

**1) Provide a brief description of the project, including the benefits derived from accomplishing the project.**

**Project Description:** Mountain West Career Technical Institute (MWCTI) respectfully requests \$700,000 in Regional Solutions funding for the 2015-17 biennium for a new, state-of-the-art, 150,000 square-foot *Career Technical Education Center (CTEC)* in Northeast Salem that will serve the Salem-Keizer School District, provide regional workforce development opportunities, and contribute to agri-business innovation in the Mid-Valley region.

As an innovative public-private partnership between MWCTI and the Salem-Keizer School District, CTEC is focused on helping area students develop academic proficiency, technical skills and industry certifications, as well as the “soft skills” needed to assure success in careers and/or college. CTEC’s mission is to: “prepare students for high-skill, high-wage, and high-demand careers, while developing the skills, technical knowledge, academic foundation and real-world experience to assure their success upon graduation.”

By exposing youth to career pathways, providing links to industry certifications and college credit, and motivating students to stay in school and get their diploma before entering the workforce or going on to college, CTE programs strengthen our region and help move Oregon closer to achieving its 40-40-20 goal.

Opening in fall 2015, 180 students will be enrolled in the first two CTE programs—Residential Construction and Commercial Manufacturing. In 2016-17, Food Technology and Agriculture and Aviation Technology are scheduled to open. Each year another 20,000 square-feet will be remodeled and two additional CTE programs added. CTE program areas are being identified by student interest, labor market analysis, industry support, and state educational and economic priorities.

By 2020, when fully built out, CTEC will house at least 10 CTE programs, serving 1,100 students. *CTEC provides an innovative, replicable model for Oregon of how a public-private partnership can support Career Technical Education and regional workforce and economic development.*



**Is this a Capital Project?** Yes, the full capital budget for CTEC is \$12.5 million over five years. A significant investment of \$700,000 from Regional Solutions would fund capital only expenses including \$300,000 in hands-on training equipment needed by fall 2015 for the Construction and Manufacturing Programs, as well as \$400,000 in renovation/construction expenses for the build-out of the 10,000 square-foot Food Technology and Agriculture program, slated to open in fall 2016.

**Project Location:** CTEC is located in Northeast Salem at 3501 Portland Road. The 150,000 square-foot former Neilsen Manufacturing Facility is being renovated into CTEC. The project is taking a facility that sat vacant for several years and turning it into a vibrant center for regional economic development while improving a blighted Salem neighborhood that serves as an entry point to the City of Salem.



**Project Benefits:** According to the National Association for Career and Technical Education (ACTE), high school students engaged in CTE are more engaged, perform better, and graduate at higher rates. Compared to prior vocational education programs, new CTE programs like CTEC are: for all students; integrated with academics in a rigorous and relevant curriculum; through partnerships provide pathways to employment and/or associate, bachelor's and advanced degrees; and. link students to 21<sup>st</sup> century skills needed by high-growth industries that provide living-wage jobs.

According to ACTE, the average high school graduation rate for students in CTE programs was 90% compared to the average nationwide of 75%. Projected CTEC outcomes are listed below:

- **Number of Participants 2015-17:**
  - ✓ Up to 300 youth in 11<sup>th</sup> and 12<sup>th</sup> grades will participate in either Residential Construction or Commercial Manufacturing CTE programs in 2015-17
  - ✓ Up to 180 youth in 11<sup>th</sup> and 12<sup>th</sup> grades will participate in Food Technology/Agriculture or Aviation Technology programs in 2016-17
- **Educational Outcomes:**
  - ✓ 90% of CTEC students will earn at least 8 college credits
  - ✓ CTEC students will demonstrate 95% or better attendance
  - ✓ 90% of CTEC students will graduate from high school

- **Workforce Development Outcomes:**
  - ✓ 90% of CTEC students will earn 2 or more industry-required certifications
  - ✓ 90% of CTEC students will participate in 1 or more of the following career exploration activities: mentor program, job shadow experience, paid/unpaid internship, and on-line computer aptitude-based programs
- **Career Outcomes:**
  - ✓ 95% of CTEC students will develop employability skills, such as career searches, resume writing, mock interviews, public speaking, that are documented in a work portfolio
  - ✓ 95% of CTEC Seniors will be able to define their goals in terms of entering the workforce or post-secondary education post-graduation

## **2) Does the project comply with the Advisory Committee's priorities?**

The Career Technical Education Center (CTEC) addresses three of the Mid-Valley Regional Advisory Committee's priorities including:

- *Promoting regional workforce development opportunities*—this is the primary focus of CTEC. CTE program areas are being identified based on labor market analysis, industry support, and student interest, and aligned with Oregon's economic and educational priorities.
- *Growing into a center for agri-business innovation and agri-tourism*—the Food Technology and Agriculture CTE program will focus on agricultural innovation including new technology such as GPS and Unmanned Vehicle Systems (UVS).
- *Enhance programs that encourage business retention and expansion*—CTEC will address this by training a skilled workforce that will help the region retain existing businesses and recruit new business.

## **3) What would happen if this project was not accomplished?**

CTEC is critical to the scaling up of CTE efforts and regional workforce development in the Mid-Valley. If the project was not accomplished the result would be less workforce training opportunities for our region, a less skilled workforce, less business retention and recruitment, fewer living-wage jobs, and less educational and/or career success for our high-needs community, especially the youth population.

## **4) Does the project have strong community and agency support? Who are the responsible/lead parties? Who are the partners that need to be involved?**

CTEC has significant community support and a shared vision shaped by a community of key partners. The development of CTEC is led by an innovative public-private partnership between the privately funded Mountain West Career Technical Institute and the Salem-Keizer School District. The President of MWCTI, Chuck Lee, has been leading the CTEC effort since July 2013, working closely with SKSD leadership. The CTEC Steering Committee began meeting in January 2014 and the SKSD hired a CTEC Planning Principal in fall 2014. These two primary partners have agreed to the following actions in a detailed Memorandum of Agreement (MOA).

Mountain West Career Technical Institute: Mountain West has led planning efforts and purchased the 150,000 sq. ft. former Neilsen Manufacturing Facility in NE Salem. Committed to renovating and equipping it to house ten different CTE programs of study at a capital investment of \$12.5 million over five years. Larry Tokarski, owner of Mountain West, will contribute \$6.2 million, with other funding from other donors, foundations, public sector grants, and industry.

Salem-Keizer School District: SKSD is developing the curriculum, aligning instruction to meet state, community college and industry standards, recruiting and registering students, hiring faculty and staff, providing transportation and covering ongoing operating costs. If funded, SKSD will serve as the sponsor for this Regional Solutions proposal, working with the State on an intergovernmental agreement.

Other key partners who are part of the CTEC Steering Committee include: Salem-Keizer Education Foundation (SKEF); Strategic Economic Development Corporation (SEDCOR); Salem Area Chamber of Commerce; Incite; Chemeketa Community College; Northwest College of Construction; Oregon Higher Education Coordinating Commission; Sunset Manufacturing; and, Sunco Construction. In addition, industry specific advisory committees are being established for each CTE program.

**5) List identified or potential funding sources needed to carry out the project.**

- a. What is the rough cost estimate to complete the project?** The total capital budget for the full build out of CTEC is \$12.5 million. Regional Solutions Request: \$700,000. Of this total, the budget for the purchase of hands-on training equipment for the first two CTE programs—Residential Construction and Commercial Manufacturing—is \$455,000. We are asking Regional Solutions to contribute \$300,000 towards the purchase of this equipment needed to successfully launch the first two CTE programs in September. A detailed equipment list is available. In addition, we are asking Regional Solutions to cover the capital expenses of building out the Food Technology and Agriculture program area set to open in the 2016-17 school year. The total budget to build out 10,000 square feet of space is \$40/square foot, or \$400,000. A line item budget is available.
- b. If state funds are used, will they leverage other resources?** In 2014, Mountain West purchased the former Neilsen Manufacturing Facility at 3501 Portland Road in NE Salem for \$3.6 million and is committing an additional \$2.6 million for exterior and interior renovation. MWCTI has also raised \$250,000 from the Epping Family Foundation; \$150,000 from the Oregon Community Foundation; \$100,000 from the Oregon Youth Development Council; \$50,000 from the City of Salem; \$25,000 from PGE; \$10,000 from the Salem Foundation; and, \$5,000 from the Associated General Contractors (AGC) Foundation. In addition approximately \$25,000 has been raised from individual donors and \$25,000 from industry. Securing funds from Regional Solutions would make the project more competitive for New Market Tax Credits and other public and private foundation grants.
- c. Are there operating or maintenance costs associated with the project?** The items requested from Regional Solutions are one-time capital expenses. Any ongoing operating and maintenance costs related to CTEC will be covered by the Salem-Keizer School District.

**6) Is this project characterized as short or long term (short 1-2 years)? List approximate time-frame for implementation.**

The property was purchased in July 2014 and renovations began almost immediately. The first two CTE programs—Residential Construction and Commercial Manufacturing—are set to open in fall 2015. An additional eight CTE strands will be added through 2020 when the project will be completed. Regional Solutions funding would be spent by fall 2016—with the hands-on training equipment purchased by fall 2015, and the renovation of the Food Technology and Agriculture program completed by fall 2016.

**7) Outside of the permits and funding requirements, list any impediments/obstacles to accomplishing the project. List possible solutions to those obstacles.**

Our most significant challenge is securing the capital needed to purchase training equipment and renovate future program areas. However, a comprehensive fundraising plan is in motion that includes private foundation and public sector grants, major donor gifts, New Market Tax Credits, and industry support.

**8) Is the project economically and environmentally sustainable?**

Yes, the project is both economically and environmentally sustainable. Economically, there is a significant upfront capital investment of approximately \$12.5 million. General operating costs will be covered by the Salem-Keizer School District and fees collected from joint-use partners. In terms of sustainability objectives as established by ORS 184.423, we are renovating an existing facility in a blighted, low-income neighborhood, and planning for the most efficient use of energy and other resources in facility design. CTEC will provide economic opportunities for citizens, especially youth, which will contribute to ensuring a globally competitive workforce, strengthening the community, and increasing economic stability in the Mid-Valley region.

**Conclusion:** Our community is challenged by high poverty, low educational outcomes, and unemployment, while simultaneously area industries are challenged to find a skilled workforce. CTEC provides a solution oriented response that is full of hope for the future. CTEC will measurably increase student opportunities for educational success, support regional workforce development, promote agri-business innovation, and significantly boost economic vitality in the Mid-Valley region.