

**DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT  
FY18 - Increment Status Report**

**Governor's Budget Items Approved as Requested**

Item #	Appropriation/ Allocation	Description	Amount/Fund Source	FY18 CC Book Comment	GF Dec?	LFD Notes/ Questions	Agency Comments
1	Alaska Vocational Technical Center/ Alaska Vocational Technical Center (AVTEC)	Fund Source Changes from UGF to GF/Program Receipts to Support Operations	<b>Net Zero</b> (\$376.5) UGF \$376.5 GF/Program Receipts (DGF)	<p>The Governor's budget submission included two fund source changes in AVTEC to reduce reliance on UGF and substitute GF/Program Receipts. The legislature supported this change. AVTEC's primary mission is to provide market-driven vocational and technical training to prepare state residents for jobs. The changes reflect the following:</p> <p><b>\$184.4 GF/PR fund switch from UGF</b> reflects a 7.5% increase in tuition and additional fees to support overall programs in FY18. This is the second year of a two-year planned increase (15% total for FY17-FY18).</p> <p><b>\$192.1 GF/PR fund switch from UGF</b> to specifically maintain and allow for revamping of the Culinary Arts program. One full-time AVTEC Instructor position, located in Seward, who is currently responsible for culinary instruction will be supported with receipts generated by the program.</p>	No	Please provide the status of GF/Program Receipt collections to date, including a tuition update and information on the culinary program GF/PR support.	<p>Due to declining enrollment in the long-term Culinary Arts program enrollment and the resignation of an instructor AVTEC reduced that program from three to two instructors and from two starts per year to one. The remaining instructors are still working to expand their short-term Culinary Arts offerings through things like a partnership with the Alaska Marine Highway System where an instructor trains galley cooks, on board a ferry, while it is underway.</p> <p>To date AVTEC has generated about \$1.5 million in GF/PR and programs are currently near 90% capacity. AVTEC is on track to achieve their GF/PR projection for the fiscal year of about \$3 million.</p>

**Legislative Addition**

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2	Employment and Training Services/ Workforce Development	Restore Alaska Construction Academy Funding	\$600.0 UGF	<p>In accordance with FY17 legislative intent, the Governor's budget submission reduced the general fund authority supporting the Alaska Construction Academies (ACA) by \$600.0 in FY18. According to the department, that action would have left \$1,261.1 available for ACA training programs in FY18.</p> <p>The legislature decided to reject the Governor's deletion and restored the \$600.0 in ACA funding. In FY18, that action now provides \$1,861.1 in ACA grant funding.</p>	No	Please provide an update on the Alaska Construction Academy funding and grants for FY18.	As requested by the legislature, the additional \$600.0 in ACA funding resulted in expansion of ACA into the Northern and Western regions of Alaska. The department started working with the new ACA providers in the spring to ensure they were aware of the program's requirements. As a result, all grants were executed timely in FY18.