

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Association of Village Council Presidents

Federal Tax ID: 92-0064285

Project Title:

Project Type: Equipment and Materials

Association of Village Council Presidents - Regional Airframe & Power Plant Training School

State Funding Requested: \$1,520,000

House District: 38 / S

Future Funding May Be Requested

Brief Project Description:

The Association of Village Council Presidents and the University of Alaska-Kuskokwim Campus, are partnering to open an airframe and powerplant mechanics training school in Bethel, Alaska.

Funding Plan:

Total Cost of Project: \$1,520,000

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$2,700,000	2005	\$0		\$990,000	2011
State Funds	\$0				\$0	
Denali Commission	\$0		\$0		\$0	
Rasmuson Foundation	\$0		\$0		\$0	
Local Funds	\$0		\$0		\$234,000	2010
Other Funds	\$320,000	2005	\$0		\$250,000	2010
Total	\$3,020,000				\$1,474,000	

Explanation of Other Funds:

2.7M from the U.S. Economic Development Administration in 2005. 320,000 In-kind from AVCP in 2005. 990,000 requested from Alaska Congressional Delegation through pending legislation for 2011. 234,000 in TVEP funds working with UAF-KuC in 2010. 250,000 in AVCP's Education, Employment & Training funds with U.S. Bureau of Indian Affairs in 2010.

Detailed Project Description and Justification:

We are seeking \$530,000 in capital improvement funding from the State of Alaska to purchase training equipment for the new aircraft mechanic school. We are also seeking approximately \$990,000 from the State of Alaska per year for operational support of the school. The total request is for \$1,520,000.

The Association of Village Council Presents, otherwise known as AVCP, is a tribal non-profit 501(c)(3) organization based in Bethel, Alaska. Bethel is the largest town in Southwest Alaska and is the regional hub for its surrounding fifty-six (56) federally recognized tribes, most of whom are Yup'ik Eskimo and all of whom are served by AVCP. AVCP operates a wide range of traditionally governmental programs, with almost exclusive funding from federal and state sources.

The region's tribes reside in small isolated villages scattered throughout the Yukon-Kuskokwim Delta in an area that is approximately 59,000 square miles and roughly the size of the State of Oregon. The villages are not connected by road to

For use by Co-chair Staff Only:

**\$1,520,000
Approved**

one another, nor to the rest of Alaska. Today, English remains a second language for many tribal members who continue to practice a centuries old hunting, fishing and gathering way of life, congregating at home village sites in the winter and moving to fish camps in the summer.

Beginning as far back as 1999, AVCP has administered, in one form or another, a flight training program for residents of the Yukon-Kuskokwim Delta. In 2004, AVCP created a separate not-for-profit legal entity, wholly owned by AVCP, called Yuut Yaqungviat, LLC, which translates to mean "Where People Earn Their Wings." Yuut Yaqungviat, LLC, is a rural aviation and flight training center providing commercial pilot training. The flight training center consists of a fully equipped training hangar at the Bethel Airport containing instructor offices and classroom space. The school owns 3 single-engine land training aircraft, 1 retractable gear complex aircraft, 3 flight simulators, and hosts the Medallion Foundation Program, a simulation tool used to promote aviation safety by assisting Bethel-based commercial pilots with practicing difficult instrument condition recoveries. Additionally, the school staff consists of a Program Director, Student Recruiter, 2 Full-time Instrument Rated Flight Instructors, and a Federal Aviation Administration Designated Examiner.

Located in Bethel, the flight training center prepares Yukon-Kuskokwim Delta residents for professional positions within air freight and air transport businesses operating throughout Alaska. Because the region is remote and isolated, air travel is essential to life. All medicine, food, supplies and mail are flown in. The airline business is the highest job producing industry in Southwest Alaska and has chronic shortages of trained employees. Historically, this worker shortage has been met by importing pilots and aircraft mechanics from the Lower 48 states who stay in the area for an average of 2 years and then return to the Lower 48. Alaska suffers a double impact from this trend; the wages paid to the visiting pilots and aircraft mechanics are exported out of the state and, after obtaining additional training and building hours, experienced pilots and mechanics leave the state to work for regional and national air carriers creating a perpetual staff shortage and training burden for Alaskan businesses. According to Alaska Department of Labor statistics, 19.8% of employed aircraft mechanics, or almost one-fifth, are not even Alaska Residents. Additionally, 41.9% of aircraft mechanics are 45 years or older while 24.8% are 50 years or older. Furthermore, the Alaska Department of Labor estimates that 12 new aircraft mechanic positions become available annually.

Yuut Yaqungviat, LLC, is already changing that trend, by training local people in Southwest Alaska to become commercial pilots. The most effective pilot training is done in the region under real-time conditions. Supporting air safety training schools in rural locations pays huge dividends. Local pilots want to stay in their home communities and maintain close connections with their families. Accordingly, their wages stay in their home towns and there is increased investment in rural Alaska as people build homes and take places of responsibility in the community. Every trained pilot that Yuut Yaqungviat, LLC, produces is estimated to contribute \$500,000 in economic growth in their home villages over a 10 year career, with many pilots continuing to fly for 25 to 30 year careers. Yuut Yaqungviat, LLC, and its predecessor program have assisted approximately 70 students in their dream of becoming certified professional pilots. Of the 70 students, 60 were Alaska Native.

For the same economic reasons stated above, AVCP is partnering with the University of Alaska, Kuskokwim Campus, to open a second school in the coming months; this one to train airframe and powerplant mechanics. We recently completed construction of a new building, equipped with a large airplane maintenance hangar and 2 classroom spaces. This building was funded by a \$2.8 million dollar grant from the U.S. Economic Development Administration. The building is empty and awaits equipment, operational support, students and faculty. We are proposing to train 15 students during the school's first year of operation. During the second year, we intend to add another 10 to maximize the school's capacity. Our intent is for students to earn both a university degree and an Airframe and Powerplant License.

In the commercial and transportation hub of Bethel alone, there are numerous aircraft mechanic jobs available with various air taxi services providing passenger and freight service to the villages in the region. Training and retaining local aircraft mechanics improves airlines' bottom line, as the retention of mechanics provides lower insurance rates, reduces new hire training costs, and improves equipment maintenance. Additionally, high quality employment opportunities for the young adults and youth in the region promotes healthy lifestyles, and combats drug and alcohol abuse in a population assaulted by a sense of boredom and worthlessness that pervades dispirited youth in isolated communities.

With no roads connecting our 56 villages, aviation transportation will be the main means of travel in the Yukon-Kuskokwim Delta for many years to come. By providing this important skills-based training program, we are instituting pro-active measures that effectively enable our people to live healthy and fully independent lives.

The Equipment Budget for 530,000 and the Annual Operating Budget for 990,000 along with the AVCP Resolution 05-05-02 are attached.

Project Timeline:

Any capital project funding provided would be expended immediately on the purchase of basic school equipment. Any annual funding provided would be extended over the course of the next 12 months.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Association of Village Council Presidents

Grant Recipient Contact Information:

Name: Michael J. Hoffman
 Address: Box 219 AVCP
 Bethel, AK 99559
 Phone Number: (907)543-7302
 Email: mhoffman@avcp.org

Has this project been through a public review process at the local level and is it a community priority? Yes No

**Association of Village Council Presidents &
University of Alaska-Kuskokwim Campus
Airframe & Powerplant School
Capital Improvement Budget**

Equipment

Aircraft Specialty Tools	20,000
Computers 4*1000	4,000
Work Tables 10*1000	10,000
Desks 10*500	5,000
Refrigerator/Microwave	2,000
Toolbox (hand tools) 10*4,000	40,000
Shop Tools 10*10,000	100,000
Aircompressors 10*1000	10,000
Engine Hoist 10*1000	10,000
Rivit Kits 10*1,800	18,000
Shop Tools	26,000
2 Cessna (172/206)	205,000
Plane Work Engines	80,000
540-Total Equipment	530,000

Association of Village Council Presidents & University
of Alaska-Kuskokwim Campus
Airframe & Powerplant School
Annual Operating Budget

	Core Project Staff	Budget	Student Support	Budget	Budget Total
Wages					
1 Program Manager-JC60S6		68,679		0	68,679
1 Administrative Assistant-JC30S7		46,118		0	46,118
1 Airframe Instructor-JC50S7		64,545		0	64,545
1 Powerplant Instructor-JC50S7		64,545		0	64,545
Wages Total		243,887			243,887
Fringe Benefits (46%)					
Personnel Total		112,188		0	112,188
		356,075		0	356,075
Occupancy (Utilities)					
		170,000		0	170,000
Insurance					
		120,000		0	120,000
Travel					
Village Trips-5 * 2* 200rt		4,000	10 * 2 * 400rt*2	16,000	20,000
Anchorage/Bethel-1 * 6 * 350rt		2,100	1* 2 * 600rt	1,200	3,300
Out of State Travel-1 * 2* 1200rt		2,400	1 * 1 * 1500rt	1,500	3,900
Total Travel		8,500		18,700	27,200
Per Diem					
		10,100			10,100
Equipment					
		40,000		0	40,000
Supplies					
		2,000	10* 200	2,000	4,000
Publishing					
		1,000		0	1,000
Contractual					
		40,000		0	40,000
Telephone					
		6,000		0	6,000
Postage/Freight					
		12,000		0	12,000
Total		765,675		20,700	786,375
Indirect Cost:		198,999		5,380	204,379
Total Cost		964,674		26,080	990,754

Mike Williams Chairperson
Myron P. Naneng, Sr., President
Phone (907)543-3521
Fax (907)543-3596

AVCP
The Association of Village Council Presidents
Office of Administration
Pouch 219, Bethel, AK 99559



Executive Board
Resolution 05-05-02

Akiachak
Akiak
Alakanak
Andreafsky
Aniak
Atnautluak
Bethel
Bill Moore's Sl.
Chefornak
Chevak
Chuathbaluk
Chuloomawick
Crooked Creek
Eek
Emmonak
Georgetown
Goodnews Bay
Hamilton
Hooper Bay
Lower Kalskag
Upper Kalskag
Kasigluk
Kipnuk
Kongiganak
Kotlik
Kwethluk
Kwigillingok
Lime Village
Marshall
Mekoryuk
Mtn. Village
Napaimute
Napakiak
Napaskiak
Newtok
Nightmute
Nunapitchuk
Ohogamiut
Oscarville
Paimiut
Pilot Station
Pitka's Point
Platinum
Quinhagak
Red Devil
Russian Mission
Scammon Bay
Sheldon's Point
Sleetmute
St. Mary's
Stony River
Toksook Bay
Tuluksak
Tuntutuliak
Tununak
Imkumiut

Authorizing AVCP to Submit an Application to the US Department of Commerce, Economic Development Administration (EDA) to Construct an Aircraft Training Center/Hangar.

WHEREAS, The Association of Village Council Presidents, Inc. (AVCP) is the recognized tribal organization and non-profit Alaska Native regional corporation for its fifty-six member indigenous Native villages within Western Alaska and thus supports the endeavors of its member villages; and

WHEREAS, AVCP fully supports its member villages' endeavors in all aspects of their Self-determination, health and well-being; and

WHEREAS, AVCP has received a formal invitation from the U.S. Department of Commerce, Economic Development Administration to submit an application to construct an aircraft training center/hangar; and

WHEREAS, AVCP is authorized to request a \$2,378,277 EDA grant which is 95 percent of the total estimated project cost of \$2,518,277. The local matching share is \$140,000 which will be provided by AVCP; and

WHEREAS, This authorization is contingent upon the applicant being the sole applicant for assistance and agreeing to contract for outside services to perform construction management, administration, accounting, and bookkeeping for the project; and

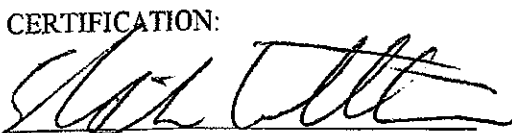
WHEREAS, AVCP formed Yuut Yaqungviat, LLC for the primary purpose to (a) take over the establishment and development of the Aviation Program, (b) owning any and all assets related to, or used in connection with the Aviation Program (the "Assets"), and (c) assuming or entering into any and all contracts related to the Aviation Program, including, but not limited to, any leases for real property related to the Aviation Program and any contracts for services with third parties related to the Aviation Program (collectively, the "Contracts"); and


NOW THEREFORE BE IT RESOLVED THAT the Association of Village Council Presidents Executive Board hereby upon Financial Assistance Award of the EDA grant funds delegates the administrative and management authority of the EDA grant award to Yuut Yaqungviat, LLC.

BE IT FURTHER RESOLVED THAT upon completion of the EDA funded Aircraft Training Center/Hangar the Ownership, Operations and Maintenance will be the responsibility of Yuut Yaqungviat, LLC.

ADOPTED THIS 25th day of May, 2005 at the regular quarterly Executive Board meeting of the Association of Village Council Presidents held in Bethel, Alaska at which duly constituted quorum of members were present.

CERTIFICATION:


Mike Williams, Chairman of the Board


Myron P. Naneng, President of AVCP