

State of Alaska FY2003 Governor's Operating Budget

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

BRU/Component: Alaska Vocational Technical Center Operations

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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Component Mission

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

Component Services Provided

AVTEC is a public post-secondary vocational technical education and training institution that provides outstanding vocational technical education programs for Alaskans across the entire state. To assure Alaska hire, AVTEC offers business and industry driven vocational technical training in occupations relating to Alaska's expanding and unique economy. In addition, AVTEC supports families, communities, and jobs by addressing the issue of reducing the non-resident workforce by training Alaskans. AVTEC coordinates with secondary education to provide career paths for Alaska high school students to fill the 70 – 80% of jobs that do not require a college degree. AVTEC offers long-term training programs in 14 different business and industry fields. Long-term training programs vary in length from eight to forty-one weeks and are taught using a mix of classroom instruction and hands-on training. In addition, AVTEC provides a wide variety of short-term training and education programs in many communities to hundreds of Alaskans annually. Short-term training is generally industry specific contract training and varies in length from one day to six weeks.

Last year AVTEC received funds through the newly created Alaska Technical and Vocational Education Program (TVEP). This provided the Center with an opportunity to bring long established training programs supporting Alaskan industries identified as priorities by the Alaska Human Resource Investment Council up to current industry and technical standards. As a result of these efforts, training of the highest standards in Alaska was provided for 1,496 Alaskans. A summary of these industries and programs are identified below.

Transportation Industry

Alaska Maritime Training Center provides a wide variety of short and long-term training, much of it using AVTEC's ship simulator. TVEP funds were used to improve equipment and facilities to enhance the safety and emergency preparedness portions of U.S. Coast Guard training programs. In all, 366 mariners were impacted positively through the training provided.

Heavy and Diesel Technology Program purchased three versions of electronically controlled diesel engines and related support equipment for diagnosing and repairing these state-of-the-art engines commonly used in Alaskan industry today. AVTEC provided 47 Alaskans with the skills needed to become employed in the transportation sector as well as construction and mining occupations.

Automotive Technology Program is currently under going the process of accreditation through the National Automotive Technicians Educational Foundation (NATEF). Funding allowed for the acquisition of technologies and tools required for NATEF accreditation. NATEF accreditation for the Automotive Technology Program means graduates will receive higher levels of employment within the automotive maintenance and repair industry. Last year 268 Alaskans participated and received training in this program.

Construction Industry

Structural Welding Technology and Pipe Welding Technology Programs are providing skilled graduates very much in demand in Alaska's construction industry. Old-style and badly worn welding equipment no longer used in industry was replaced with the latest welding technologies as used in today's workplace. These technologies greatly broadened the skills and abilities AVTEC graduates brought to employers. Alaskan employers received 25 ready to work welders from AVTEC last year.

The Industrial Electrical Program acquired computers and logic controls. Program graduates are highly sought after by employers for their technical skills and knowledge from basic electrical principals to their ability to troubleshoot and

maintain the most advanced programmable logic controllers found in the process technology and construction industries. This program trained 30 Alaskans last year.

Facility Maintenance Programs are graduating students ready to tackle the demands of our high tech construction and maintenance industry both residential and commercial. Funding provided the tools and equipment for training that graduates will encounter in the field. In all 29 students exited ready for employment.

Information Technology Industry

Information Technology Program is in great demand both from a student standpoint and employer perspective. Graduates are receiving some of the highest average wages of any technical occupation available in Alaska. Industry certifications students can receive through this program include A+, Microsoft MCSE, Cisco CCNA, and CompTIA Net+. TVEP funds purchased advanced routers to expand training opportunities. Information Technology graduated 16 long-term and 51 short-term students last year.

Business and Office Technology Program is highly dependant on computer use and training. Today's business and office environment requires extensive knowledge and skills with computer applications, web based applications, and operating systems. TVEP funds ensured all students access to a computer and related technologies. Graduates last year were highly prized by businesses looking to employ people with current computer skills. Graduates numbered 34 in long term and 110 in application specific training.

Health Care Industry

The Health Care industry is suffering from critical shortages of licensed Certified Nurses Assistants (CNA) and Licensed Practical Nurses. AVTEC has partnered with Alaska Providence Health Care Systems to conduct CNA training and develop and LPN program to provide a source of qualified staff to fill their current and future needs. TVEP funds are being used to establish the program to train more than 150 CNAs a year. Additionally, AVTEC has initiated development of an LPN program to start training in FY03.

Hospitality and Tourism Industry

Culinary Arts and Sciences Program was revamped and equipment upgraded in order to keep up with today's tourism industry driven requirements for chefs, cooks, and bakers. Last year 18 long term and 41 short-term graduates received benefits from this training.

Component Goals and Strategies

- Deliver high quality technical education
 - Vocational programs ranging in length from 1 to 10 months are designed to provide technical skills leading to employment.
 - Industry specific training to government and private sector employers based upon a diagnosed need.
- Emphasize timely program development responsive to the needs of Alaska's business and industry.
- Maximize the use of the latest technology in training, daily operations, and communications.
- Provide student support services that optimize student retention and success.
- Maintain an environment that ensures positive interaction among students, staff, and the public.
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Key Component Issues for FY2002 – 2003

The first key issue facing AVTEC is identifying current and future employment needs of Alaska's business and industry and responding by developing, equipping, and sustaining programs necessary to train a continuous source of qualified workers.

- To identify employment needs and trends, AVTEC will
 - use its close relationships with DOL, AHRIC, DCED, Workforce Investment Boards, and the Denali Commission
 - maintain membership in business and industry consortiums such as APICC, ASHNA, ADETC, ITCC, and ABEC
 - aggressively pursuing joint agreements with business, industry, and other post-secondary institutions.
- Developing, equipping, and sustaining programs to meet industry needs is a most difficult challenge. For the past decade, AVTEC's budget has been sufficient to pay staff and keep the lights on. Industry partnerships and grants have been the vehicle that provided resources to develop and equip programs. As a result a few programs

have flourished but many have declined. To ensure AVTEC's continued ability to meet the needs of industry, AVTEC will

- ✓ seek sustained state funding for systematic replacement and upgrade of training equipment
- ✓ continue to develop industry partnerships and apply for private, public, state, and federal grants to fund new programs

- To ensure a continuous supply of skilled technicians AVTEC must maximize enrollment. Marketing of training and education services has become a critical component of AVTEC as we seek to keep enrollment at capacity. To this end, AVTEC

- ✓ developed a comprehensive statewide public awareness campaign planned and implemented jointly with employers.
- ✓ attends high school and community career fairs and job fairs across the state

- The second principle issue is the condition, functionality, and usable life span of AVTEC's facilities. AVTEC has 12 buildings that range in age from 20 – 50 years, including some that have exceeded their useful life or were built to accommodate temporary purposes but are still in use. Utility costs have continued to increase due to inflation and the increased number of buildings operated. To address these issues, AVTEC

- ✓ developed a campus master plan that prioritizes and identifies every building's need of renewal, replacement, or repair of its facilities over a six-year period.
- ✓ submitted the first year's funding request through the CIP program for FY03.

Major Component Accomplishments in 2001

Revamped Culinary Arts Training Program

- Installed new state-of-the-art \$2.5 million Maritime Simulator. Began immediate training of AMHS and industry employed Alaskan mariners for required Coast Guard certifications
- Used SB289 fund's to upgrade equipment in every training program to meet industry standards and upgraded school-wide computer system
- Doubled capacity of Industrial Electrical training program in partnership with First Alaskans Foundation
- Hired additional IT instructors in preparation for expanding IT training capacity to meet demand in FY02
- As part of AVTEC training program projects, remodeled facility to accommodate co-location of Seward Job Service at AVTEC
- Purchased and fully occupied 15 additional apartment units for AVTEC student families
- Awarded management contract to AHFC for design and construction of new 64-bed dormitory scheduled for construction in FY02
- Partnered with Providence Health Systems and DPA to begin CNA training program in Anchorage. Hired staff for July 2001 start.
- Partnered with rural community leaders and native organizations to provide maritime and heavy equipment training in rural communities impacted by Western AK Fish Disaster
- Developed and began delivery of new Building Maintenance Repairer program in partnership with Denali Commission and DOL
- Implemented a new Bulk Fuel Storage Tank Operator training program in partnership with Alaska Energy Authority and Denali Commission
- Upgraded AVTEC's power plant equipment to latest electronically controlled diesel engines in partnership with Denali Commission and Alaska Energy Authority.
- Instituted a Foundation Skills training program in partnership with First Alaskans Foundation
- Expanded Applied Summer Academy for Alaska teacher professional development. Provided training for 106 Alaskan teachers
- Began four-year Carl Perkins project to qualify all AVTEC long-term training programs with nationally recognized industry certifications and national skill standards.

Statutory and Regulatory Authority

AS 14.07.020
AS 44.27.020

Key Performance Measures for FY2003

Measure:

the percentage of graduates employed in their areas of training;
Sec 55(b)(1) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

The Council on Occupation Education (COE) reports the 90% of AVTEC graduates in FY00 are employed in their area of training. Up from 86% in FY99.

Benchmark Comparisons:

AVTEC's average is directly in line with the benchmark established by COE for the 371 similar participating across the nation accredited by COE. The standard set by COE for public institutions for FY00 is 90%. Up from 86% the prior year. COE establishes an acceptable range for its institutions of one standard deviation of the standard which in this case is 68% or greater.

Background and Strategies:

The goal of AVTEC is for all students to find training-related employment. We continue to employ a full-time Job Placement Specialist in that effort. We've expanded our presence in job fairs around the state to network with potential employers. Additionally, AVTEC hosts an annual job fair on campus that has seen increased attendance by state employers.

Measure:

the wage increase realized by graduates of training programs;
Sec 55(b)(2) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

AVTEC graduates increased their median annual wage by 21%. The average quarterly wage for graduates was \$7,206, up from pre-training wage of \$6,428. This statistic is the most current available and is found on page 6 of the "Employment and Earnings of Participating Exiting Alaska Training Programs – FY1999". A special report published by the Alaska Department of Labor, Research and Analysis Section on February 5, 2001.

Benchmark Comparisons:

While there is no established benchmark for this measure, a comparison to other Alaskan public postsecondary institutions indicates that AVTEC graduates enjoy the highest post-training wage. Alaska Technical Center's graduates post-training quarterly wage was \$6,702. The University of Alaska System graduates earned \$6,423 per quarter after graduation. Based on this report, AVTEC's graduates post-training wage was 8% greater than Alaska Technical Center and 12% greater than the University.

Measure:

the percentage of students who completed long-term training programs;
Sec 55(b)(3) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

COE reports that 80% of AVTEC students completed long-term training programs in FY00. The same as reported the previous year.

Benchmark Comparisons:

Nationwide, completion rate for public institutions accredited by COE is 76%. Up from 67% the prior year. AVTEC is above the national average for similar institutions.

Background and Strategies:

While our completion rates continue to improve from the 66% range just a few years ago, AVTEC continues to strive for a 100% completion rate. Increased coordination with sponsoring agencies to pre-screen potential students is helping to avoid sending students with serious substance abuse issues, which remains the primary factor in non-completion. AVTEC has also expanded a foundation skills training program to help prepare students with reading and math deficiencies prior to entering their training program.

Measure:

the percentage of students living in student housing compared to student housing capacity; and Sec 55(b)(4) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

Internal AVTEC Dormitory Census Report for FY01 indicates 55%. Down from 70% the prior year. However, occupancy is averaging 74% for the current year. Family housing comprised of 19 one and two bedroom apartments remain at 100% capacity.

Benchmark Comparisons:

There is no established benchmark for housing occupancy; AVTEC is striving for a minimum of 75% capacity.

Background and Strategies:

AVTEC faces some challenges with respect to its dormitory. The existing dormitory is old and inadequate in comparison to today's student expectations. Gang showers, poor insulation, no sound proofing, lack of telephone and computer connections cause students to look elsewhere for accommodations even if they are more expensive. AVTEC has funding and is in the architectural design stage for a new 64-bed dormitory schedule for completion in January 2003. AVTEC's plan is to remodel the existing dormitory upon completion of the new dormitory. Both facilities will incorporate the amenities that students expect. Therefore, we anticipate achieving a minimum of 75% occupancy rate with new and remodeled facilities.

Measure:

for each long-term program, the percentage of students who applied to the program who actually enrolled in the program. Sec 55(b)(5) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

Current Status:

Program	FY00			FY01			FY02		
	capacity	applied	enrolled	capacity	applied	enrolled	capacity	applied	enrolled
Industrial Electrical	20	33	22	30	32	30	30	25	25
Information Technology	14	24	14	16	25	16	32	41	32
Diesel Engine	14	17	14	14	13	13	30	15	15
Heavy Equipment	15	19	15	15	9	9			*

*Diesel and Heavy programs were combined to a single program for FY02

Benchmark Comparisons:

There is no established benchmark, except to say it is AVTEC's goal to provide training to all those who seek it.

Background and Strategies:

By increasing instructional staff, AVTEC has successfully increased program capacity where needed. Only one program had a waiting list this year compared to four in previous years and that program's capacity was just doubled.

Alaska Vocational Technical Center Operations
Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,033.7	4,043.4	4,419.0
72000 Travel	11.4	46.9	46.9
73000 Contractual	1,350.2	1,389.7	1,477.0
74000 Supplies	1,158.9	1,176.1	992.2
75000 Equipment	495.6	277.2	190.2
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	161.6	172.0	172.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	7,211.4	7,105.3	7,297.3
Funding Sources:			
1002 Federal Receipts	116.7	275.0	275.0
1004 General Fund Receipts	3,345.5	3,380.4	3,447.6
1007 Inter-Agency Receipts	1,375.4	595.1	673.3
1053 Investment Loss Trust Fund	6.0	0.0	0.0
1108 Statutory Designated Program Receipts	147.0	0.0	0.0
1151 Technical Vocational Education Program Account	1,081.9	1,001.8	1,001.8
1156 Receipt Supported Services	1,138.9	1,853.0	1,899.6
Funding Totals	7,211.4	7,105.3	7,297.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	3,345.5	3,380.4	3,380.4	3,447.6	3,447.6
Unrestricted Total		3,345.5	3,380.4	3,380.4	3,447.6	3,447.6
Restricted Revenues						
Federal Receipts	51010	116.7	275.0	275.0	275.0	275.0
Interagency Receipts	51015	1,375.4	595.1	595.1	673.3	673.3
Statutory Designated Program Receipts	51063	147.0	0.0	0.0	0.0	0.0
Receipt Supported Services	51073	1,138.9	1,853.0	1,853.0	1,899.6	1,899.6
Investment Loss Trust Fund	51393	6.0	0.0	0.0	0.0	0.0
Technical Vocational Education Program	51433	1,081.9	1,001.8	1,001.8	1,001.8	1,001.8
Restricted Total		3,865.9	3,724.9	3,724.9	3,849.7	3,849.7
Total Estimated Revenues		7,211.4	7,105.3	7,105.3	7,297.3	7,297.3

Alaska Vocational Technical Center Operations

Proposed Changes in Levels of Service for FY2003

AVTEC is a dynamic, growing institution that must respond quickly to industry needs to provide up to date training programs. AVTEC must continually review, improve and update existing programs, training equipment, and facilities as well as eliminate out-dated programs. The costs associated with maintaining facilities and training programs continue to increase.

Service changes in FY2003 are related to program enhancements that support industry training programs identified as priorities by the Alaska Human Resource Investment Council in the area of health care, transportation, construction, and information technology.

The Allied Health Department in recruiting two Licensed Practical Nurse Instructors to accommodate the training needs for additional skilled health care workers in Alaska. An additional position is needed for interviewing and screening the many interested applicants of this program.

In anticipation of the Alaska gas pipeline, the welding program is expected to increase, which requires an instructor be recruited, to accommodate expected enrollment increases.

AVTEC is working on early childhood education professional development project with the University of Alaska for the System for Early Education Development (SEED). A Child Development Instructor is being recruited for this program.

Since the successful installation of the vessel simulator at AVTEC, the program enrollment continues to grow and is able to accommodate training and licensing of marine pilots. The increase in students requires the need for additional instructional support.

Summary of Component Budget Changes From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	3,380.4	275.0	3,449.9	7,105.3
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	67.2	0.0	34.8	102.0
Proposed budget increases:				
-Food Services Position	0.0	0.0	25.0	25.0
-Child Development Instructor	0.0	0.0	65.0	65.0
FY2003 Governor	3,447.6	275.0	3,574.7	7,297.3

Alaska Vocational Technical Center Operations

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	20	23	Annual Salaries	1,318,731
Part-time	51	55	COLA	93,881
Nonpermanent	0	0	Premium Pay	2,190,203
			Annual Benefits	1,119,837
			<i>Less 6.43% Vacancy Factor</i>	(303,652)
			Lump Sum Premium Pay	0
Totals	71	78	Total Personal Services	4,419,000

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
Community Devel Spec I	0	0	0	1	1
Department Head - AVTEC	1	0	0	7	8
Division Director	0	0	0	1	1
Dormitory Attendant	0	0	0	3	3
Education Assoc I	1	0	0	0	1
Education Assoc III	0	0	0	1	1
Education Prog Assistant	0	0	0	1	1
Food Service Journey	0	0	0	3	3
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	4	0	0	0	4
Instructors Aide I	0	0	0	1	1
Instructors Aide II	0	0	0	4	4
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	2	0	0	28	30
Training Specialist	0	0	0	1	1
Work Force Dev Spec I	0	0	0	1	1
Totals	8	0	0	70	78