



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Labor and Workforce Development

ADMINISTRATIVE SERVICES
Management Services

PO Box 111149
Juneau, Alaska 99811
Main: 907.465.5980

February 24, 2025

The Honorable Calvin Schrage
Chair, House Labor & Workforce Development Finance Subcommittee
Alaska State Capitol, Room 410
Juneau, AK 99801

Dear Chair Schrage,

Thank you for inviting the Department of Labor & Workforce Development to present an overview of the Alaska Vocational Technical Center (AVTEC) to the House Finance Subcommittee on Wednesday, February 19, 2025. This letter completes the responses to questions and requests for follow-up information from this hearing. All the dollar figures presented in this document are in thousands unless otherwise noted.

1. Is there coordination with industry to provide financial support for any of AVTEC's programs?

AVTEC actively collaborates with industry partners to ensure training programs align with workforce demands. While AVTEC has not received direct financial contributions from industry, we have secured substantial in-kind support through training equipment donations and industry partnerships.

- Industrial Machine and Maintenance (IMM) Program – Trident Seafoods has donated equipment, including lathes, which account for more than 50% of the IMM lab's resources.
- Diesel/Heavy Equipment Program – The department head cultivated a strong working relationship with Airport Equipment Rental (AER). AER donates equipment for students to repair and return, ensuring hands-on, real-world training. This partnership began a year and a half ago and continues to benefit students.

2. Has AVTEC explored a long-term payback or cost recovery program for the Industrial Electricity (IE) program?

Long-term cost recovery programs require extensive planning, logistical coordination, and industry collaboration. In other high-demand fields, it is common for employers to support student tuition through agreements where graduates commit to working for a specific employer for a set number of years in exchange for tuition assistance.

Although AVTEC's Industrial Electricity program has not yet implemented such a model, discussions will begin within our Occupational Advisory Committees (OACs) to explore potential opportunities for industry-driven tuition support or cost-sharing partnerships.

3. What was done with the \$629.7 Unrestricted General Funds (UGF) that was given to AVTEC last year as a supplemental?

The \$629.7 UGF supplemental appropriation in FY2024 was one-time bridge funds designed to get AVTEC past the cycle of under collecting revenue for operations due to pandemic-related enrollment drop. Those funds are not available to support ongoing programs. It took three years for enrollment to recover since 2020, and the department calculated a necessary increase in tuition and fees to cover rising campus costs. A regulation package for a 15% increase in tuition and fees was proposed and finalized last year for collections starting in FY2025. The legislature was supportive of the one-time \$629.7 in supplemental funds with the understanding this new revenue should sustain status quo operations if enrollment exceeded 85% of capacity.

4. Why can't funding for the Business and Office Technology (BOT) program be used to pay for the IE instructor?

While the BOT instructor funding could be reallocated, AVTEC must follow faculty collective bargaining agreements, which outline specific processes for reassessing instructional positions. Any potential changes require adherence to layoff procedures and program teach-out requirements. AVTEC is assessing which other programs at maximum capacity may be good target for reallocating BOT funds. However, the demand for a second Industrial Electricity instructor is immediate, and waiting for a teach-out process to conclude would further delay the expansion of this critical program.

5. What are the students who aren't employed in their fields doing?

AVTEC tracks graduate placements within an 18-month window following graduation, with placement verified only when graduates respond to outreach efforts.

- 91% Graduate Placement Rate – These graduates are employed in a training-related position, have entered military service, or have continued their education.
- 9% Unaccounted – These individuals are either working in non-related fields or have not responded to follow-up outreach. AVTEC does not have an external system to track employment beyond self-reported graduate data.

Please let me know if you or the committee have any additional questions or would like more information.

Sincerely,



Dan DeBartolo
Administrative Services Director

cc: Jordan Shilling, Legislative Director, Office of the Governor