

**State of Alaska
FY2014 Governor's Operating Budget**

**Department of Labor and Workforce Development
Kotzebue Technical Center Operations Grant
Component Budget Summary**

Component: Kotzebue Technical Center Operations Grant

Contribution to Department's Mission

The Kotzebue Technical Center Operations Grant component contributes to the mission of the department by supporting market-driven vocational and technical training in rural Alaska and by creating an environment that promotes commitment to education and career opportunities.

This is a pass-through grant. The department has no authority over the management of the program, except to collect and track performance data and develop the grant agreement.

Core Services

- This component provides an unrestricted general fund and Alaska Technical Vocational Education Program (TVEP AS 23.15.835) funded operating grant to the Kotzebue Technical Center, also known as the Alaska Technical Center (ATC). ATC:
 - Provides residential adult vocational training through the Northwest Arctic Borough School District.
 - Operates programs in construction trades technology, office occupations, industrial mine technology, information technology, and health occupations in addition to short-term training in response to regional and statewide industry needs.
 - Provides employability training services that include: resume writing, job interview skills, WorkKeys, standard first aid and cardiopulmonary resuscitation (CPR), and driver's education.
 - Partners with the local job center to utilize their services.

Major Component Accomplishments in 2012

During FY2012, with the support provided by this operations grant, the Alaska Technical Center (ATC):

- Delivered the first-in-the-nation core driller registered apprenticeship program to provide a workforce needed in the resource development industry. The ATC developed partnerships with sponsors to carry out training in this field and to be responsive to industry need.
- Worked with NANA Development Corporation to provide training services for residents in eleven villages that led directly to employment opportunities. ATC is an active partner with the Northwest Arctic Leadership Team, a partnership with Maniilaq Association, NANA Regional Corporation, Northwest Arctic Borough, and the Northwest Arctic Borough School District to maximize resources and address workforce development issues affecting northwest Alaska.
- Continued the necessary services to students at the village level using village-based Adult Basic Education (ABE) tutors to build readiness for further training or obtaining employment.
- Worked with industry partners to obtain funding for Construction Trades Technology for the National Center for Construction Education and Research (NCCER) apprenticeship training programs. ATC continued to provide nationally recognized certifications for information technology training and testing services for the largest regional employer. Red Dog Mine hired 89 percent of the graduates of ATC's Millwright training program.
- Made progress on the magnet school partnership with the Kotzebue High School and Chukchi College for grades 11 to 14. This program provided training in the high school and the ATC for students who wish to pursue careers in health care, process technology, and school teacher education. These high-demand and high-wage jobs are often filled by outside labor.

Key Component Challenges

As a consequence of a low fund balance for the Alaska Technical and Vocational Education Program (TVEP) at the end of FY2012, the Kotzebue Technical Center Operations Grant funding will be reduced by \$12.4 in FY2014.

Other key challenges facing the Alaska Technical Center (ATC) are:

- Ensuring a consistent level of funding to provide structured courses and programs.
- Maintaining the integrity of the existing programs while continuing to improve the quality of training and job placement rates when resources are uncertain.
- Adapting training courses to meet industry needs, which is essential to providing job opportunities for Alaskans.
- Maintaining and addressing deferred maintenance projects related to ATC's 30-year-old facilities. Renovation will take place to improve ATC's classroom and shop facilities to help address the priority training needs of industry.
- Operating existing facilities with the continued high cost of energy, which has a negative impact on the resources available for direct instructional services.
- Maintaining levels of staffing needed for current programs with the increased costs of employee wage and benefits packages, which limits the ability to address new training initiatives.

Significant Changes in Results to be Delivered in FY2014

No significant changes in results to be delivered are anticipated.

Statutory and Regulatory Authority

Statutory Authority:

AS 23.15.835

Alaska Technical and Vocational Education Program Account

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Kotzebue Technical Center Operations Grant Component Financial Summary			
		<i>All dollars shown in thousands</i>	
	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	1,506.5	1,580.8	1,568.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,506.5	1,580.8	1,568.4
Funding Sources:			
1004 General Fund Receipts	600.0	600.0	600.0
1151 Technical Vocational Education Program Account	906.5	980.8	968.4
Funding Totals	1,506.5	1,580.8	1,568.4

Estimated Revenue Collections				
Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Unrestricted Revenues				
Technical Vocational Education Program	51433	906.5	980.8	968.4
Unrestricted Total		906.5	980.8	968.4
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		906.5	980.8	968.4

**Summary of Component Budget Changes
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	600.0	980.8	0.0	0.0	1,580.8
Proposed budget decreases:					
-Alaska Technical and Vocational Education Formula Funding	0.0	-12.4	0.0	0.0	-12.4
FY2014 Governor	600.0	968.4	0.0	0.0	1,568.4

Component Detail All Funds
Department of Labor and Workforce Development

Component: Kotzebue Technical Center Operations Grant (AR28620) (195)

RDU: Business Partnerships (481)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	1,506.5	1,580.8	1,580.8	1,580.8	1,568.4	-12.4	-0.8%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,506.5	1,580.8	1,580.8	1,580.8	1,568.4	-12.4	-0.8%
Fund Sources:							
1004 Gen Fund (UGF)	600.0	600.0	600.0	600.0	600.0	0.0	0.0%
1151 VoTech Ed (DGF)	906.5	980.8	980.8	980.8	968.4	-12.4	-1.3%
Unrestricted General (UGF)	600.0	600.0	600.0	600.0	600.0	0.0	0.0%
Designated General (DGF)	906.5	980.8	980.8	980.8	968.4	-12.4	-1.3%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Labor and Workforce Development

Component: Kotzebue Technical Center Operations Grant (195)
RDU: Business Partnerships (481)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2013 Conference Committee To FY2013 Authorized *****												
FY2013 Conference Committee												
ConfCom		1,580.8	0.0	0.0	0.0	0.0	0.0	1,580.8	0.0	0	0	0
1004 Gen Fund		600.0										
1151 VoTech Ed		980.8										
Subtotal		1,580.8	0.0	0.0	0.0	0.0	0.0	1,580.8	0.0	0	0	0
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
Subtotal		1,580.8	0.0	0.0	0.0	0.0	0.0	1,580.8	0.0	0	0	0
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
Alaska Technical and Vocational Education Formula Funding												
Dec		-12.4	0.0	0.0	0.0	0.0	0.0	-12.4	0.0	0	0	0
1151 VoTech Ed		-12.4										
Totals		1,568.4	0.0	0.0	0.0	0.0	0.0	1,568.4	0.0	0	0	0

The FY2014 estimated receipts of the Alaska Technical and Vocational Education Program account, including the carry forward amount, available for distribution is \$10,760.0. Kotzebue Technical Center will receive \$968.4, or nine percent, of total receipts available. This transaction decreases the component's authority from the FY2013 distribution level of \$980.8.

Line Item Detail
Department of Labor and Workforce Development
Grants, Benefits

Component: Kotzebue Technical Center Operations Grant (195)
RDU: Business Partnerships (481)

Line Number	Line Name	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
77000	Grants, Benefits	1,506.5	1,580.8	1,568.4

Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
77000 Grants, Benefits Detail Totals			1,506.5	1,580.8	1,568.4
77670	Benefits	Operations grant for Kotzebue Technical Center.	1,506.5	1,580.8	1,568.4

Unrestricted Revenue Detail
Department of Labor and Workforce Development

Component: Kotzebue Technical Center Operations Grant (195)
RDU: Business Partnerships (481)

Master Account	Revenue Description	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51433	Technical Vocational Education Program	906.5	980.8	968.4

Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51433	Technical Vocational Education Program			11166	906.5	980.8	968.4

The Technical Vocational Education Program (TVEP) Account established in AS 23.15.830 provides funds to support technical and vocational training programs to Alaska residents.

These funds are used by the Kotzebue Technical Center to upgrade instructional materials and equipment, provide program enhancement, and to develop the capacity to support industry specific training programs in order to address critical areas where there is a shortage of trained workers in the state.