Technical and Vocational Education Program Report

State Fiscal Year 2021

A report prepared for the Alaska Legislature and the Alaska Workforce Investment Board by the Alaska Department of Labor and Workforce Development
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Introduction

The Technical Vocational Education Program, established by legislation in 2000, distributes training funds to technical and vocational education entities across Alaska’s six economic regions. TVEP funds come from a percentage of employee unemployment insurance contributions allocated to specific institutions in accordance with Alaska Statute 23.15.835.

With the exceptions of University of Alaska, AVTEC, and Galena Interior Learning Academy, institutions must submit a grant application to the Alaska Department of Labor and Workforce Development’s Alaska Workforce Investment Board to receive TVEP funds each fiscal year.

The institutions must use these funds for technical and vocational training programs and services that align with regional workforce demands and the AWIB’s priority industries and state capital improvement projects.

The institutions must have a military credit policy in place for the acceptance of credit or hours toward a degree or technical program, and an articulation agreement under which high school students may earn dual credit upon completion of a vocational education course. Subsequently, TVEP grant recipients must provide program and financial reports and requests for reimbursement to the AWIB on a monthly basis as well as participant data, which the department uses to report performance.

During the reauthorization of the TVEP distribution in the 2021 regular legislative session, the Alaska Legislature requested a financial audit of the program over the next three years to determine the success of the program.

In SFY 2021, TVEP funding totaled $12,794,200. That amount was allocated directly in the percentages and to the institutions shown below. The table includes the number of participants the TVEP funds served.

<table>
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<tr>
<th>SFY 2021 TVEP Allocations</th>
<th>% of TVEP Allocation</th>
<th>Grant Amount</th>
<th># of Adults Served</th>
<th># of High School Students Served</th>
<th>Total # of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Vocational Technical Center (AVTEC)</td>
<td>17%</td>
<td>$2,175,000</td>
<td>804</td>
<td>123</td>
<td>927</td>
</tr>
<tr>
<td>Alaska Technical Center</td>
<td>9%</td>
<td>$1,151,300</td>
<td>121</td>
<td>98</td>
<td>219</td>
</tr>
<tr>
<td>Amundsen Educational Center</td>
<td>2%</td>
<td>$242,100</td>
<td>22</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Galena Interior Learning Academy</td>
<td>4%</td>
<td>$484,100</td>
<td>0</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Ilisagvik College</td>
<td>5%</td>
<td>$605,100</td>
<td>717</td>
<td>0</td>
<td>717</td>
</tr>
<tr>
<td>Northwestern Alaska Career and Technical Center (NACTEC)</td>
<td>3%</td>
<td>$383,800</td>
<td>14</td>
<td>147</td>
<td>161</td>
</tr>
<tr>
<td>Partners for Progress in Delta, Inc.</td>
<td>3%</td>
<td>$383,800</td>
<td>673</td>
<td>71</td>
<td>744</td>
</tr>
<tr>
<td>Southwest Alaska Vocational and Education Center (SAVEC)</td>
<td>3%</td>
<td>$363,100</td>
<td>130</td>
<td>0</td>
<td>130</td>
</tr>
<tr>
<td>Yuut Elnauvivat</td>
<td>9%</td>
<td>$1,072,378</td>
<td>367</td>
<td>0</td>
<td>367</td>
</tr>
<tr>
<td>University of Alaska</td>
<td>45%</td>
<td>$5,757,400</td>
<td>3,067</td>
<td>772</td>
<td>3,839</td>
</tr>
<tr>
<td>Fairbanks Pipeline Training Center</td>
<td></td>
<td>$768,200</td>
<td>480</td>
<td>42</td>
<td>522</td>
</tr>
</tbody>
</table>

Note: The Fairbanks Pipeline Training Center receives pass-through funding based on the fiscal note accompanying the 2008 TVEP reauthorization.
Overview of Economic Regions

Each of Alaska’s six economic regions (Northern, Interior, Southwest, Anchorage/Matanuska-Susitna, Gulf Coast, and Southeast) has one or more TVEP recipients and a university campus, postsecondary institution, or regional training center whose role is to help students and adults get the education and training they need to work in the region and the state.

This section of the report provides an overview of Alaska’s economy and of each of the regions, plus the outlook for the state’s overall employment and industries in both the short and long term.

Structure of Alaska’s Economy

Alaska ranks 48th among states for population but is easily the largest geographically. The state’s 570,641 square miles of land make up 16 percent of the U.S. total. For the U.S. as a whole, there are 92 people per square mile; in Alaska there are 1.3.

Alaska’s economy is heavily dependent on oil and gas and other resource extraction industries and on the federal government, including a number of military bases and installations. Alaska also has more veterans per capita than any other state.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
Two other major basic sector industries — those that inject new money into the state’s economy by providing goods or services to outside consumers — are fishing and tourism.

Alaska has especially high concentrations of employment in natural resources and mining, at more than 3.5 times the national average. It has at least slightly higher concentrations in construction, utilities, and transportation and warehousing. The state has lower-than-average employment concentrations in manufacturing, financial activities, and professional and business services compared to the U.S. overall.

The economies and job markets in the Anchorage/Mat-Su, Gulf Coast, and Southeast regions roughly mirror statewide patterns, with declines in any of the state’s major industries having either direct or ripple effects.

Fairbanks, the largest part of the Interior Region by population and job counts, also has a mix of current and projected employment that resembles the state as a whole.

**Outlook for jobs and industries**

Alaska had been slowly emerging from a three-year recession when the COVID-19 pandemic created unprecedented economic disruption. As the state and nation continue to manage the public health issues in late 2021, economies and job markets are gradually stabilizing and recovering some of the lost jobs, although large numbers of people remain unemployed and full recovery may take several years.

The state’s largest economic drivers — assets that bring new money into the state — are the federal government (including a significant number of military bases), oil and gas, tourism, commercial fishing, and mining. Looking beyond the short-term disruptions directly due to the pandemic, those drivers remain fundamentally sound, with the exception of oil and gas, which faces new uncertainties because of low prices — and increasing expectations that they will stay low — and the possibility of permanently reduced world demand.

Alaska is increasingly unable to rely on oil to fund nearly all of its state government services, and faces the ongoing challenge of transitioning to other funding sources.

Other states will also face significant budget deficits due to lost revenue and COVID-related costs, but Alaska’s budget deficits were especially large before the pandemic, and the state is wrestling with difficult choices that will put downward pressure on state spending for at least the next three to five years.

**Gulf Coast and Southeast**

Although parts of the Gulf Coast and Southeast regions are isolated and rural, as a whole they contain a mix of jobs not dramatically different from the statewide pattern.

Coastal areas have more opportunities in fishing and fishing support industries, for example, but strong health care growth is likely wherever there are stable or growing populations. Similarly, the mix of government and private sector support jobs (in stores, restaurants and bars, construction, transportation, etc.) does not differ markedly between areas with population centers of 10,000 or more.

**Northern Region**

The Northern Region is home to most of the state’s large oil and gas industry and includes the Red Dog Mine, one of the world’s largest zinc mines.

Because North Slope workers typically work a schedule close to two weeks on and two weeks off, they stimulate spending and employment wherever those workers live when oil and gas activity picks up and a corresponding reduction in those jobs when it falls.

There are almost no permanent population centers close to oil and gas fields. The Northern Region’s largest city is Utqiaġvik, with about 4,500 people, but it is 200 miles away from the center of oil field activity and not connected by road.

**Southwest Region**

The Southwest Region depends heavily on fishing. The region supplies a large percentage of the nation’s total commercial fish harvest by both poundage and value. Its Bristol Bay sockeye salmon, Bering Sea crab, and pollock harvests represent some of the largest salmon, crab, and whitefish fisheries in the world.
Fishing is largely missing from wage and hour employment data because permit holders and their crew are considered self-employed. They are not subject to state unemployment insurance coverage and the mandatory reporting from which we collect the most reliable employment data. What the employment data do show, however, is a large number of seafood processing jobs and the roughly typical mix of government, health care, retail, construction, and restaurant/bar employment that result from economic base industries such as the area’s fisheries.

Two census areas in the region — Bethel and Kusilvak — have some of the state’s and nation’s highest unemployment rates among county equivalents. Jobs in these areas are primarily connected to local government and to the support jobs that exist wherever populations cluster, including health care and retail jobs and a certain number of construction and transportation jobs. Unlike the southern parts of the region, the area does not profit substantially from commercial fish harvests.

**Interior Region**

The Interior Region has a mix of resource industries — large coal and gold mines, for example — and is also home to Denali National Park, which generates a large number of seasonal jobs and a handful of year-round jobs.

Fairbanks, with a borough population of nearly 100,000, depends heavily on the military and the University of Alaska Fairbanks. Fort Wainwright, an Army post, and Eielson Air Force Base are home to 8,200 active duty military and an additional 9,500 dependents. As noted above, military investment in the Fairbanks area is one of the bright spots for the state’s economy.

Due to declining enrollment, announced budget cuts, and the likelihood that more cuts will follow, the University of Alaska Fairbanks will likely be a declining contributor to the Fairbanks economy in the next few years.

The military and the university create significant demand for goods and services in the community and state. At the industry and occupational levels, existing demand is similar to the statewide pattern: 1) especially high demand for health care workers, and 2) demand across the rest of the industry and occupational spectrum that’s roughly similar to population trends.
Performance Measures Summary

The Department of Labor and Workforce Development’s Research and Analysis Section matched information provided by TVEP recipients about the participants who exited a program during the prior state fiscal year 2020 (July 1, 2019 through June 30, 2020) to unemployment insurance wage records to determine employment outcomes.

The performance outcomes are based on the measures in AS 23.15.835(e). This report includes outcomes for these two measures:

1. Percentage of former participants who have a job one year after leaving the training program
2. Median wage* of former participants employed seven to 12 months after leaving the program

For additional context, we have included median wage and the percent employed at any time in the year after exiting training.

<table>
<thead>
<tr>
<th>Institution</th>
<th>% Employed 1 Yr After Exit</th>
<th>% Employed 1-12 Mths After Exit</th>
<th>Median Wage 7-12 Mths After Exit*</th>
<th>Median Wage 1-12 Mths After Exit**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Vocational Technical Center</td>
<td>69.2%</td>
<td>81.4%</td>
<td>$17,628</td>
<td>$35,255</td>
</tr>
<tr>
<td>Alaska Technical Center, Kotzebue</td>
<td>54.8%</td>
<td>68.8%</td>
<td>$14,281</td>
<td>$28,561</td>
</tr>
<tr>
<td>Amundsen Educational Center</td>
<td>77.8%</td>
<td>77.8%</td>
<td>$5,748</td>
<td>$11,495</td>
</tr>
<tr>
<td>Galena Interior Learning Academy</td>
<td>32.3%</td>
<td>48.0%</td>
<td>$1,807</td>
<td>$3,614</td>
</tr>
<tr>
<td>Ilisagvik College</td>
<td>77.0%</td>
<td>91.9%</td>
<td>$28,645</td>
<td>$57,290</td>
</tr>
<tr>
<td>Northwestern Alaska Career and Technical Center</td>
<td>38.0%</td>
<td>44.5%</td>
<td>$3,516</td>
<td>$7,033</td>
</tr>
<tr>
<td>Partners for Progress in Delta</td>
<td>31.8%</td>
<td>40.9%</td>
<td>$1,911</td>
<td>$3,823</td>
</tr>
<tr>
<td>Southwest Alaska Vocational and Education Center</td>
<td>50.0%</td>
<td>52.6%</td>
<td>$22,220</td>
<td>$44,440</td>
</tr>
<tr>
<td>Yuut Eltinauviat</td>
<td>45.4%</td>
<td>66.8%</td>
<td>$4,684</td>
<td>$9,368</td>
</tr>
<tr>
<td>University of Alaska</td>
<td>62.9%</td>
<td>74.7%</td>
<td>$16,964</td>
<td>$33,928</td>
</tr>
</tbody>
</table>

*This is the median wage earned over the six-month period after exiting training.
**This is the median wage earned at any point in the year after exiting training.
ND = Not disclosable. Worker number is small enough that wages must be suppressed for confidentiality reasons.

Notes: The methodology for selecting students has changed from those with an exit date during SFY 2019 to those with an enrollment date during SFY 2020. Employment and earnings outcomes are measured using the Alaska wage record information employers provide each quarter for wage and salary workers. Because these records exclude workers who are self-employed, federal, military, or employed out of state, these figures should be viewed as conservative measures of participant outcomes.
Alaska Vocational Technical Center (AVTEC), Seward

The Alaska Vocational Technical Center (AVTEC) is located in Seward in the Gulf Coast Region. As the largest multidisciplinary postsecondary vocational training center in Alaska, AVTEC’s mission is to prepare Alaskans with the occupational, technical, and employability skills needed across Alaska’s six economic regions.

AVTEC’s program development and student placement are tightly connected to employer partners through advisory committees that place students into jobs and ensure AVTEC curriculum contains the skills and knowledge they expect from new hires.

Training Programs

• Alaska Maritime Training Center (40 U.S. Coast Guard courses)
• Business and Office Technology
• Construction Technology
• Culinary Arts
• Diesel Heavy Equipment Technology
• Industrial Electricity
• Industrial Welding
• Information Technology
• Plumbing and Heating
• Refrigeration
• Related Studies (Related technical instruction for registered apprenticeship)

Success Story: Kyle Comeau, Seward

Kyle Comeau graduated from Information Technology in 2020 and was hired as an IT support technician in Seward shortly after completing training.

“I wanted to be able to do something that I enjoyed and have a stable source of income in my life. AVTEC prepared me wonderfully for my current position. We walked through so many different aspects of possible IT careers and got several certifications that not only prepared but qualified us for employment. Understanding best practices, tools, and industry lingo coupled with our constant hands-on learning allowed me to hit the ground running in my employment.”

Articulation Agreements

University of Alaska Fairbanks Community and Technical College

A Memorandum of Agreement with the University of Alaska Southeast Ketchikan for maritime licenses that articulate into the Associate of Applied Science in Marine Transportation

SFY 21 Partners

• Alaska Safety Alliance
• Alaska Marine Highway System
• Alaska Operators Union Local 302
• Alaska Sealife Center
• Boilermakers Local 502
• Bristol Bay Native Corporation
• Calista Corporation
• Catalyst Marine
• Chenega Corporation
• City of Seward
• ConocoPhillips/Polar Tankers
• Construction Machinery Industrial, LLC
• Cook Inlet Tribal Council
• Coeur Alaska
• Crowley Maritime Corporation
• Edison Chouest Offshore
EXCEL Alaska
First National Bank
Foss Maritime
GCI Hecla Greens Creek Mining
Holland America Princess
IBEW 1547
JAG Alaska
Kenai Peninsula Economic Development District
Kinross Gold Corporation
Marathon Petroleum
National Center for Construction Education and Research
National Electrical Contractors Association
NACTEC
Plumbers & Pipefitters Local 367
Piledrivers and Divers Union Local 2520
Port of Anchorage / Anchorage Municipality Southeast Pilots Association
Seward Chamber of Commerce
Southwest Pilots Association
U.S. Dept of Labor, Office of Apprenticeship
United States Coast Guard
University of Alaska: UAS Southeast Maritime Training Center and UAF Community and Technical College

Capital Improvements

Planning and deployment of capital improvements continue to move slowly. This has not yet affected our training, but it has required AVTEC to take measures to ensure the comfort and safety of our staff and students.

For example, we are still waiting for the pipe welding shop renovation to address the poorly designed ventilation system that continues to degrade air quality in the welding room when students are training. The Office of Management and Budget provided $350,000 in SFY 21, and we secured a Seward contractor, but pandemic-related supply chain problems delayed the materials’ arrival and we were unable to complete the work before students arrived in the fall. This project is on hold until next summer. Because it remains unaddressed, the shop requires regular air venting to the outside, which cools the room beyond comfort.

We have conducted a partial facility assessment and are awaiting the report so we can modify our capital improvements and deferred maintenance prioritization list. Because the assessment was scaled down, it included only the buildings that most needed improvement or maintenance. We need to assess the remaining buildings to complete capital improvements planning.

One top priority is the condemned building that used to house the Applied Technology program and was vacated when we put the new building into service. The old building could be assessed by an engineer and renovated to house programming currently in leased space and provide warehouse space for our heavy equipment.

Regional Impacts

Students come to AVTEC from every economic region; upon completing their training, they return to their communities in their respective regions to work and support the economy through their employment.

TVEP funds impact the Gulf Coast Region, specifically Seward where the school is located, through direct spending of more than $800,000 per year for the school’s operation.

The region’s indirect economic impact comes from a payroll of $6.5 million paid to AVTEC staff who live in Seward.

AVTEC’s main dorm and student service center serve as the local emergency evacuation center. During the pandemic, they can be set up as a makeshift hospital in preparation for a surge in COVID-19 cases.

AVTEC family apartments are available for rent to nonprofit and public sector organizations to house temporary employees, research associates, and interns.

SFY 21 Accomplishments

We completed the Alaska Maritime Education Consortium Action Agenda, a collaboration between AVTEC and the university, to deliver U.S. Coast Guard training in vessel operations and deck and engine training to Alaskans in the high-demand maritime industry, regardless of their location.

AMEC applied for and received a Center of Excellence for Domestic Maritime Workforce Training and Education designation in 2021. AMEC is one of 27 maritime training providers and one of two consortiums in the U.S. to receive the designation.