy to a service based economy.

Evidence

Openings for in demand occupations requiring a baccalaureate degree will exceed the number of projected program graduates. The BAS in Applied Management will prepare graduates for an array of occupations that are in demand in Centralia College's service area and its surroundings. For these occupations, the Bureau of Labor Statistics indicates the average level of education and training required is work experience plus a bachelor's degree. The total number of projected annual average openings in the service area exceeds the number of anticipated program graduates.

Figure 1: Occupational Demand in Lewis County (Pacific Mountain WDA)

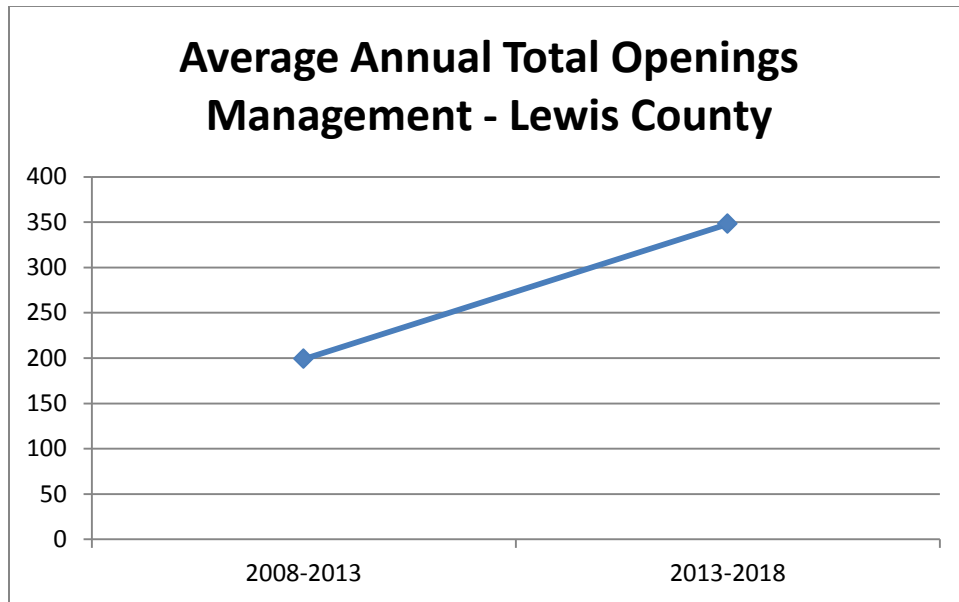
Occupation	Hourly Average	Annual Average Openings
Accountants and Auditors	\$30.47	35
Administrative Services Manager	\$37.68	9
Business Operations Specialists	\$28.63	25
Financial Managers	\$39.70	16
Management Analysts	\$33.49	21
Marketing Managers	\$31.09	5
Public Relations	\$26.05	20
Purchasing Managers	\$43.28	2
Sales Managers	\$55.86	9
Sales Representatives	\$26.38	28
Training and Development Specialists	\$23.98	5
Total Annual Average Openings:		175

Source: Washington State Department of Employment Security – Workforce Explorer

Local industries indicate they have difficulty finding qualified individuals for current applied management positions.

As stated by Angela Mallow, the current External Relations Advisor and former HR Hiring Manager of TransAlta, one of the area’s largest employers, in her letter of support “A business degree is a desirable qualification that we look for in many of our candidates, in particular those entering finance, management, human resources or supply chain management.”

Figure 2: Anticipation Management Opening in Lewis County



Source: Workforce Explorer Labor Market and Economic Analysis Lewis County

Despite a staggering jobless rate, the regional economic analyst urges a cautiously optimistic outlook as some new businesses move in. Centralia College needs to be responsive to these opportunities in order to nurture an economic turnaround.

According to the Washington State Department of Employment Security, the Lewis County unemployment rate was a dismal 14.6% in February 2011. However, recent developments (listed below) are encouraging and provide hope of new jobs and correlated growth across various sectors. Centralia College needs to supply the educated workforce to help nurture and sustain a positive financial future. Regional economist Jim Vleming says that cautious optimism is best until a marked improvement occurs.

Dick Larman, the Executive Director of the Lewis County Economic Development Council estimates that 5%-8% of the jobs being created in the latest wave of economic development will be managerial and require a bachelor's degree. Dick's estimates for employment for some of the projects now under construction include:

- Major Napavine commercial hub along I-5 including a hotel, convention center, restaurants, warehouse, and mega-truck stop. 300+ jobs
- Ritchie Bros. purchased land in Napavine for \$7.1 million and has recently been issued two building permits as part of their relocation plan. This Canada-based company is the world's largest auctioneering company. They plan to hold four auctions a year, which

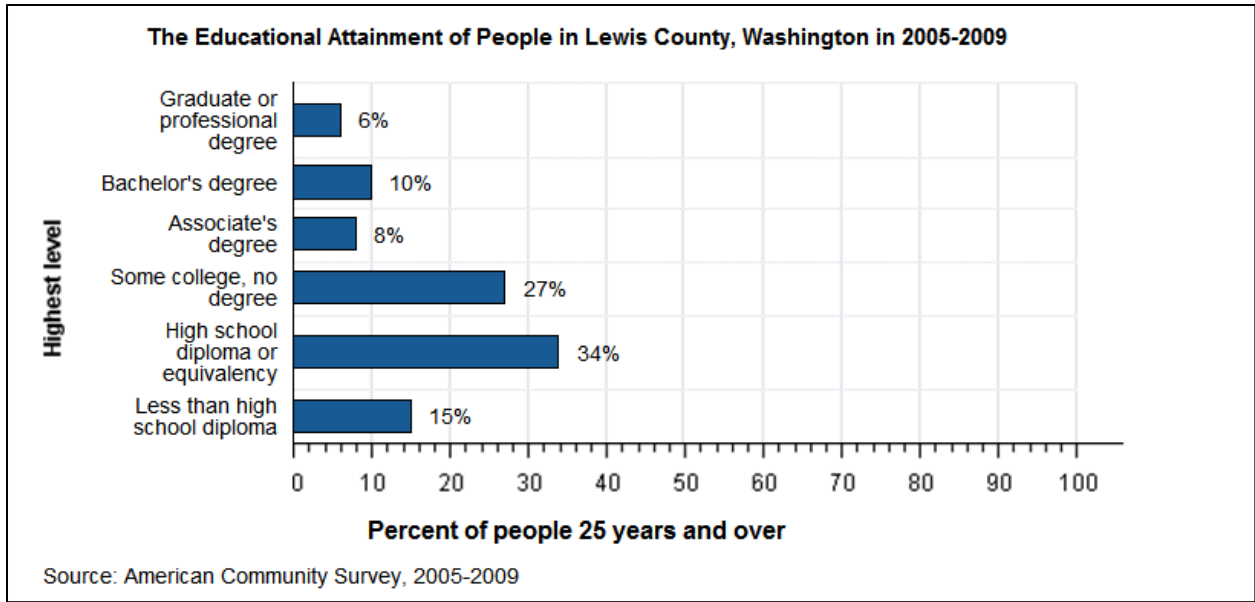
average about \$17 million in sales in addition to the 2,000 bidders who spend money locally during the auction. 40 permanent jobs

- West Lewis County will see construction of the Coyote Crest Wind Power Project which will provide 120 megawatts of clean energy. This project is backed by the New York-based company EverPower. Building is anticipated to begin in 2012. Annual property tax revenue is estimated at \$2.1 million. 30 permanent jobs
- Expansion of the White Pass Ski Resort - 16 jobs
- Milard Refrigeration opened recently and has 85 new jobs
- Cardinal Glass opened a few years ago but has now expanded to 450+ jobs
- And, Dick is in the process of closing a deal on a manufacturing business that will generate 1,100-1,200 jobs.

This new development alone, at a 5% managerial rate, without the manufacturing plant will require 46 new bachelor degrees. With the manufacturing plant it will require 106 new bachelor degrees and given the ~6% turnover in managers a year as an industry standard it will take us over 5 years just to meet this new demand. If we can assume a 6% turnover of all managerial positions in the service area and the continuing surge in small business startups it is easy to see that the demand for new degrees will outpace the production for decades to come.

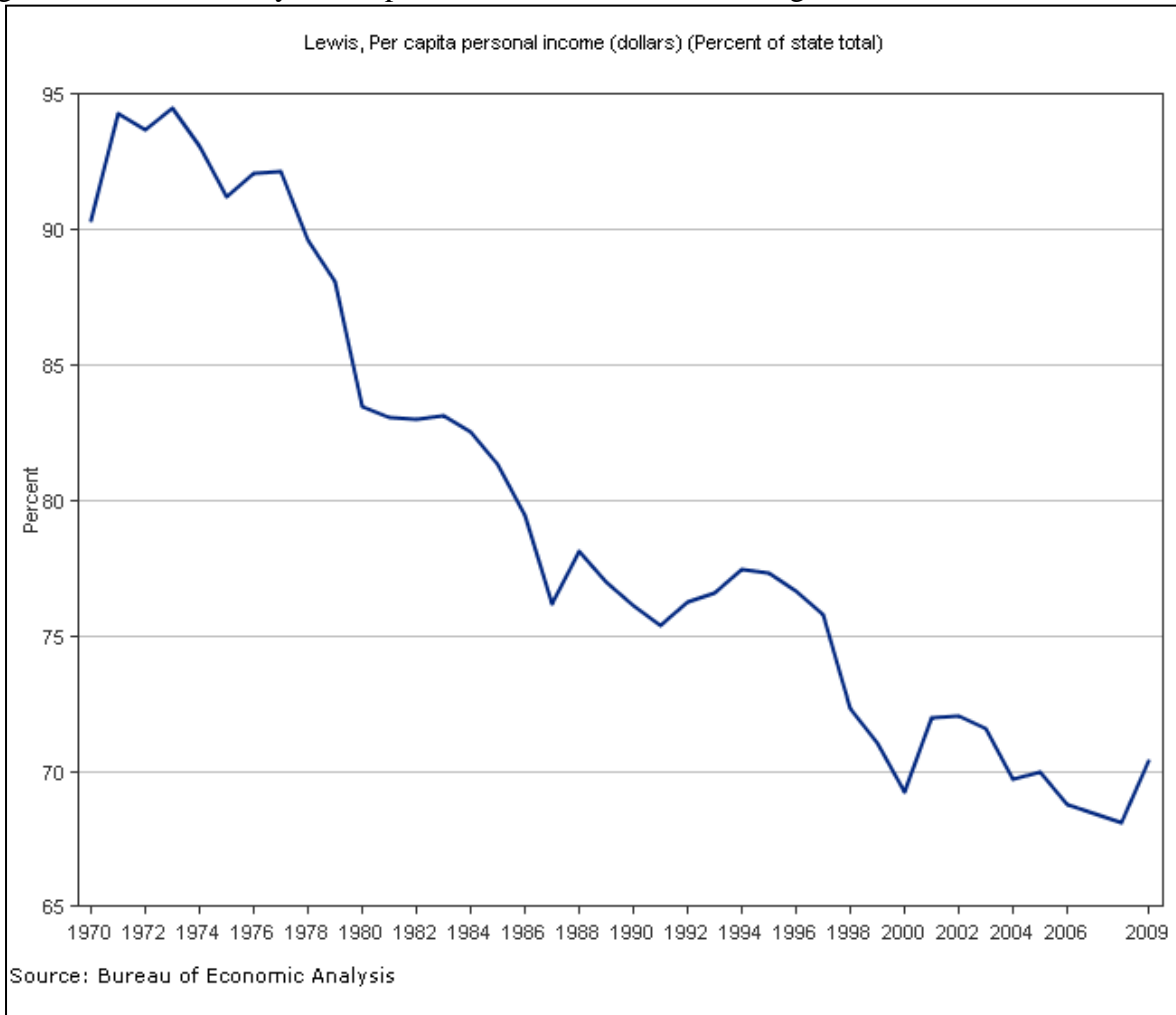
And just for a little more enticement other development in the works in Lewis County includes the Lewis County Event Center and Sports Complex and the 1000 acre TransAlta Industrial Park. These could add additional significant demand.

The current lack of higher education attainment in Lewis County impacts both employers and the vitality of the community and quality of life for its residents. Because there are not enough educated workers to fill current and projected demands in applied management occupations the county is not positioned to gain full return on its economic growth potential nor are the citizens of the county able to take advantage of these positions. The BAS in Applied Management program will supply the local workforce and improve the lives of Lewis County residents. Only 10% of the Lewis County population over 25 years old holds a bachelor's degree, well below the statewide level. In Washington State, nearly 20% of people over 25 years old hold at least a bachelor's degree while in King County almost 30% do. Lewis County is in need of a local option for a bachelor's degree.



Undoubtedly, this lack of higher education attainment contributes to a decline in the quality of life for residents of Lewis County as measured by the economic ability of its residents. For example, per capita personal income has steadily fallen in Lewis County as a percentage of statewide income. Where Lewis County residents were earning about as much as the average earner in the state, they now earn around 70% of the average income on a per capita basis.

Figure 2 – Lewis County Per Capita Income Relative to Washington State



Executive Director of the Port of Centralia Kyle Heaton stated recently at a Chamber of Commerce meeting “Our ability to attract new business and industry to the Port is directly related to the level of education of the local workforce. Having a large number of graduates of a Centralia College BAS would assist us in recruiting new businesses to the area.”

Statement of Need – Criteria #3

Criteria #3: Applied baccalaureate program builds from existing professional and technical degree program offered by the institution.

Describe the existing professional and technical degree program that will be used as the foundation for the applied baccalaureate program.

- How long has the program been in existence?
- What has been the enrollment history of the program over the past five years?

How long has the program been in existence?

The Business Program at Centralia College has been in existence for over 50 years. During this period its emphasis has reflected the strengths of the faculty members, varying between a strong accounting bent to business law, management and marketing. During the past three years the business department has engaged in ongoing program review with its advisory committee of local business professionals. This has led to the development of an Associate in Applied Science in Business Administration that replaces the Associate in Technical Arts in Marketing/Management. The new program has been developed to better meet current community needs and will prepare students to directly enter the BAS degree program. This program development has been led by associate professor Lance Wrzesinski.

A broad population of students will benefit from the BAS degree. Although business students will benefit directly with a seamless transition, the BAS in Applied Management is a degree designed to serve students coming from multiple pathways, not just a business program. Many students with associate degrees or even bachelor degrees in other fields lack the business acumen to be successful in a managerial position. This program will give them those skills.

What has been the enrollment history of the program over the past five years?

Table 1: Centralia College Workforce Program Graduates who could benefit from a BAS in Applied Management

Major	Degree	2007	2008	2009	2010	2011
Accounting	AAS-T	0	2	2	3	5
Computer Science	AAS-T	1	5	4	3	6
Criminal Justice	ATA	23	15	24	25	28
Diesel Equipment Technology	AAS-T	3	7	11	14	16
Early Childhood Education	AAS-T	0	0	3	5	8
Energy Technology	AAS-T	3	18	8	10	27
Electronics Technology	AAS-T	7	8	2	5	9
Marketing/Management	ATA	8	1	22	14	14
Welding	ATA	8	3	4	6	21
Civil Engineering	ATA	5	8	8	6	19
		58	67	88	91	153

Because of their desire to stay in Lewis County, many of our graduates with an Associate's degree begin their careers in the community after graduating from Centralia College and never complete their Bachelors degree. These individuals, often with young families, are frequently limited in their upward mobility because of the lack of an advanced degree. Many of these non-transfer graduates would be eligible to apply for the BAS

Table 2: Students who graduated but did not transfer to a 4yr college.

	2006	2007	2008	2009	2010
Graduates	371	334	348	325	458
Transfers to public and private 4yr colleges	226	219	171	202	277
Non Transfers	145	115	177	123	181

Statement of Need – Criteria #4

Criteria #4: Student demand for program within service area.

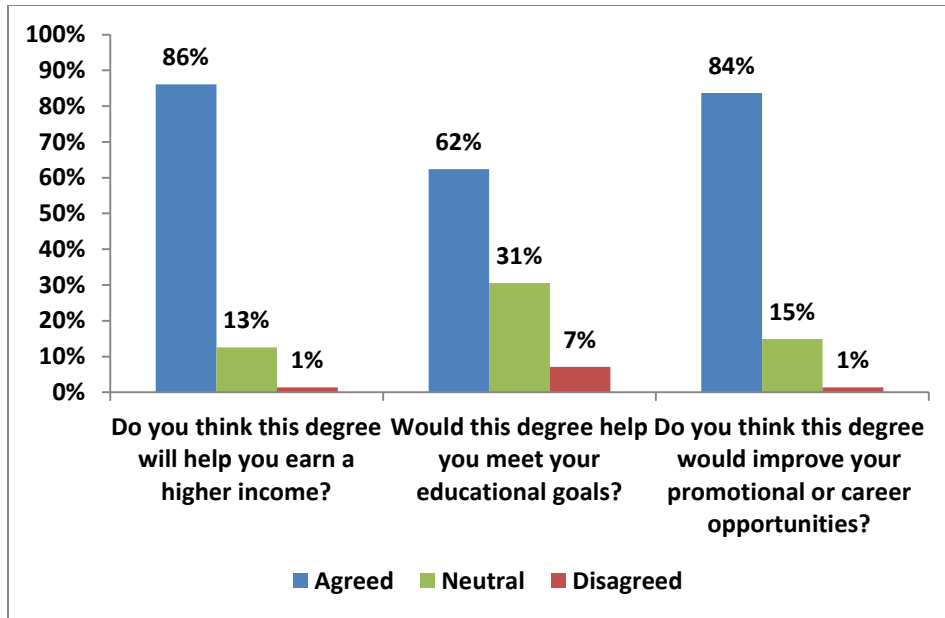
Evidence of student interest and demand from multiple sources, such as but not limited to: Students graduating with technical associate degrees in catchment-area, survey of students within region, demand in excess of opportunity to enroll in related traditional bachelor's programs, and changes in industry standards.

A preliminary student interest survey indicates that currently enrolled students desire a local four-year degree in business. Centralia College conducted a preliminary survey of interest in May 2011. Students currently enrolled in several workforce programs and select academic transfer courses were included. Workforce instructors in accounting, marketing, business, and business office technologies conducted the written survey in their classes. Approximately 200 students completed the surveys.

Roughly 70% (n=153) of students surveyed indicated that they would seek further education or seek employment and education upon leaving Centralia College. Of these students:

- 67% expressed the intent to attain at least a bachelor's degree
- 83% indicated they would attend or consider attending a BAS – Applied Management program at Centralia College

Overall, students surveyed had positive views on the value of the program. Nearly 100% indicated that they felt the degree is a good idea. Respondents generally felt the program would be a benefit in terms of potential for higher income or career prospects.



In addition we know that the largest employment group in the county is small business and every time we offer entrepreneurial and/or financial management for small business we see a large response to the workshop. There is no doubt this population wants additional education. During the summer Hispanic Festival we held business development workshops for minority entrepreneurs; our attendance at that was 60. In the past year we have offered a Business Development workshop at the job fair (60 attendees), a Financial Literacy evening series (28 attendees), an Entrepreneurial workshop series (40 attendees) and an Accounting Night with thirty in attendance.

As evidenced in criteria 2 there are a large number of graduates each year who stay in the area to begin their careers. These, often time and place bound, individuals have the desire but are not able to further their education. Anecdotally while speaking at Chamber of Commerce and Economic Development Council Meetings many young and middle aged professionals express their desire to the Centralia College President Jim Walton about obtaining a Bachelors degree through the college. The most often cited barriers to completing a degree are distance to a business program, costs of private institutions and family obligations. Many of these barriers are overcome with a bachelor's degree offering at their local college.

The immediate response and willingness to provide letters of support for the program by business and industry leaders and legislators as well as other local community colleges are evidence that the local degree offering has been needed and on their minds for some time.

Statement of Need – Criteria #5

Criteria #5: Efforts to maximize state resources to serve place-bound students.

- Identify similar programs offered by public or independent institutions in the region.
- Describe options that have been explored for collaboration with other public baccalaureate institutions, businesses, and/or community organizations considered in the development of the proposal.
- Describe unique aspects of the proposed program that differentiate it from similar programs and/or describe why expansion of an existing program would be desirable or necessary.

Overview

The unemployment rate in Southwest Washington has led or been close to leading the state for many years. The largest employment category for this area is small business. According to the Director of Business Development at the Lewis County Economic Development Council David Baria, 80% of small businesses in the state fail often due to the lack of a proper business education. “From my experience individuals in Lewis County would take advantage of a BAS degree if it was offered locally but they will not go elsewhere.”

As Lewis County struggles through its shift from forestry, agriculture and mining to a service based economy there needs to be a new breed of entrepreneur that is educated in the way of business and has the business acumen to become successful. The BAS will give them those skills.

- **Identify similar programs offered by public or independent institutions in the region.**

The closest public college with a business program is University of Washington at Tacoma, 53 miles; the next closest is Washington State University Vancouver, 83 miles; the closest private college is St. Martins University at 29 miles. There are BAS programs at Peninsula College on the Olympic Peninsula and Columbia Basin College in Eastern Washington. There is no local option for Lewis County residents.

- **Describe options that have been explored for collaboration with other public baccalaureate institutions, businesses, and/or community organizations considered in the development of the proposal.**

We have been talking with South Puget Sound Community College, Grays Harbor College and Lower Columbia College about sharing our program when we have it established. South

Puget Sound, Grays Harbor and Centralia have a long history of cooperation and sharing of programs. We are all part of the Pacific Mountain Workforce Development Council and have shared many projects through that entity including a \$3million WIRED grant that led to shared training and economic development in our 5 county area. In the last year Grays Harbor and Centralia have partnered in the Energy Program and in the Forestry Program. This spirit of cooperation and willingness to partner will go a long way in meeting the needs of rural residents in Southwest Washington. The letters of support from the college presidents are included. We have also included letters of support from local businesses and workforce leaders in the community. They will serve on our advisory board as we develop the program.

- **Describe unique aspects of the proposed program that differentiate it from similar programs and/or describe why expansion of an existing program would be desirable or necessary.**

The BAS program by its nature will be unique to the area because students will be required to perform internships and projects with local business and industry and the instructors will be from the area and familiar with local politics and the idiosyncrasies of doing business in this region. This should give our students a lead on employment and promotions in their current positions.

Classes will occur primarily on evenings and weekends when the college facilities are least used. There will be online and hybrid courses and depending on the expertise at the other partner colleges we may be able to share instruction and definitely internships.

While there are existing online options for a 4-year degree in business management, there are multiple indicators that a campus-based program will provide greater access to students in our region.

Students who take online courses at Centralia College are often also taking on-ground classes. The proportion of our online students who are *only* taking online courses is smaller than the number of students who are taking both on-ground and online courses. In fall 2010, 70% of students enrolled in college-level distance courses (408 out of 587 unduplicated headcount) were also enrolled in an on-campus course. Much of our growth in online enrollment has been with students who are adding flexibility to their schedule while still coming to campus for some courses and for services. In some of the more rural areas of our service district, access to broadband Internet is problematic. Online students who live in these areas often come to campus to use computer labs and other services.

Students who take online courses have a preference for Centralia College faculty.

Increasingly since 2007 online courses offered by Centralia College are taught by faculty at Centralia College. From 2000 – 2006 the college had relied on Washington Online for online course offerings, courses which are taught by WAOL faculty at any of the other community and technical colleges. This was a great opportunity to expand educational opportunities to our time and place-bound students. However, while we have offered and continue to offer a fully online AA degree, FTE growth rose slowly until we started transferring our online courses to Centralia College faculty. At the course level, we found that courses taught by WAOL would have low enrollments while courses taught by Centralia College faculty were filling to capacity earlier. Today, nearly 100% of our online courses are taught by Centralia College faculty.

WAOL Online (via Centralia College)						Centralia College Online				
	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Annualized	14	17	35	40	39	47	84	108	170	226
FTE										

Centralia College’s fastest growing eLearning courses are hybrid and web-enhanced, based upon research showing that hybrid courses offer the best learning advantages.

Our focus in eLearning over the last year has been to increase hybrid course offerings. This BAS program will be built on a technology foundation to enhance active and collaborative learning, in which hybrid and blended learning outperforms purely online modalities. A meta-analysis and review of studies in online learning, conducted by the U.S. Department of Education, found that instruction combining online and face-to-face elements had a larger advantage in student learning relative to purely face-to-face instruction than did purely online instruction. We have increased our hybrid course offerings from 28 (fall 2009) to 98 (fall 2010). Our quarterly satisfaction surveys find that students enjoy learning in hybrid modalities, and faculty members often prefer this “best of both worlds” approach.

Note: Once we have this program in place we want to work with organized labor to link this program with our associate in multi-occupational trades degree to give journeymen a faster track to their BAS. There are some issues with the accreditation authority NWCCU on the amount of credit awarded for experiential learning that will need to be worked through before we can begin that process.