

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Education and Early Development  
Alaska Vocational Technical Center Operations  
BRU/Component

## **Component: Alaska Vocational Technical Center Operations**

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### **Component Mission**

To provide market-driven vocational and technical training to state residents.

### **Component Services Provided**

AVTEC provides outstanding vocational training programs for Alaskan students. To assure Alaska hire, Alaskans must receive high quality vocational training in occupations relating to Alaska's expanding and unique economy. With present emphasis on vocational training and transition to work programs for Alaska's high school students and the growing need to fill 70-80% of jobs which do not require a college degree, AVTEC's programs become increasingly more important to Alaska's economic health. In addition, AVTEC supports the Administration's emphasis on families, communities and jobs by addressing the issue of reducing the non-resident workforce by training Alaskans.

### **Component Goals and Strategies**

1. Delivering high quality programs
  - \* Programs designed to provide vocational skills leading to employment. These courses range in length from 1 to 10 months.
  - \* Industry specific programs. AVTEC delivers vocational education services to government and private sector employees based upon a diagnosed training need. Industry specific courses range in length from one day to six weeks. Although industry specific courses involve the greatest number of students, the emphasis at AVTEC is on training students for employment.
2. Establishing collaborative agreements with business, industries, communities and other schools.
3. Preparing citizens to fully participate in the life of their communities.

### **Key Component Issues for FY2001 – 2002**

The principle issue facing AVTEC is meeting the increasing demand for services. AVTEC intends to meet these challenges through aggressively pursuing joint agreements with business, industry and other post-secondary institutions, requiring the clientele to shoulder more of the financial burden, and increasing recruitment of nontraditional students.

Students attending AVTEC must learn the technical skills needed to meet initial job requirements and learn job hunting and job retention skills. A job-oriented program requires that training be initiated or discontinued based upon the training needs of industry and government. It is essential that AVTEC be responsive to the job market. This requires more financial resources than many traditional training programs due to the start up costs of new programs designed to meet the immediate needs of government and industry. Flexibility has long been a key to the success of AVTEC, but this requires access to the financing necessary to move quickly in response to economic needs in Alaska.

Good examples of AVTEC's ability to redirect resources and respond to training needs in the state are as follows:

1. Establishment of a training program for maintenance personnel with the Alaska Housing Finance Corporation
2. Establishment of an aluminum boat fabrication class in conjunction with Yukon Delta Fisheries Development Corporation Community Development Quota (CDQ) program.
3. Establishment of a training program for heavy equipment mechanics from Cominco's Red Dog Mine.
4. Establishment of a fishing vessel operator program for the Yukon Delta Fisheries Development Corporation.

Maintenance of facilities continues to be an issue. Many classrooms and instructional areas need to be renovated. A continuing investment must be made to assure that AVTEC's state buildings do not deteriorate.

### **Major Component Accomplishments for FY2000**

Provided vocational training for 1,542 Alaskans during FY2000.

\* Offered 18 full-term programs and 72 short-term programs.

\* Served students from over 200 communities.

\* Job placement rate for FY99 graduates above 99% with 86% in training related employment.

\* Graduation rate from all courses above 90%.

### **Statutory and Regulatory Authority**

AS 14.07.020

AS 44.27.020

### **Key Performance Measures for FY2002**

**Measure: the percentage of graduates who are employed in their areas of training:**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

The Council on Occupational Education (COE) reports that 86% of AVTEC graduates in FY99 are employed in their area of training.

**Benchmark:**

AVTEC's average is directly in line with the 362 similar participating institutions across the nation accredited by the Council on Occupational Education (COE). The average for all public accredited institutions was also 86%. COE established an acceptable range of 62% or higher, which is one standard deviation from the 86% average.

**Background and Strategies:**

The goal is for all AVTEC students to become employed in a training related occupation upon graduation. Because employment data is also a measurable statistic reported annually to our accrediting body, AVTEC has a student record database and a full-time placement specialist to assist in employment, gathering data, and keeping the database current. The biggest challenge in gathering accurate data is contacting graduates for employment information. "Unable to contact" is a category that hinders accurate data and drags our averages down. We continue to work with students on reliable points of contact and feedback mechanisms to improve data gathering.

**Measure: the wage increase for graduates:**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

AVTEC's student quarterly wage after completion of training was \$9,367, up from a pre-training wage of \$8,558. This statistic is the most current available and is found on page 5 of the "Employment and Earnings of Participants Exiting Alaska Training Programs-FY 1998" report published by Alaska Department of Labor, Research and Analysis Section on January 28, 2000.

**Benchmark:**

There is no established benchmark for employment wage increase. According to the above mentioned report, the Alaska Technical Center in Kotzebue graduates post-training wage was \$6,765 per quarter, up from \$5,988 for pre-training employment. The University of Alaska system graduates earned \$6,227 per quarter after graduation, up from \$5,469. Based on this report, AVTEC graduates post-training quarterly wage was 38% greater than the Alaska Technical Center and 50% greater than University graduates.

**Measure: the percentage of students who complete long-term training programs:**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

The Council on Occupational Education (COE) reports that 80% of AVTEC students completed long-term training programs in FY99

**Benchmark:**

Nationwide, completion rate for public institutions accredited by COE averaged 67%. AVTEC is well above that average.

**Background and Strategies:**

While our completion rate is above the national average, AVTEC continues to look for ways to improve. The single largest contributor to non-completion is substance abuse, followed by personal/family problems. We are working with communities and sponsoring agencies for better prescreening of students. AVTEC has also implemented a Foundation Skills Program to assist students both academically and personally prior to entering their training program.

**Measure: the percentage of students living in student housing compared to student-housing capacity:**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

Internal AVTEC Housing Occupancy Report - FY2000 - 70%

**Benchmark:**

There is no established benchmark for housing occupancy. AVTEC dorms are old and inadequate compared to most college dormitories. They lack private/semi-private bathrooms, telephone/computer connections, and are poorly insulated for noise. Today's students expect more and seek off campus housing that better suits their needs.

**Background and Strategies:**

AVTEC has recently purchased a 15 unit apartment complex for family housing and funding is in place to build a new dormitory to address student needs. Upon completion, the existing dormitory will be remodeled to improve accommodations for students.

**Measure: for each long-term program, the number of students enrolled in the program compared to the number applying to the program:**

*(Revised from Legislature's FY2001 version.)*

**Current Status:**

PROGRAM	ENROLLED/APPLIED	FY98	FY99	FY00
1. Industrial Electrical	Enrolled	14	22	30
	Applied	22	33	32
2. Information Technology	Enrolled	14	14	16
	Applied	19	24	25
3. Diesel Engine Technology	Enrolled	14	14	14
	Applied	20	17	14
4. Heavy Equipment Technology	Enrolled	15	15	15
	Applied	18	19	15

**Benchmark:**

While there is no benchmark set for this measure, it is AVTEC's goal to provide a training opportunity for all applicants. Of the 17 long-term programs, only four had a waiting list. As shown, for those programs that consistently had a waiting list, steps were taken to meet the need.

**Background and Strategies:**

The Industrial Electrical Program has doubled in size for FY01 with 30 students enrolled. We have funding and authorization to expand the Information Technology Program to meet current and future demand.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>• the percentage of graduates who are employed in their areas of training;</li> <li>• the wage increase for graduates;</li> <li>• the percentage of students who complete long-term training programs;</li> <li>• the percentage of students living in student housing compared to student-housing capacity; and</li> <li>• for each long-term program, the number of students enrolled in the program compared to the number applying to the program</li> </ul>	X				
	X				
	X				
			X		
		X			

**Alaska Vocational Technical Center Operations**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	3,695.2	3,731.4	4,043.4
72000 Travel	45.4	42.1	46.9
73000 Contractual	1,103.4	950.7	1,189.7
74000 Supplies	404.3	550.2	576.1
75000 Equipment	76.4	40.1	75.4
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	151.8	1,268.0	172.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>5,476.5</b>	<b>6,582.5</b>	<b>6,103.5</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	138.2	275.0	275.0
1004 General Fund Receipts	3,320.7	3,345.5	3,380.4
1007 Inter-Agency Receipts	1,100.4	652.1	595.1
1053 Investment Loss Trust Fund	0.0	6.0	0.0
1108 Statutory Designated Program Receipts	917.2	0.0	0.0
1151 Technical Vocational Education Program Account	0.0	1,096.0	0.0
1156 Receipt Supported Services	0.0	1,207.9	1,853.0
<b>Funding Totals</b>	<b>5,476.5</b>	<b>6,582.5</b>	<b>6,103.5</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
Unrestricted Fund	68515	3,320.7	3,345.5	3,345.5	3,370.4	3,370.4
<b>Unrestricted Total</b>		<b>3,320.7</b>	<b>3,345.5</b>	<b>3,345.5</b>	<b>3,370.4</b>	<b>3,370.4</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	138.2	275.0	275.0	275.0	275.0
Interagency Receipts	51015	1,100.4	652.1	652.1	605.1	605.1
Statutory Designated Program Receipts	51063	917.2	0.0	0.0	0.0	0.0
Receipt Supported Services	51073	0.0	1,207.9	1,207.9	1,853.0	1,853.0
Investment Loss Trust Fund	51393	0.0	6.0	6.0	0.0	0.0
Technical Vocational Education Program	51433	0.0	1,096.0	1,096.0	0.0	0.0
<b>Restricted Total</b>		<b>2,155.8</b>	<b>3,237.0</b>	<b>3,237.0</b>	<b>2,733.1</b>	<b>2,733.1</b>
<b>Total Estimated Revenues</b>		<b>5,476.5</b>	<b>6,582.5</b>	<b>6,582.5</b>	<b>6,103.5</b>	<b>6,103.5</b>

## Alaska Vocational Technical Center Operations

### Proposed Changes in Levels of Service for FY2002

AVTEC is a dynamic, growing institution. In order to respond to industry needs, AVTEC must continually update existing programs and always be open to the idea of accepting new challenges from sources within Alaska. The costs of providing each program is increasing due to the increases in cost of living expenses and the annual merit increases for the AVTECTA (AVTEC teacher union) members. Support services, such as admissions staff, accounting staff, counselors, and maintenance staff, need to increase as the size of the student population increases. Environmental and safety concerns for students and staff make maintenance of the buildings at AVTEC a high priority. Increasing the tuition for programs offered at AVTEC is one way to help cover the increasing costs; however higher tuition can also reduce the potential student base.

The following are three specific changes that need to be addressed in the FY2002 budget:

**1. Rent Receipts/Maintenance position**

Last summer AVTEC purchased an apartment complex to house students with families. One of the buildings has six units and the other has nine. There are twelve two-bedroom apartments and three one-bedroom apartments. Each two-bedroom apartment rents for \$800 a month and each one-bedroom apartment rents for \$650 a month. If the apartments were fully occupied, the total rent receipts for a month would be \$11,500 or \$138,600 annually. Factoring in a vacancy rate of 25%, the expected annual rent receipts would be \$103,950.

AVTEC now has 12 buildings that range in age from 20 - 50 years old. With the additional housing units, the age of the buildings, the expanse of the campus, and the resulting diversity of the maintenance tasks, the need for more maintenance service has increased. The annual cost for a maintenance generalist journey starting at wage grade level 54A is approximately \$64,000. An increase of \$100,000 in rent receipts is requested from rent receipts to support building maintenance and the maintenance position.

**2. First Alaskans Foundation (FAF) Grants**

The purpose of this grant is to provide two education and training programs - construction/maintenance training (20 students in a program designed to prepare them for construction jobs in the oil and gas industry) and foundation skills (45 students in a program designed to improve basic education skills). These grants were applied for in July 2000 and the award was made in August 2000. It is anticipated that this funding source will be available in FY2002 and will be \$275,000.

**3. Certified Nurse Assistant Program**

AVTEC and Providence Medical Center (PMC) in Anchorage will provide a training program for Certified Nurse Assistants in the Anchorage area. There is great need for training in this area and is directly related to the large number of jobs available. PMC is committed to becoming AVTEC's training partner by providing the equipment necessary to outfit the classroom and lab, assist in student recruitment, and by allowing the practical portion of the program to occur at PMC facilities. The AVTEC Anchorage facility is located less than one block from Providence Extended Care Center, the largest employer of Certified Nurse Assistants in the State. Also, the AVTEC Anchorage facility is currently underutilized due to the closure of the Electrical Apprenticeship Program, which was based out of that facility over the previous 4 years. AVTEC is currently in the 2nd year of a 5-year lease on the Anchorage space. AVTEC expects at least 144 students per year with a tuition cost of \$1,800 per student in this program, generating \$259,200 revenue annually. The program would require five additional instructors at an annual cost of \$250,000.

### Summary of Component Budget Changes

#### From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>3,351.5</b>	<b>275.0</b>	<b>2,956.0</b>	<b>6,582.5</b>

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>Adjustments which will continue current level of service:</b>				
-PCN 05-8435 to Maintenance	0.0	0.0	-42.0	-42.0
-Year 2 Labor Costs - Net Change from FY2001	28.9	0.0	-4.1	24.8
-SB289 - Educ/Employment Assistance	0.0	0.0	-1,096.0	-1,096.0
<b>Proposed budget increases:</b>				
-Rent Receipts	0.0	0.0	100.0	100.0
-First Alaskans Foundation Grants	0.0	0.0	275.0	275.0
-Certified Nurse Assistant Program	0.0	0.0	259.2	259.2
<b>FY2002 Governor</b>	<b>3,380.4</b>	<b>275.0</b>	<b>2,448.1</b>	<b>6,103.5</b>



## Alaska Vocational Technical Center Operations

## Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	21	20	Annual Salaries	1,164,954
Part-time	46	51	COLA	64,214
Nonpermanent	0	0	Premium Pay	1,938,322
			Annual Benefits	997,661
			<i>Less 2.92% Vacancy Factor</i>	(121,751)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>67</b>	<b>71</b>	<b>Total Personal Services</b>	<b>4,043,400</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk I	0	0	0	1	1
Administrative Assistant	0	0	0	1	1
Administrative Clerk II	0	0	0	5	5
Asst.Dir.Instruction & Housing	0	0	0	1	1
Audio Visual Equip Tch I	0	0	0	1	1
Business Svcs Administrator	0	0	0	1	1
Department Head - AVTEC	0	0	0	7	7
Division Director	0	0	0	1	1
Dormitory Attendant	0	0	0	3	3
Education Assoc III	0	0	0	1	1
Education Prog Assistant	0	0	0	2	2
Food Service Journey	0	0	0	2	2
Food Service Lead	0	0	0	1	1
Food Service Sub Journey	0	0	0	2	2
Grants Administrator I	0	0	0	1	1
Instructor CNA Program	5	0	0	0	5
Instructors Aide I	0	0	0	2	2
Instructors Aide II	0	0	0	2	2
Micro/Network Tech II	0	0	0	1	1
Prog Svc Aide IV	0	0	0	1	1
Secretary	0	0	0	1	1
Supply Technician II	0	0	0	1	1
Teacher - AVTEC	0	0	0	27	27
Work Force Dev Spec I	0	0	0	1	1
<b>Totals</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>66</b>	<b>71</b>