

State of Alaska FY2004 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 15 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.

AVTEC receives funds through the Alaska Technical and Vocational Education Program (TVEP). This provides the Center with the resources 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 1,947 Alaskans. A summary of these industries and programs are identified below.

Construction Industry – 304 Alaskans trained

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 28 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. Facility Maintenance Programs, both mechanical and construction, 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, 276 students exited ready for employment.

Health Care Industry – 74 Alaskans trained

AVTEC's Anchorage Allied Health Department's Certified Nurse Assistants (CNA) and Licensed Practical Nurse (LPN) courses are nationally accredited by the Council on Occupational Education and approved by the State of Alaska, Division of Occupational Licensing for Certified Nurse Assistant and Licensed Practical Nurse programs. These programs operate in a collaborative effort between AVTEC and Providence Health System Alaska to increase the number of entry level CNA's available to alleviate severe staffing shortages in the Alaska. Some of these CNA's will continue their education to become either LPN's or Registered Nurses and assist in alleviating the Alaska nursing shortage. AVTEC's Allied Health programs focus on a career ladder approach. The CNA is the beginning level nurse in healthcare. In order to enter the AVTEC LPN program, you must first be a CNA. The LPN program is designed to transfer to the second year of a Registered Nurse (RN) program. The Allied Health Department maintains a Healthcare Advisory Board comprised of healthcare facility staff from Anchorage and the Mat Su area that review curriculum and provide feedback on

our programs. During FY 02, the first year of operation, AVTEC graduated 64 CNA students with a completion rate of 91% and a placement rate of 98%.

Information Technology Industry – 255 Alaskans trained

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 26 students last year. This year AVTEC implemented a new Village Internet Agent certificate program, designed to help build and support computer technology infrastructure in rural Alaska. This distance delivered program was developed in partnership with Bristol Bay Economic Development Corporation, Bristol Bay Native Association, General Communications Inc., University of Alaska Fairbanks rural campus, Southwest Alaska Vocational and Educational Center, and Housing Urban Development. Currently 20 students are enrolled. Planning is currently underway for FY04 delivery of a Web Application Developer certification program.

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 23 in long-term training.

In application specific classes offered by Information Technology and Business and Office Technology programs, 206 students were trained.

Transportation Industry – 779 Alaskans trained

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, 667 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 59 Alaskans with the skills needed to become employed in the transportation sector as well as construction and mining occupations.

Automotive Technology Program received accreditation through the National Automotive Technicians Educational Foundation (NATEF). NATEF accreditation for the Automotive Technology Program means graduates will receive higher levels of employment within the automotive maintenance and repair industry. Last year 53 Alaskans participated and received training in this program.

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.

Key Component Issues for FY2003 – 2004

A key issue facing AVTEC is identifying responding to 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 Department of Labor and Workforce Development, AHRIC Alaska Workforce Investment Board, Local Workforce Investment Boards, DCE Department of Commerce and Economic Development, Workforce Investment Boards, and the Denali Commission
 - ✓ maintain membership maintain active involvement in business and industry consortiums such as APICC, ASHNA, ADETC, ITCC, and ABEC and AVTEC program advisory boards, comprised of industry representatives,
 - ✓ 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 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
- Another key 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 FY04.

Major Component Accomplishments in 2002

- Enrolled 1,947 Alaskans for training, a record amount in AVTEC's history.
- Exceeded national standards for graduate completion rate and training-related employment.
- AVTEC graduates enjoy 40-70% higher post-training wages as compared to other Alaska public postsecondary training institutions.
- Used TVEP funds to upgrade equipment in every training program to meet industry standards and upgraded school-wide computer system
- Doubled capacity of Information Technology and Welding programs to meet student demand
- Developed the distance-delivered Village Internet Agent (VIA) training program to meet the Information Technology needs of rural Alaska
- Established an Instructional Service Center in Anchorage to help meet the high demand for Allied Health programs
 - Partnered with Providence Health Systems and Division of Public Assistance to begin Certified Nurse Assistant training program in Anchorage.
 - Developed a State Board of Nursing approved Licensed Practical Nurse program that started August 2002.
- Partnered with rural community leaders and native organizations to provide information technology, maritime, and heavy/diesel technology training in rural communities impacted by Western Alaska Fisheries Disaster
- Created a Career Explorations program for secondary school students and expanded the Foundation Skills training program in partnership with First Alaskans Foundation

- Expanded Applied Summer Academy for Alaska teacher professional development. Provided training for 149 Alaskan teachers, up from 102 served the prior year
- Partnered with University of Alaska system to establish a Tech Prep agreement to streamline the process of articulation of AVTEC programs for co-enrollment and college credit
 - Articulated the Information Technology, Village Internet Agent, Welding, Automotive, and Heavy/Diesel Technology programs
- As part of a four-year Carl Perkins project to align all long-term programs with national skill standards
 - AVTEC received national certification for the Automotive, Information Technology, Business and Office Technology, and Maritime programs.
 - Aligned Culinary program with American Culinary Federation standards and applied for accreditation. Team visit scheduled for November 2002.
- Developed the procedures required for administration, reporting, and issuance of federal student loans for AVTEC students.

Statutory and Regulatory Authority

AS 14.07.020
AS 44.27.020

Key Performance Measures for FY2004

Measure:

the change when compared to the prior fiscal year in the percentage of graduates employed in their areas of training;

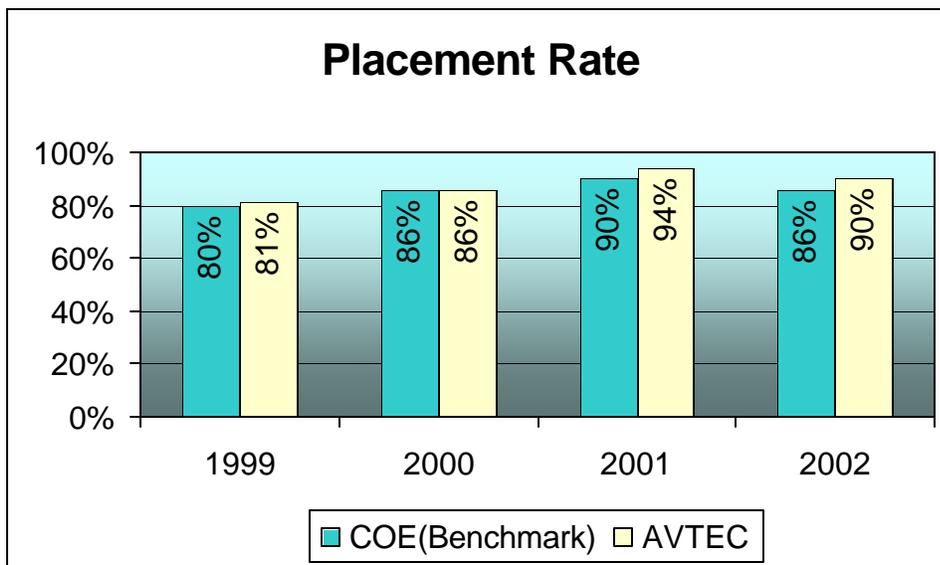
Sec 55(b)(1) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

The Council on Occupation Education (COE) reports 90% of AVTEC long-term program graduates in FY02 employed in their area of training. Down slightly from the 94% the previous FY.

Benchmark Comparisons:

AVTEC continues to exceed the national average established from more than 370 similar public institutions across the nation accredited by COE.



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 change when compared to the prior fiscal year in the wage increase realized by graduates of training programs;

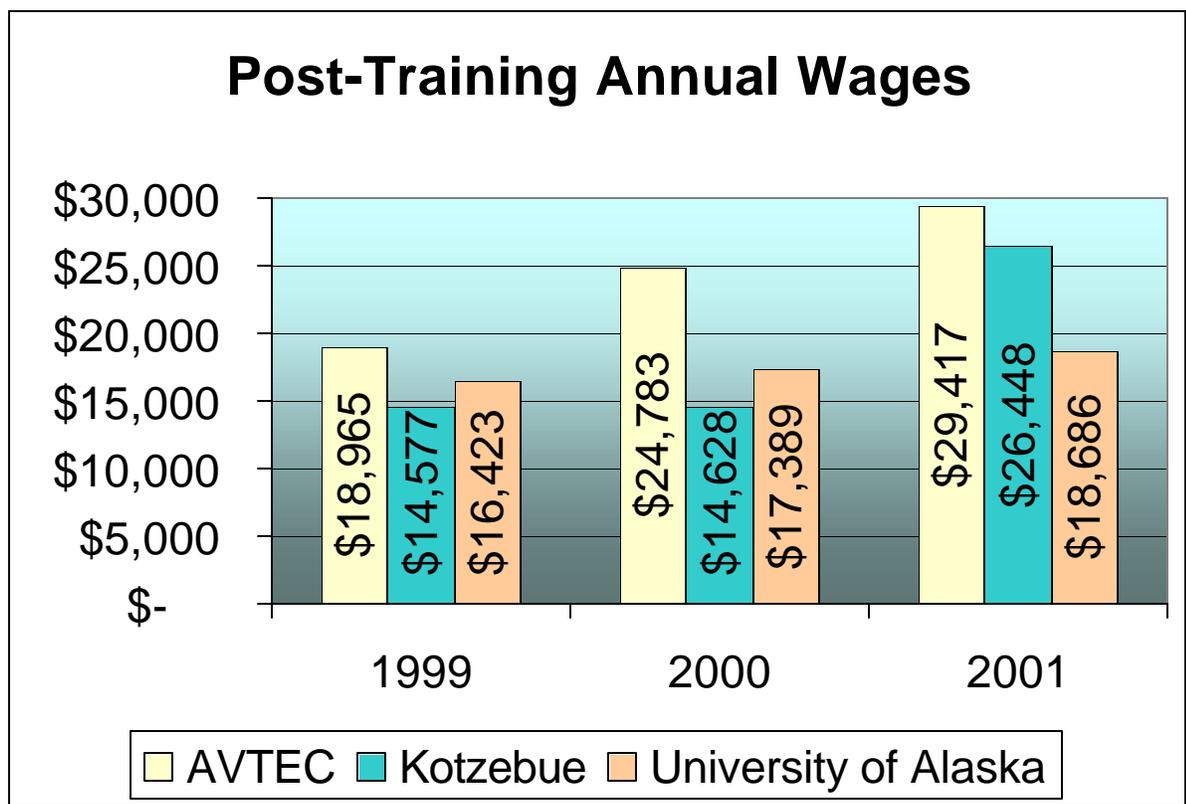
Sec 55(b)(2) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

AVTEC graduates increased their median annual wages to \$29,417 from \$24,783 the prior FY, an increase of 17%. This statistic is the most current available and in the "Training Program Performance 2001", a special report published by the Alaska Department of Labor, Research and Analysis Section.

Benchmark Comparisons:

There is no established benchmark for this measure. However, a comparison to other Alaskan public postsecondary institutions illustrates that the average AVTEC graduate earns the highest post-training wage by a margin of 11%-57%.



Measure:

the change when compared to the prior fiscal year in the percentage of students who completed long-term training programs;

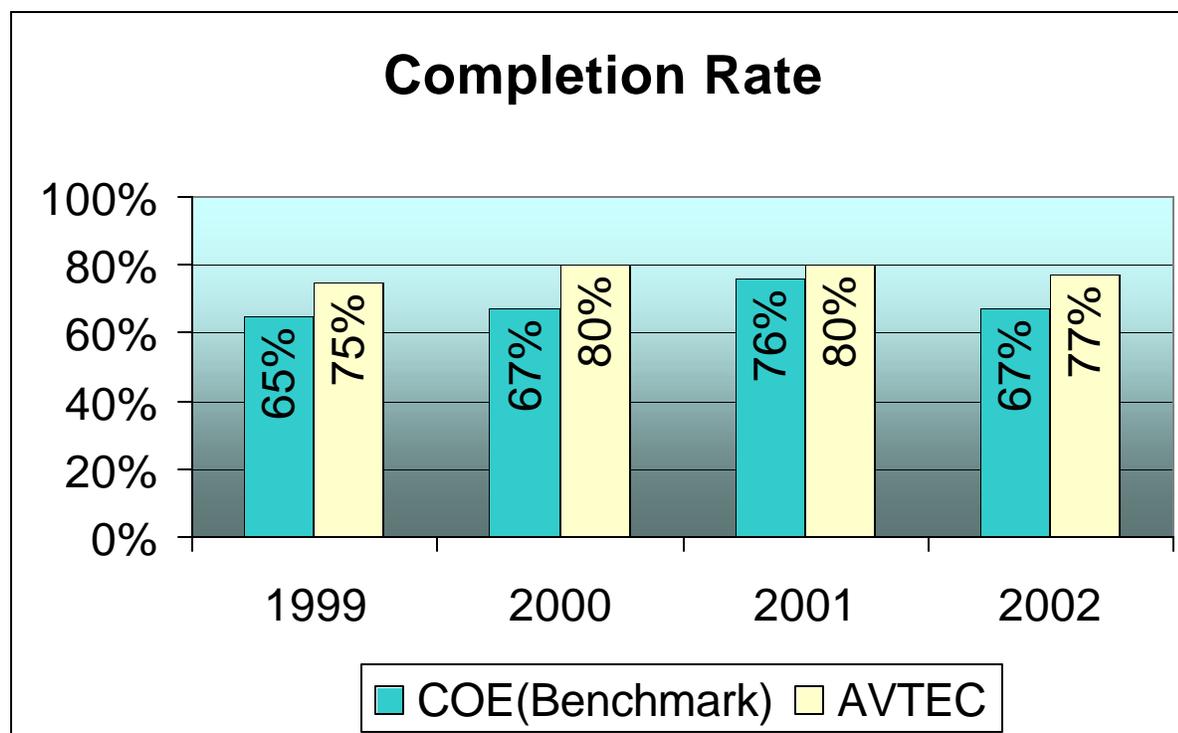
Sec 55(b)(3) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

COE 2002 Annual Report indicates that 77% of AVTEC students completed long-term training programs. Down a few points from the 80% as reported the previous year.

Benchmark Comparisons:

AVTEC continues to exceed the national standard for completion by 10% or more.

**Background and Strategies:**

While our completion rates have greatly improved from the 66% range just a few years ago, AVTEC continues to strive for the perfect 100% completion rate. Improvements are a result of increased coordination with sponsoring agencies to pre-screen potential students with serious substance abuse issues and AVTEC's implementation of the Foundation skills training program to help prepare students with reading and math deficiencies prior to entering their training program.

Measure:

the change when compared to the prior fiscal year in the percentage of students living in student housing compared to student housing capacity; and

Sec 55(b)(4) Ch 124, SLA 2002(HB 515)

Alaska's Target & Progress:

Internal AVTEC Dormitory Census Report for FY02 indicates a dismal 55%, about the same as last year. However, occupancy is currently at 92% with some students in overflow housing for the first time in three years. 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:

To stem the flow of students leaving the dormitory, AVTEC has resorted to tightening room & board payment policies beginning FY03. Students are now required to pay room and board in advance by semester. Students who are evicted or elect to move out before the end of the semester forfeit their housing money. This policy is consistent with other resident postsecondary institutions. However, AVTEC still faces serious challenges with respect to its dormitory. The existing dormitory is old and inadequate in comparison to today's student expectations. Unreliable heat and hot water, public style 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. In FY01, AVTEC received funding for a 64-bed dormitory that was scheduled for completion January 2003, but the increased cost of construction in Alaska has delayed the project a year and reduced the size of the dormitory to 48 beds. To continue to meet the 100 plus bed-space need for students, AVTEC's plan is to seek additional funding 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:

the change when compared to the prior fiscal year 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 124, SLA 2002(HB 515)

Alaska's Target & Progress:

Current Status:									
Program	FY01			FY02			FY03		
	capacity	applied	enrolled	capacity	applied	enrolled	capacity	applied	enrolled
Industrial Electrical	30	32	30	30	25	25	30	26	26
Information Technology	16	25	16	32	41	32	16	20	16

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:

The programs listed above are those few that requests for training exceeded AVTEC's ability to meet the demand. By increasing instructional staff, using instructional aides, and creating and realigning programs, AVTEC has successfully increased program capacity where needed. Not shown in the table was AVTEC's success in meeting an increased need for structural welding students for the January 2002 enrollment. Class maximum capacity is 12, but AVTEC had received 17 applications. To meet this need AVTEC hired an additional instructor and conducted a second shift class. The first time an off-shift class had been done.

Alaska Vocational Technical Center Operations
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,141.0	4,276.8	0.0
72000 Travel	94.5	46.9	0.0
73000 Contractual	1,634.3	1,477.0	0.0
74000 Supplies	967.7	992.2	0.0
75000 Equipment	317.0	190.2	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	209.4	247.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	7,363.9	7,230.1	0.0
Funding Sources:			
1002 Federal Receipts	174.1	350.0	0.0
1004 General Fund Receipts	3,380.4	3,305.4	0.0
1007 Inter-Agency Receipts	1,026.8	673.3	0.0
1151 Technical Vocational Education Program Account	1,001.8	1,001.8	0.0
1156 Receipt Supported Services	1,780.8	1,899.6	0.0
Funding Totals	7,363.9	7,230.1	0.0

Alaska Vocational Technical Center Operations

Proposed Changes in Levels of Service for FY2004

Increase authority for Federal Pell Grants (\$100.0)

The Department of Education & Early Development received additional federal authority in FY2003 for Pell Grants in the amount of 75.0 but the additional authority has been found to be inadequate for the demand and is limiting the number of, as well as the amount of, Pell Grants being awarded to qualifying students. AVTEC will need an additional \$100,000 authorization for awarding of Pell Grants in FY 2004.

Eliminate Academic & Remedial Programs (-\$295.0)

This proposed change will require that students arrive at AVTEC ready to succeed in the vocational training program without additional instruction or tutoring support. Three permanent part-time positions will be deleted.

Annualize FY2003 COLA increase for General Government and Supervisory Bargaining Units (\$7.2)

In FY2003 COLA increases were not in effect for the entire year for the General Government, Confidential and Supervisory bargaining units. This request adds funding to pay the COLA for these bargaining units for the full year in FY2004.

\$75 per Month Health Insurance for Non-covered Staff (\$59.6)

The employer contribution to health insurance for non-covered staff will increase by \$75.00 from \$630.00 per month to \$705.00 per month.

Transfer Alaska Vocational Technical Center to DL&WD

Transfer to the Department of Labor & Workforce Development for improved efficiencies and alignment of resources for program service delivery.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	3,305.4	350.0	3,574.7	7,230.1
Adjustments which will continue current level of service:				
- \$75 per Month Health Insurance for Non-covered Staff	35.1	0.0	24.5	59.6
- Annualize FY2003 COLA Increase for General Government Bargaining Unit	0.0	0.0	7.2	7.2
- Transfer Alaska Vocational Technical Center to DL&WD	-3,140.5	-450.0	-3,511.4	-7,101.9
Proposed budget decreases:				
- Eliminate Academic & Remedial Programs	-200.0	0.0	-95.0	-295.0
Proposed budget increases:				
- Federal Pell Grants	0.0	100.0	0.0	100.0
FY2004 Governor	0.0	0.0	0.0	0.0

Alaska Vocational Technical Center Operations

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	23	0	Annual Salaries	0
Part-time	55	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	0
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	78	0	Total Personal Services	0

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0