

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

January 27, 2023

1:30 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Click Bishop, Vice Chair  
Senator Kelly Merrick  
Senator Forrest Dunbar

**MEMBERS ABSENT**

Senator Elvi Gray-Jackson

**COMMITTEE CALENDAR**

PRESENTATION(S) : ALASKA VOCATIONAL TECHNICAL CENTER

- HEARD

PRESENTATION(S) : NORTHWESTERN ALASKA CAREER AND TECHNICAL CENTER

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

CATHERINE LECOMPTE, Director  
Alaska Vocational Technical Center (AVTEC)  
Seward, Alaska

Department of Labor and Workforce Development (DOLWD)

**POSITION STATEMENT:** Presented an overview of AVTEC, spoke to workforce challenges and solutions, and answered questions.

DOUGLAS WALRATH, Director  
Northwestern Alaska Career and Technical Center  
Nome, Alaska

**POSITION STATEMENT:** Presented an overview of (NACTEC), spoke to workforce challenges and solutions, and answered questions.

## **ACTION NARRATIVE**

[1:30:23 PM](#)

**CHAIR JESSE BJORKMAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Dunbar, Bishop, Merrick, and Chair Bjorkman.

### **PRESENTATION(S): Alaska Vocational Technical Center**

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CHAIR BJORKMAN announced the committee would continue exploring workforce issues in Alaska. He said AVTEC and NACTEC representatives are present to discuss workforce challenges and what their centers are doing to provide Alaskans with the skills, tools, and abilities to enter the workforce. He invited Ms. Lecompte to put herself on the record and begin her presentation.

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CATHERINE LECOMPTE, Director, Alaska Vocational Technical Center (AVTEC), Seward, Alaska, Department of Labor and Workforce Development (DOLWD), said she would present an overview of AVTEC, respond to Senator Bishop's request for a ten-year lookback on enrollments, address the emerging needs of Alaska's workforce, and speak to workforce training.

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MS. LECOMPTE reviewed slide 2, About Alaska Vocational Technical Center (AVTEC):

- A division of the Department of Labor and Workforce Development.

MS. LECOMPTE expressed her belief that Alaska is unique in that no other state in the union has a training center owned and operated by an agency of the state. She said AVTEC has a great relationship with the department, and all divisions work well together and help each other perform duties to serve Alaskans.

- Fifty years delivering training to Alaskans.
- Accredited twenty-five years through the Council on Occupational Education.
- Serving Alaskans from 120 communities

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MS. LECOMPTE spoke in detail to slide 3, Alaska Vocational Technical Center (AVTEC). AVTEC's mission is to deliver flexible, affordable workforce training responsive to the dynamic needs of business and industry that serve Alaska's diverse communities. Student ages range from 18 to 70, but most are 18 to 24. A demographic shift shows more students enter AVTEC after high school. She noted the center continues to serve adult learners who need additional skills, upskilling, or a new set of skills, reskilling. Adult learners cannot always pull up stakes to relocate to AVTEC, so AVTEC plans to expand training outside Seward. She will speak about the expansion plans later in the presentation. One of AVTEC's strengths is its tight connection with employers. She said that the center is responsive to employer needs. A career development counselor keeps in touch with students, ensuring they are gainfully employed in a field related to their area of training for up to one year after completion. She announced the center's completion rate is brag-worthy, with over 90 percent completion in FY22; over 92 percent of those that completed were employed in their area of training in FY21. Slide 3 read:

- Provides relevant workforce training to prepare Alaskans for entry into and advancement in their chosen career field.
- Affordable training in less than one year; applied technical skills and good work habits.
- AVTEC's FY22 completion rate was over 90%, and 92% of FY21 completers were employed in their area of training.

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MS. LECOMPTE chronicled slide 4, Occupational Training Programs. She recommended using the quick response (QR) code on the slide for full details of AVTEC Programs. She listed AVTEC's nine occupational training programs and indicated there was also an Alaska Maritime Training Center in Seward. The nine programs run anywhere from 90 to 180 days, depending on the program. The classes occur in a workplace simulation, meaning students get a sense of what it is like to get up and get to work on time, go to lunch and return to work on time and be ready to work at the prescribed time, as opposed to arriving work, pouring a cup of coffee, hanging your coat, and settling in for the morning. This training center requires the student to be at their workstation and ready to go at 8:30 a.m. Many classes run as late as 4:30

p.m. Students must call in to miss class if they are ill or for any other reason they must call in. Students are graded on punctuality, attendance, and their ability to be good employees. Students get the opportunity to build those skills at AVTEC, preparing them to enter the workforce with solid skill sets.

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MS. LECOMPTE expounded on slide 5, stating the Alaska Maritime Training Center has over 40 United States Coast Guard (USCG) approved courses offered in Seward. She said AVTEC offers advanced training online, which is new. Students are eligible to start in high school with the Young Mariner Program, Introduction to Navigational Skills. Students have become captains through AVTEC training and upgrading, earning their licenses and moving up the career ladder. The training is similar to Cal Maritime, Piney Point, or Kings Point four-year academies, where students come out working as 2nd or 3rd mates. AVTEC is similar to these academies. Many AVTEC students participate in the "earn and learn" model, which takes a little longer to complete. She talked about the AVTEC simulation room, where participants get to pilot a tug, a barge, or a polar tanker. This is a valuable training tool for the industry. Pilots and captains train on these simulators, plug in new dock prototypes, and practice docking to determine if the new dock construction will work. It is a beneficial tool for research and training. USCG prefers training occur onboard vessels, but some simulator training is USCG approved. She invited the committee to try out the simulator.

MS. LECOMPTE said slide 6 details AVTEC's partnership with the University of Alaska (UA). One detail to remember about AVTEC is that it is not a "stand-alone" facility; it works with other postsecondary providers. NACTEC and the university are excellent partners, especially in the maritime education sector. Alaska Maritime Education Consortium (AMEC) was created a year and a half ago. The consortium intends to ensure the Alaska maritime workforce is filled with and supported by Alaskans. AVTEC joined forces with other states' postsecondary maritime providers to ensure Alaska can deliver maritime training statewide.

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MS. LECOMPTE said the charts on slides 7 through 12 respond to Senator Bishop's request for a 10-year look back in AVTEC enrollments. She explained these slides collectively, hitting the highlights, so the numbers on the charts are better understood.

MS. LECOMPTE said that on slide 7, the red bar represents the long-term programs, the blue bar represents maritime programs, and the green bar represents total enrollment. The long-term program enrollment from FY2012 to FY2016 was due solely to the health campus in Anchorage. AVTEC collaborated with Cook Inlet Tribal Council (CTIC) to offer certified nursing assistant (CNA), licensed practical nurse (LPN), and registered nurse (RN) programs. She said a perfect storm happened, causing a substantial decline in enrollments. The first storm reduced AVTEC's budget, then grant funds ran out. No sustainability plan was in place; the health programs were taught out, reaching the tail end by FY17. The health campus program closed, and the program no longer exists.

MS. LECOMPTE said reduced enrollments and budgets affected other programs and resulted in eliminating a chef in the culinary program. The construction, plumbing, heating, refrigeration, and culinary programs all had to go to half-year to match the budget with the enrollments. The economy was fairly good then, unemployment was low, and it was pre-pandemic. She said that when people are working, they are not interested in receiving training at a community college training center. This means that courses were not in high demand because people were working.

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MS. LECOMPTE said that the declining enrollment trajectory continued to FY19 when AVTEC sought alternative ways to serve Alaskans. Studying at the Seward residential training center was not meeting the needs of people who could not pack up and move to Seward, but who wanted and needed training. In response to this need, AVTEC put together short courses, extracting self-contained, small modules from long courses. The short courses included modules like building stairs, putting up sheetrock, and laying foundations. AVTEC was ready to take these modules on the road, but COVID hit. AVTEC had to shut down, send student home in FY20, and figure out how to get them back to finish their training. Staff initially thought AVTEC would reopen in a couple of weeks, but a couple of weeks turned into a couple of months and then a couple of years. AVTEC was able to open at half-capacity in FY21, and students did not share a bathroom due to health and safety concerns. The dorms have jack and jill bathroom facilities. AVTEC was ready to open in FY22. Unfortunately, five teachers quit, leaving the center understaffed and unable to operate at capacity.

MS. LECOMPTE said it is now FY23, AVTEC has a full complement of instructors and is ready to launch its customized training in

short courses with full student enrollment. She recommended going through the slides to see the story unfold in all the different programs. She directed attention to slide 11, Energy & Building Trades. The green bar represents AVTEC's most recent short course model for 2022. The green represents a six-week facilities maintenance/construction program in collaboration with Weidner Group and other employers. It meets the needs of someone working in a facilities maintenance role who needs to know a little bit about many things. If the person is interested in learning more, AVTEC is available for the full program. The short model gives an individual the skills to be an effective facilities maintenance service worker.

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MS. LECOMPTE shared two examples of businesses that AVTEC partnered with to create customized programs that met the businesses' staffing goals. One was a partnership with Bristol Bay Native Corporation. An employer needed entry-level construction workers trained in confined space and lockout/tagout and who had OSHA training. Bristol Bay Native Corporation used its Department of Labor and Workforce Development (DOLWD) STEP grant to offer this training in collaboration with AVTEC. The center supplied the instructors and used the Dillingham University construction lab. Two weeks of intensive construction training prepared eight local workers to build tiny homes in the villages. She wants to replicate this model in other places. This was a partnership between a number of different agencies. Another customized program was with Trident Seafoods. Trident made a customized selection of six-week short courses from AVTEC's menu for six of its incumbent workers. The workers received their customized training to skill up in areas specifically selected by Trident, and they were trained on-site at the Seward campus. She said AVTEC is ready to launch the short courses in FY23 and that it will serve Alaska well.

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MS. LECOMPTE pointed out a picture of students from the Alaska Military Youth Academy on slide 13. The high school teaches the Introduction to Nautical Skills, which is an intensive [60-hour] Maritime Program course offered to high school students. AVTEC sent an instructor to the Military Academy to teach the intensive maritime training course. This photo depicts a part of their survival training; it requires students to don survival suits, learn to float, and survive as a team. Students interested in pursuing a maritime career may apply for funds through a Perkins Grant which will pay for basic training. Basic

training will see students through to the USCG system, ready to work on a tug, a barge, or a fishing vessel, or a ship.

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MS. LECOMPTE advanced to slide 14, Alternative Specialty Training. AVTEC offers related technical instruction for apprentices in construction and healthcare. The apprenticeship program has been around for 20 years for construction, but the addition of healthcare is recent. Related technical instruction is accessed online; it is available whether the apprenticeship program is in plumbing, electrical, or drywall.

MS. LECOMPTE talked about specialty training courses offered at the center. Bus driver training has been offered for 20 years. AVTEC trains the trainers; the trainers return home to teach bus drivers in their districts. The nautical skills course. A new program is an apprenticeship in information technology (IT) networking, CompTIA A+, which launched this year. AVTEC is a multi-employer sponsor with four apprenticeships; two completed their program, and two are still in the program. AVTEC focuses on cross-cutting skill development, which makes the trainee's skill set applicable to many industries rather than just one. IT networking is the best example of this. Everybody has computers and networks and needs help troubleshooting. This apprenticeship model allows someone employed to get formal training without leaving their job or community. It gets them into a pay scale that advances them throughout the apprenticeship program.

MS. LECOMPTE drew attention to the "Senior Year to Career" graphic. She said AVTEC is not a credit-based school. AVTEC is a clock-hour school, and it is difficult to meld credit-based students into a clock-hour-based system. However, AVTEC made an exception to its admission policy for credit-based students. Previously, the admission policy required students to be 18 and have a high school diploma, but that policy was relaxed to accept students who:

- are in high school,
- are 17 years old,
- have earned all their credits for graduation but have not received their diplomas, and
- want to start their vocational training.

AVTEC enrolled local high school students in the welding program in January because they finished high school and were waiting to graduate. AVTEC prefers students finish all high school credits before enrollment. AVTEC discourages students who are one class

away from graduation but will accept them if the class can be completed online. Administrators find students become engrossed in their coursework at AVTEC and do not make time to finish their high school coursework. This program has not had a lot of enrollments, but it is increasing each year as students learn about it. It is a good fit for homeschooled students; they tend to finish early, and they are eligible to use their allocation of education funds to get started at AVTEC.

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MS. LECOMPTE advanced to slide 15, which showed pictures of new AVTEC training programs. The image in the upper left-hand corner depicts facilities and building maintenance. The upper right-hand corner is a photo of the new industrial machine and mechanic training class focusing on machining, precision measurement tools, layout, blueprint reading, CAD, 3-D printing, quality control, and basic welding. This is another example of a cross-cutting skillset offered at AVTEC. The picture in the lower right-hand corner shows a student enrolled in the 6-week business office skills class. The business office skills module is offered as a hybrid course, online for asynchronous study and in-person classroom study. The topics cover business foundations, entrepreneurial and small business skills, project management, financial literacy, and personal leadership development. This module will be online in the fall and offered to individuals working in offices or wanting to start a business. The picture in the lower left-hand corner depicts Yamaha training. This was a collaboration with the university under the Alaska Maritime Education Consortium project and now with the University of Alaska Anchorage (UAA)-Kenai Peninsula College. She reported that a marine electronics expert was hired today. She expressed excitement to stand the Yamaha program up with this new instructor.

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SENATOR MERRICK asked about the fee structure at AVTEC.

MS. LECOMPTE answered that the fee structure is per term for the long-term programs listed on slide 4:

- \$2400 90-day tuition
- \$4800 two-term tuition
- \$350 one-time technology fee for access to the Internet/network.
  
- Fees for student services: sauna, ceramics lab, fitness center, gym, and rock wall.

- Fees for books, supplies, and consumables vary depending on the area of study.

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SENATOR DUNBAR asked two questions. First, the state expects to receive a lot of federal Bipartisan Infrastructure money, and with it, the state will need more skilled labor. He asked what AVTEC's enrollment constraints are. He asked whether AVTEC could expand to create more skilled tradespeople in the coming years. Second, he inquired about AVTEC's relationship with trade unions and whether a path exists for students to move from AVTEC right into a trade union or union apprenticeship.

MS. LECOMPTE responded to the first question, stating vocational and technical education differs from an English class that can be held in a lecture hall with a 100-student capacity. AVTEC has 12 welding booths. Classes start in August and January and can accommodate about 20 welders. Welding is just an example, but the principle applies to all long-term programs at AVTEC. She said capacity is limited by capital investments, noting that many investments have been made at AVTEC. She mentioned that a brand-new diesel, heavy technology lab, and other infrastructure were built with investments. The investments are finite, so that is why AVTEC seeks to work in tandem with other postsecondary providers. She cited the AVTEC and Bristol Bay Native Corporation partnership as an example of an effective alliance. She said the Bristol Bay campus lab was empty because it did not have an instructor; she noted that finding career and technical education instructors is challenging. The Bristol Bay Native Corporation recruited students, pulled in an employer that needed houses built, and forged a coalition with AVTEC. AVTEC trained the students from that region using the Bristol Bay campus. She said AVTEC needs to form more coalitions like this. AVTEC seeks more partnerships like Yamaha and the UAA Community and Technical College (CTC). She noted that AVTEC has a relationship with the UA Ketchikan campus for maritime training. Postsecondary providers need to figure out how to collaborate, share resources and experts, and deliver training to all regions of the state. She expressed her opinion that it will take a joint effort from postsecondary education providers to meet the upcoming demand for skilled labor. The problem is that training centers either have the facility or the instructor. Schools must work together collectively and collaboratively to get teachers in the classroom and training students to meet labor needs.

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MS. LECOMPTE responded to Senator Dunbar's second question, stating AVTEC works closely with unions. She said that AVTEC had a very tight relationship with Ironworkers, Plumbing and Pipefitters, and IBEW in the past. AVTEC had an articulation agreement with IBEW that allowed students exiting AVTEC's electricity program to receive 1,000 hours towards their apprenticeship. She expressed a wish to renew that relationship; it's an opportunity for the students. She listed several reasons a trade union may not have an open pathway for AVTEC students exiting their programs. She said paths between trade unions and AVTEC form a great relationship because it gives students a leg up. Students start in one place, take what was learned, and stack it in the next place. Whether it be a union or whether it be as an apprenticeship on the job. She said AVTEC works very closely with unions. I just hired an AVTEC graduate who graduated ten years ago from the welding program. He was in the pipefitters union and is now back at AVTEC teaching.

[2:05:16 PM](#)

SENATOR BISHOP asked if there are plans to bring back LPN, CNA, and RN programs.

MS. LECOMPTE answered that it is difficult to say for certain, but probably. AVTEC plans to bring back a CNA program in collaboration with the Covey Academy in Anchorage. Providence Alaska Medical Center and other healthcare providers shifted to standing up their own in-house training. She said that it was her understanding the reason the health campus in Anchorage was so successful previously was that it had grant funds to stand it up; it had resources to support it. She said research has begun to bring back a health campus, and research needs to be conducted to determine demand and interest in partnering. She emphasized that the question comes down to resources. She apologized for the inconclusive answer.

SENATOR BISHOP responded that is fine. He said he had a little hand in starting the RN program with Fred Esposito, the director of AVTEC, back then.

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SENATOR BJORKMAN commented on the excitement surrounding the Yamaha outboard program. He asked to hear a little bit about the Yamaha program and the opportunities that it provides.

MS. LECOMPTE said funds were allocated to the university for the Fisheries, Seafood, and Maritime Initiative. Part of those funds was allocated to the Alaska Maritime Education Consortium to

stand up a Yamaha training program. This included setting up a "train the trainer" center at the Prince William Sound College (PWSC), and the expansion for this facility is underway. AVTEC gave PWSC some money to give the project a boost.

MS. LECOMPTE explained that three satellite Yamaha outboard training centers are planned, one in Ketchikan, one in Dillingham, and one yet to be determined. AVTEC has three years to spend the funds. AVTEC secured funding and got an instructor and some equipment to start a program too. Students will get a chance to work on engines from 9 horsepower to 250 horsepower.

MS. LECOMPTE said Homer wanted a program too. It made sense to put a program in Soldotna since the instructor-coordinator lives in Soldotna. Students from Homer, Seward, and other areas around the state can reside in Soldotna housing. There was an idea to get a big toy hauler to take Yamaha outboard training on the road, hauling it around the state to conduct classes. That's a big dream. To start, AVTEC will have satellite programs, and the main training program will be in Prince William Sound.

[2:11:10 PM](#)

SENATOR BJORKMAN commented on housing issues across the state. He asked if AVTEC had difficulty finding housing for students and staff in Seward.

MS. LECOMPTE answered yes, but AVTEC has the William E. Dunham Hall dormitory, which houses 128 students, and the Fourth Avenue dormitory, which houses 48 students. She said three apartment complexes have one-bedroom to four-bedroom units. All of those accommodations are at capacity. One of those units is a 4-plex set aside to rent to incoming staff until they find alternative accommodations. A person has to hang around and get the word out to find a place to live in Seward. By the time a place is posted online, it's gone. AVTEC student housing is full, but it's not a problem yet.

CHAIR BJORKMAN said the committee welcomes the opportunity to work with AVTEC in meeting the mission of workforce development and partnering with businesses and industry to generate skilled workers to move Alaska's economy forward. The legislature is interested in doing this. He said to let the committee know what it can do to help meet the mission. The committee will do its best to make it happen.

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At ease.

**PRESENTATION(S): Northwestern Alaska Career and Technical Center**

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CHAIR BJORKMAN reconvened the meeting and asked Mr. Walrath of Northwestern Alaska Career and Technical Center to put himself on the record.

[2:14:42 PM](#)

DOUGLAS WALRATH, Director, Northwestern Alaska Career and Technical Center, Nome, Alaska, presented an overview of (NACTEC), spoke to workforce challenges and solutions, and answered questions. He said he is joining the meeting from Nome Beltz High School and that it warms his heart that the Labor and Commerce Committee is meeting in the Beltz Room of the Capitol Building.

MR. WALRATH began the slide presentation, stating NACTEC is a partnership between the Nome, Nome public schools, and the Bering Strait School District. NACTEC is in its 20th year of operation. State funds from the Department of Education and Early Development (DEED) and the Department of Labor and Workforce Development (DOLWD) support NACTEC. In the upper right-hand corner, a map shows over 50 rural villages NACTEC served over the past 20 years, but predominately, the center serves the population in the Bering Strait region. That region includes everything from the Seward Peninsula as far north as Shismaref on the Chukchi Sea, as far west as Diomed Island in the middle of the Bering Strait, Gambell and Savoonga on St. Lawrence Island in the Bering Sea, St. Michael, Stebbins, and from where the Iditarod mushers come in at Unalakleet and loop around Norton Sound. NACTEC has a two-week, variable-term residential programming primarily. Students pull out of their high school classes, travel to Nome for a two-week intensive career and technical education, and then return home to their regular studies.

[2:17:52 PM](#)

MR. WALRATH advanced to slide 2, stating NACTEC has a workforce development mission that aligns training with Alaska's priority industries. He reviewed slide 2:

Workforce Development Mission:

- NACTEC delivers variable term (2-4 week intensive formats) residential CTE programs aligning with priority industries: Healthcare, Transportation,

Construction, Hospitality & Tourism, Seafood  
Harvesting & Processing, Natural Resource  
Development.

- DMV 3rd Party Examiner/Approved D.E. School

MR. WALRATH said that NACTEC is a Division of Motor Vehicles (DMV) approved, noncommercial driving school and third-party examiner for road tests. Most students from remote villages do not have access to vehicles or training, so getting a license along with a high school diploma is essential for employment purposes.

- AVTEC Maritime: USCG certified training (certifications)

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MR. WALRATH said NACTEC had enjoyed a partnership with AVTEC since 2017. There is USCG approval to deliver certificated training programs in Nome through AVTEC. The NACTEC classroom and city of Nome pool are approved training locations. An instructor from Seward traveled to Nome to offer maritime training in December. Three-quarters of that training is provided in Nome, everything except the fire training portion. NACTEC will continue with that same population of students down to AVTEC in April to complete the certificated training. It's a great program and partnership. It provides the students the opportunity to live in the dorms at AVTEC. It's an opportunity for high school students to lose the fear of the unknown and to increase the likelihood of their success in the future.

- UAF-CTC: FAA approval Aviation Maintenance (dual credit)
- Healthcare: HLTH 105 to PCA/CNA/Health Aide

MR. WALRATH said healthcare is probably the most developed strand. NACTEC offers, in partnership with UAF Northwest Campus, Norton Sound Health Corporation, and Kawerak, Inc., a CNA course. NACTEC has offered it for 20 years since its inception. The course begins with Health 105, an Introduction to Health Field, and exposes the students to health careers. Graduating seniors are targeted for training. They walk the stage at graduation, and a week later, those students are at NACTEC for personal care attendant (PCA), CNA, or health aide training. PCA and the health aide training are village-based employment positions. The CNA requires moving to Nome.

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MR. WALRATH advanced to slide 3, stating NACTEC aligns career and technical education training (CTE) with workforce development needs. A few big topics in Nome include a congressional appropriation for over \$600 million to construct a deep draft port. A workforce development summit was held in Nome to prepare for the workforce needs of that project. Nome has a population of 3,700 citizens. Construction is scheduled to begin in 2024. In the next few years 800 people are expected to work on that project. That is huge for Nome. Another project is Graphite Creek, designated as high priority status in 2021. Graphite Creek is located 40 miles from Nome. Graphite is important for battery production. The principal amount of graphite in the world comes from China. This is an opportunity to reduce dependency on foreign minerals. Production could start as soon as 2027 or 2030.

MR. WALRATH highlighted some of NACTEC's training programs in picture format on slides 4 and 5. He explained the pictures were taken from a training program this past October:

- A driver's education program.
- A full-motion-based truck driving simulator. He said the simulator allows the driver to choose from a bus, a semi, a concrete truck, or a snowplow.
- The heavy equipment simulator center. NACTEC has nearly a million-dollar, full-motion-based simulator center supported almost exclusively by business and industry contributions using the Alaska education tax credit program. NACTEC has a bunch of wonderful local partners that allow students to use their heavy equipment to experience what it feels like move some dirt or grade a road.

2:24:52 PM

MR. WALRATH said slide 5 takes a pictorial look at NACTEC's Fisheries/Seafood/Maritime Industries strand. It shows:

- Swimming training, which begins every morning in the city of Nome pool. Almost all NACTEC's students live on cold water, and there is a high death rate on the water in this region. Learning to swim is a life skill that is increasingly becoming important for future employment opportunities.
- Emergency training. These students are practicing a formation that can be spotted from the air if the ship were abandoned.
- Scuba training. It is difficult to find a population of students with the skill set to participate in this course.

- Fisheries and Seafood Industries course. NACTEC does an egg-take project on the Snake River. This photo was taken a couple of miles from the student dormitory. He said the dormitory houses 26 students, which is NACTEC's capacity during training programs. The students get to work with biologists from the Norton Sound Economic Development Corporation and Alaska Department of Fish and Game (ADF&G) to learn about careers through hands-on, real-world training.

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MR. WALRATH reviewed slide 6 to explain some of NACTEC's challenges and issues:

- Nome Housing shortage/Utilities
  - Heating Fuel \$7.20/gallon
- Certified Teachers - shortage
- Rural Services - DMV Closure
- DEED Residential Stipends
- Flat funded since FY15
- Alaska Education Tax Credit

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MR. WALRATH reviewed slide 7, Alaska Education Tax Credit (ETC). He listed these NACTEC partners: Trident Seafoods, American Seafoods, Glacier Fish Company, At-Sea Processors Association, Norton Sound Economic Development Corporation, and Bering Straits Native Corporation. These organizations have been NACTEC's partners for ten or more years and have contributed \$1.5 million or more to programs since FY10. He listed the various types of tax credits and a little bit about how tax credits work. NACTEC works aggressively to secure business and industry partnerships.

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MR. WALRATH summarized the impacts of legislative changes to the Alaska Education Tax Credit on slide 8:

- ETC: Business/Industry less Education Contributions

MR. WALRATH said NACTEC had seen fewer business and industry contributions. It's not all doom and gloom because the decrease

in business and industry contributions was offset by a larger amount of available federal dollars. He drew attention to the change because NACNEC found the ETC of great value.

- Workforce shortage (Visa process)

MR. WALRATH said the Bering Strait School District travels far and wide in the recruitment season. Teachers' contracts are offered earlier and earlier. There is an increasingly large number of teachers coming in on a VISA process, many from the Philippines.

- Cost of Living: Housing, utilities

[2:34:58 PM](#)

MR. WALRATH said he does not claim to have all the answers but offered these solutions on slide 9:

- Teacher Licensure:
  - Lifetime Certificates - Other States
- DEED Boarding School Stipends
  - Statutory funding increase
- Rural Services
  - DMV - Business Partner Contracts
    - 3 or 5 year renewal process
  - Power Cost Equalization (PCE)

[2:37:29 PM](#)

SENATOR BISHOP said kudos to Mr. Walrath. He said to keep up the good work.

[2:37:58 PM](#)

CHAIR BJORKMAN asked Mr. Walrath to explain more about the change to the Alaska Education Tax Credit program and how that caused a decrease in partnerships between the industry and NACNEC.

[2:38:15 PM](#)

MR. WALRATH said the legislation change cost the partners who contributed. He said the limit was \$5 million and was cut back to \$1 million. NACTEC was fortunate to have a number of partners step forward to make contributions totaling \$300,000. This is a significant contribution to a program the size of NACTEC, which is now \$2.5 million. A \$300,000 contribution cost the partners

\$50,000 to make. The same contribution now costs \$150,000 to claim a \$150,000 credit instead of a \$250,000 credit with a \$50,000 out-of-pocket contribution. The ETC program was wonderful for NACNEC, and at the time, NACNEC built a full-motion-based, 8-machine, heavy equipment simulator center. He believed that nearly all the contributions came from the Alaska Education Tax Credit program. NACNEC shopped around rather widely when that opportunity came up. Around that time that oil production was decreasing, and the price per barrel was decreasing. Necessity is the mother of invention, and it was clear that NACNEC needed to go out and aggressively pursuing that.

[2:40:12 PM](#)

SENATOR BJORKMAN thanked Ms. LeCompte and Mr. Walrath. The committee stands ready to support both centers in their mission and wants to ensure they have the resources needed to train workers to meet industry needs.

[2:41:03 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:41 p.m.