

State of Alaska FY2014 Governor's Operating Budget

Department of Labor and Workforce Development Alaska Vocational Technical Center Results Delivery Unit Budget Summary

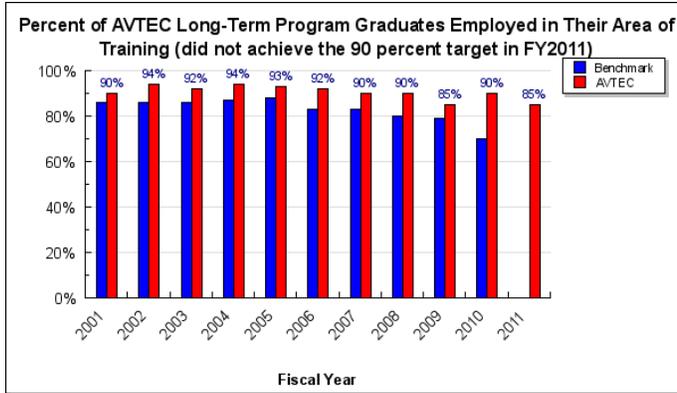
Alaska Vocational Technical Center Results Delivery Unit

Contribution to Department's Mission

The Alaska Vocational Technical Center's mission is to provide market-driven vocational and technical training to prepare state residents for jobs that are Alaska's future.

Results

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)



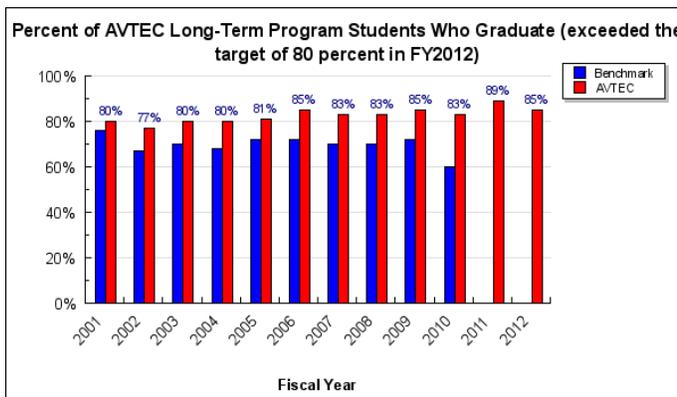
Core Services

- Provide post-secondary vocational and technical training to Alaskans.

Measures by Core Service

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

1. Provide post-secondary vocational and technical training to Alaskans.



Major RDU Accomplishments in 2012

During FY2012, the Alaska Vocational Technical Center (AVTEC) division:

- Served 1,483 students (1,063 in short term programs and 420 in long-term programs) from more than 100 different Alaska communities from all regions of the state.

- Achieved an 85 percent graduation rate, which was above the target of 80 percent and the accrediting agency benchmark of 60 percent.
- Developed an Associate of Applied Science Degree in Nursing that was approved by the Alaska Board of Nursing and the Council on Occupational Education (AVTEC's accrediting agency). The first class started on September 4, 2012, with a full class of 10 students.
- Trained 24 wind turbine technicians and operators with the new Northwind 100 wind turbine that was successfully tied into the Seward electrical grid and integrated into the wind diesel system. This unique capability now allows AVTEC to provide wind turbine operations/maintenance and technician-level training.
- Responded with immediate and dramatic action to an unanticipated water main burst in the Third Avenue dormitory. New water lines were installed and reconnected.

Key RDU Challenges

The growth of core operating expenses are outpacing revenues in such a way that the Alaska Vocational Technical Center (AVTEC) division is challenged with maintaining existing services to Alaskans and Alaska businesses.

- AVTEC's leadership has implemented a number of cost cutting measures and efficiencies to bridge the gap between revenue and expenditures. Without additional funding, AVTEC leadership will need to assess programs, classes, technology and staff to be cut from the budget.
- Based on industry forecasts, AVTEC anticipates growth in the need for state training programs that support natural resource exploration, extraction, and production projects. Alaskans will need training that prepares them for increasing regulations and stricter standards for health, safety, and environmental protection as the Arctic opens to shipping, tourism, and resource development. Occupations in fields like weld inspection, health/safety/environment, ice/arctic navigation, marine engineering, and surgical technician are examples for which AVTEC is well-positioned to add needed capacity.

Also, several of AVTEC's facilities are at the end of their useful life and have life and safety and Americans with Disabilities Act issues that require either substantial remediation or replacement.

- The AVTEC Pipe Welding, Medium/Heavy Truck, Heavy Equipment, and Diesel Technology programs currently produce up to 56 trained Alaskans per year who are highly sought-after by the mining, construction, oil/gas, and transportation industries for employment. With a nearly 100 percent job placement rate, these programs are stellar performers in preparing Alaska residents for high-wage jobs with opportunities for advancement. The shop facility housing these programs has been identified as potentially dangerous and hazardous due to inadequate structural support. This facility needs to be replaced with shop facilities that meet current codes.
- AVTEC has left some maintenance and custodial staff positions vacant in an effort to contain costs without affecting instructional programs. However, this reduction cannot be sustained long-term. Preventative maintenance helps extend the life of AVTEC's 16 buildings. Without maintaining a proper preventative maintenance schedule, AVTEC facilities will deteriorate at a faster rate and incur higher utility costs.
- Managing the rising cost of heating fuel and utilities associated with AVTEC's operations. The growth in heating fuel and utility costs from FY2011 to FY2012 was 20 percent. The growth in this category from FY2009 to FY2012 was 46 percent. AVTEC has and will continue to pursue ways to in which to make its facilities more energy efficient; however, efforts to date have not abated the rate at which costs have increased.

Significant Changes in Results to be Delivered in FY2014

The Maritime Vessel Simulator Upgrade project in the Governor's FY2014 capital budget will allow the Alaska Vocational Technical Center (AVTEC) to provide training in ice navigation and arctic operations. Arctic ice navigation training on the AVTEC maritime simulator will capitalize on the world-class technology and training currently being

provided at the AVTEC Maritime Training Center. Training will be provided to both currently licensed mariners in need of training to retain or upgrade their positions and newly qualified Alaskans.

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**Alaska Vocational Technical Center
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2012 Actuals				FY2013 Management Plan				FY2014 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
AVTEC	9,905.1	2,368.6	793.0	13,066.7	10,942.5	1,813.1	1,502.9	14,258.5	10,838.7	1,925.9	1,302.9	14,067.5
AVTEC Facilities Maintenance	0.0	1,895.2	0.0	1,895.2	0.0	1,868.4	0.0	1,868.4	0.0	1,986.7	0.0	1,986.7
Totals	9,905.1	4,263.8	793.0	14,961.9	10,942.5	3,681.5	1,502.9	16,126.9	10,838.7	3,912.6	1,302.9	16,054.2

**Alaska Vocational Technical Center
Summary of RDU Budget Changes by Component
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	6,311.3	4,631.2	3,681.5	1,502.9	16,126.9
Adjustments which will continue current level of service:					
-AVTEC	-341.2	-100.0	0.0	0.0	-441.2
-AVTEC Facilities Maintenance	0.0	0.0	13.9	0.0	13.9
Proposed budget decreases:					
-AVTEC	0.0	-202.0	0.0	-200.0	-402.0
Proposed budget increases:					
-AVTEC	439.4	100.0	112.8	0.0	652.2
-AVTEC Facilities Maintenance	0.0	0.0	104.4	0.0	104.4
FY2014 Governor	6,409.5	4,429.2	3,912.6	1,302.9	16,054.2