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Executive Summary

The Southwest Alaska Vocational and Education Center (SAVEC) was founded in June 2002 as a 501(c)3 organization, located in a remodeled facility on the Air Force Base in King Salmon, in the Bristol Bay region of Alaska. The center provides career and workforce development training to the residents of Bristol Bay and rural residents from around the state. SAVEC is governed by an eight-member board of directors that includes representation from all of the major regional organizations in Bristol Bay. The mission of SAVEC is “to promote, coordinate and provide high quality training and education to residents of Southwest Alaska.”

SAVEC is at a critical juncture in its development from a start-up organization to a self-sustaining career and workforce development center. Senator Ted Stevens is a supporter of the center and provided federal funds in the form of earmark funding to allow the center to start up operations. This funding comes to an end in April 2008. The purpose of this plan is to outline a strategy for development over the next five years. The primary strategies that SAVEC will use to both diversify its funding and sustain operations include:

- Partner with industry and provide a rapid response to workforce development needs
- Increase unrestricted income by increasing contributions from industry and local partners
- Secure state or federal grant funds to increase the number of training days and support a broader course offering

SAVEC has significant infrastructure in place that will help it to become a sustainable organization. The facilities at the King Salmon Air Force Base are well-suited to fulfill the mission of the center. There is adequate outdoor space for heavy equipment training and the necessary equipment is available for rent from a nearby contractor. The center is equipped with distance learning capabilities. Additional facilities that could broaden the course offerings and ensure year-round courses would include a carpentry and wood-working shop.

SAVEC is an independent organization, which gives it a strong measure of flexibility and the ability to quickly respond to the needs of industries. The strategy outlined in this business plan centers around increasing contributions from industry partners and increasing the advisory role of these partners through the regular meeting of the Bristol Bay Industry Council. A less tangible but critically important additional asset is the strong collaboration of the regional organizations in Bristol Bay that came together to start SAVEC and that remain committed to its long-term success.

Vitalizing the Rural Alaska Economy

Bristol Bay is one of Alaska’s economic engines. Commercial fishing and tourism add millions each year in tax revenue to the state’s treasury. The potential of prospects for oil and gas development and hard rock mining may increase Bristol Bay’s future contributions.
to an economy in Alaska that is largely based on the development of natural resources.

Bristol Bay is home to 7,413 people. It is a remarkably beautiful and wild area with 31 villages and communities spread over a 55,000 square mile area. Bristol Bay is a strong and resilient region, strongly connected within and between communities. We are skilled collaborators and experienced in developing partnerships to improve the region’s future. SAVEC benefits from numerous mutually beneficial partnerships with other entities such as the University of Alaska Bristol Bay Campus and the Bristol Bay Economic Development Corporation.

While commercial salmon has been the economic mainstay for the last century, a prolonged downturn in the fishing industry has forced residents to turn elsewhere to find long-term meaningful employment. Since 2000, ex-vessel prices for Bristol Bay sockeye salmon fishing prices have averaged only about one-third the average price level of the peak years of the 1980s. To gain skilled work that pays a living wage, residents are now finding themselves having to acquire new skills to pursue other career opportunities.

Many Bristol Bay communities have small populations and are scattered over large distances not connected to the urban Alaska road system and are accessible primarily by plane or boat. This cost of transporting fuel by barge over great distances contributes significantly to the high cost of living; this skyrocketing cost of energy is driving people to leave the region. Particularly, in many of the smaller communities, without a significant increase in local industry, people will continue to vacate their communities, forcing schools and other vital community services to shut down. As has been the case in the villages of Portage Creek and Ivanoff Bay, there are very few year-round residents left in some Bristol Bay communities.

Rural residents have always traveled for their livelihood, whether they are living a subsistence lifestyle or piecing together multiple types of cash employment throughout the year. To give Bristol Bay and other rural Alaska residents the widest possible circle of opportunity to draw from, workforce skills training and education are critical. Skilled residents employed in living-wage jobs will bring more money into local economies to support local businesses as well as contribute to the state economy as a whole.

The focus of SAVEC’s mission is to build the skills of Bristol Bay and other rural Alaska residents to gain skilled employment. SAVEC is a statewide magnet for construction and heavy equipment courses. Likewise, the job market available to course graduates is statewide. SAVEC students gain the skills they need to work in many areas, from airport projects to health clinics in villages across Bristol Bay, to drilling rigs on the North Slope to mines in Southeast. The goal is to widen the circle of opportunity for rural residents to find satisfying, long-term employment.

This is vital for our region and for Alaska as a whole. We need to train Alaskans to fill Alaskan jobs. SAVEC plans to partner closely with the State of Alaska and other vocational institutions statewide over the course of the next several years as the Alaska Gasline Inducement Act (AGIA) is implemented. Enabling legislation passed in the Alaska legislature in May of 2007 included a strong commitment to build and train an Alaskan workforce of up to 3,000 workers that will be available to build the mammoth natural gas pipeline project when the time arrives.

SAVEC intends to be well positioned to recruit and train rural workers to fill these jobs. A recent study published in the April 2007 issue of Alaska Economic Trends identifies the occupational groups that will be

Heavy equipment training is one of SAVEC’s most popular programs.
needed to construct a natural gas pipeline. These include carpenters, electricians, laborers, survey workers, pipe fitters, welders, maintenance workers and mechanics. The article identifies 158,000 Alaskans who are either unemployed or are “low-wage earners” who could potentially be trained for employment in these fields. Rural areas tend to have higher percentages of residents in these categories: in the Lake and Peninsula Borough, for example, 65 percent of residents are either unemployed or “low-wage” earners. This article ends with the summary: “It’s clear that after looking at the number of current and potentially available workers… Alaska has the population size and maturity in the construction… industries to play a more central role in this generation’s pipeline.”

SAVEC specializes in providing training in the construction crafts and heavy equipment operation, targeting rural residents. These programs will ensure we are ahead of the curve with a cadre of skilled workers ready to take the jobs. SAVEC specializes in rapidly responding to the dynamic needs of industry to provide the human resources that make or break any project. A skilled and diverse workforce will benefit regional organizations providing them with a pool of workers who live in the region and are committed for the long-term. A trained workforce will fuel existing industries such as tourism and sport and commercial fishing ventures that are the bread and butter of the Bristol Bay regional economy. It will benefit incoming industry partners who need skilled workers to bring new projects to fruition. Our communities will benefit from an influx of new income, increasing our self-sufficiency and viability. We are in the business of building hope in rural Alaska.

The target of the sustainable business strategy laid out in this plan is for SAVEC to develop the capacity and partnerships over a five year period to provide 150 training days per year. This will require building stable annual revenue sources that include earned income streams such as tuition, facility rental and instruction dollars; contributions from local organizations and industry partners and state and federal grant funds.

Alaska’s rural communities can be self-sustaining centers where traditional lifestyles and subsistence activities are complemented by skilled, long-term and satisfying cash employment. Career and workforce development training is the key ingredient to help rural residents fuel their local, regional and statewide economies. SAVEC is a key local driver committed to helping rural residents take their place in a truly Alaskan workforce.
SAVEC and the Community Served

Organization Description

The Southwest Alaska Vocational and Education Center (SAVEC) was founded in June 2002 as a 501(c)3 organization, located in a remodeled facility on the Air Force Base in King Salmon, in the Bristol Bay region of Alaska. The center provides career and workforce development training to the residents of Bristol Bay. SAVEC is governed by an eight-member board of directors that includes representation from all of the major regional organizations.

The mission of SAVEC is “to promote, coordinate and provide high quality training and education to residents of Southwest Alaska.” In June 2004, the board completed a Strategic Development Plan. This plan identified the following goals to guide the development of the organization:

- Define a market-based training niche
- Develop curriculum
- Meet accreditation requirements
- Build partnerships
- Develop employer incentives
- Market SAVEC services
- Pursue funding strategies
- Strengthen the SAVEC board

SAVEC was created by a concerted effort of local and regional organizations committed to revitalizing the region’s economy and ensuring that the region’s residents have the necessary skills to fill the jobs created as new industries emerge. Local commitment remains strong to building a labor force in Bristol Bay that will help build a vital economy for the entire state of Alaska.

The Community Need

According to a recent article by Institute of Social and Economic Research (ISER) economist Scott Goldsmith, “the extraction of natural resources from remote rural Alaska, valued at billions of dollars, produces only modest direct economic benefit (jobs, household income, business purchases, and public revenues) for most residents.” While rural Alaska provides the fuel for Alaska’s resource-based economy in fish, timber, minerals, oil and gas, rural residents continue to be among Alaska’s poorest and most underemployed.

Rural economies overly dependent on single industries are very vulnerable when market forces or natural systems shift suddenly. For over a century, Bristol Bay and Alaska’s wild salmon industry dominated world salmon markets and provided a livelihood for many residents. Beginning in the mid-1990s, reduced runs and competition from farmed salmon combined to dramatically reduce earnings from the salmon industry.

As a result, the entire Bristol Bay economy has experienced severe disruption. Figure 1 demonstrates the dramatic decline in value in the salmon fishery between the late 1980’s and today.

This downturn is forcing a transition from a primarily fisheries-based economy to a more diverse economy that includes other resource-based employment.

Figure 1. Average Ex-Vessel Prices of Bristol Bay Sockeye Salmon

Source: Knapp, Gunnar, “Projections of Future Bristol Bay Salmon Prices.” October 2004
such as potential mining and oil and gas development, as well as office and managerial, service sector (particularly health care), and tourism. Without significant intervention, however, these industries will continue to leave little economic benefit in local and regional economies. Figure 2 demonstrates the small share of total economic value that each of these industries leaves in rural Alaska. Goldsmith notes, “Although the number of jobs associated with oil and gas, mining, and fishing is considerable, the share held by local residents is modest particularly when compared to the available supply of labor.”

The largest source of cash flow to rural Alaska comes from the federal government: a total of $878 million in 2003. This reliance perpetuates the dependency and instability of the rural economy. If political will shifts and funds are redirected, many residents will find themselves unable to support their families.

Career and workforce development are essential to helping residents gain self-sufficiency, invigorate the local and regional economy and adjust to the changing demands for skilled workers. While in the past many residents were able to fish commercially on a seasonal basis and sustain their families year-round, now residents are more likely to pursue a variety of types of employment and to pursue employment outside of the region. New skills are needed to help workers compete in a larger labor market.

Figure 3 provides a snapshot of demographic
and economic data for a selected group of communities in the Bristol Bay region. These data demonstrate that many potential workers are currently out of the workforce. The average percentage of adults not working for these communities is 51 percent. As a result, the percentage of people living in poverty is more than double the rate for the state as whole, and three times the poverty rate for Anchorage.

These data should be sounding alarm bells across the state. The committed group of local citizens that started SAVEC is committed to changing these statistics. They are committed to training the region’s workers to take on satisfying employment that allows them to sustain their families and their communities and gives them an array of choices for their livelihoods.

New industries are emerging in Bristol Bay, such as oil and gas development and hard rock mining. Employment opportunities outside of the region are fairly plentiful with Alaska’s unemployment rate at around 6 percent. With new projects coming on line such as the Alaska Natural Gas Pipeline, new workers will be needed.

Existing industries will also benefit from a trained local workforce. The Bristol Bay tourism industry is currently a multimillion-dollar-per-year enterprise, with very little of that revenue staying in the region. While commercial fishing has declined from historic levels, the industry is emerging into increased viability. Many local fishers, however, have dropped out of the industry; currently only 26 percent of fishers in Bristol Bay reside in the region. This has left many driftnet and setnet operations looking for skilled and experienced workers. In addition to direct fishery-related work, there are many support positions that require skilled workers such as maintenance of the fish processing equipment used in local canneries. Workers skilled in processing machine maintenance are also required for other types of processing in other areas of the country, such as poultry processing. Developing this skill provides workers with the opportunity to take advantage of a much larger labor market. SAVEC is partnering with the Bristol Bay Economic Development Corporation to provide this and other fisheries-related training. SAVEC is well-situated for this due to the local availability of processors where on-the-job training could occur.

Construction continues to be a growth industry in Alaska and many projects in Bristol Bay and other rural areas are built by workers from urban areas or from outside Alaska. Working closely with labor unions and the Alaska Works Partnership, SAVEC is increasing the skills of local workers and drawing from a statewide pool of students to provide entries into apprenticeship programs. Connections with local high schools will provide a seamless avenue for young people to move into well-compensated careers.

SAVEC connects potential workers with industry needs. We are committed to developing Bristol Bay and rural Alaska’s most important resource: our people. Working with our partners we can ensure that all rural people can develop the skills they need to thrive in today’s workforce. Our students will gain the freedom to choose satisfying employment that will sustain themselves, their families and communities – employment that fits with the rural, subsistence lifestyle that defines our culture and heritage.
Programs and Services

Existing Programs and Partnerships
SAVEC currently offers workforce development training in the following focus areas:

- Heavy equipment training
- Construction crafts
- Fisheries
- Off-Road Commercial Driver’s Instruction
- Health care

The limited resources within the southwest Alaska region necessitate meaningful partnerships and collaboration. Pooling resources collectively allows local and regional organizations to serve a greater number of people within the region. SAVEC has focused its efforts on establishing training programs within the region that draw students from a statewide catchment area. These partnerships draw students to SAVEC from around the state and bring high quality training opportunities to southwest Alaska. As of June 2004, SAVEC and its training partners have served more than 2,000 students. Between April 2006 and June 2007 SAVEC and its training partners served more than 600 students.

SAVEC currently provides between 50 and 70 training days a year. SAVEC courses provide avenues to other career and workforce development opportunities. Figure 4 describes the relationship between SAVEC and its partners. As students gain job skills through one program or entity they are increasingly likely to take advantage of opportunities provided by the others. In this way, the circle of opportunity for the student is widened and the potential to secure meaningful employment greatly increases.

“As students gain job skills through one program or entity they are increasingly likely to take advantage of opportunities provided by the others.”

Regional Organizations
SAVEC’s closest partners are Bristol Bays’ regional organizations: Bristol Bay Housing Authority (BBHA), Bristol Bay Area Health Corporation (BBAHC), Bristol Bay Economic Development Corporation (BBEDC), the UAF Bristol Bay Campus, the Lake and Peninsula Borough and the Bristol Bay Borough. Each of these organizations has representation on SAVEC’s board.

Alaska Works Partnership, Inc.
Alaska Works Partnership is a construction training and placement system that reaches across Alaska and is open to everyone. Alaska Works delivers services in partnership with Alaska’s building trades unions, the Alaska Department of Labor & Workforce Development, the U.S. Department of Labor, and the Denali Training Fund. SAVEC contracts with Alaska Works to provide faculty for trainings such as heavy equipment operation and construction crafts.
The University of Alaska, Fairbanks, Bristol Bay Campus provides a variety of trainings and courses in Adult Basic Education and career readiness operating out of SAVEC’s facility. SAVEC works in partnership with the UAF Bristol Bay Campus to provide college credit for many of the courses SAVEC hosts. SAVEC also partners with the University of Alaska Anchorage, Mining and Petroleum Training Services to provide oil, gas, and mining training.

School Districts

SAVEC provides a welding program for high school students working with the Bristol Bay Borough School District. The Alaska Works Youth Academy provides a two-week program with hands-on training within a variety of construction career fields at SAVEC. Other youth academies are offered by SAVEC working with the UAF Bristol Bay Campus and Bristol Bay Native Association in various trades.

Industry

SAVEC is forming a regional industry council to provide input to its various partners to ensure the relevance and quality of our training (see Figure 5). The Southwest Alaska Industry Council will include representatives from the oil and gas, mining, fisheries, tourism, construction, aviation and health care industries; representatives from the State Departments of Labor and Workforce Development and Commerce, Community and Economic Development; and, one ad hoc member.

Future Programs and Partnerships

SAVEC continues to grow its base of programs and the infrastructure and partnerships needed to support them. The primary focus for future development is to increase the number of training days in existing training areas to 150 days per year, over a five year period.

The goal described in the financial section of this business plan is to work towards hosting 150 training days per year with students paying an average of $65 per day in tuition. While this will not cover the total costs of providing training, it will increase revenue available to support a wider course offering than currently available. However, because the target population for SAVEC courses is rural residents without adequate employment opportunities, many prospective students will not have the resources to pay tuition themselves. To assist these students, SAVEC will cultivate partnerships with regional industry partners and other employers to provide tuition assistance to students with financial need.

![Figure 5. Southwest Alaska Industry Council.](image-url)
To meet the five-year goal of providing 150 training days per year, SAVEC will implement the following strategies:

- Increase partnerships with school districts to develop career readiness for high school students
- Develop training programs with longer durations in target industries such as fishery processing technology, construction, hard rock mining, oil and gas development and tourism
- Develop partnerships with processors and marketing entities to increase opportunities in the fishing industry
- Develop programs leading to a nationally or state-recognized certificates
- Develop a database of job skills and qualifications within the region to link prospective workers with industry needs
- Work closely with labor unions to prepare students and track progress from apprentice to journeyman
- Provide on-site trainings in area villages

School Districts

SAVEC is working with school districts to restore programs that were provided at the high school level but are no longer included in the curriculum. This partnership with secondary schools provides a feeder system to SAVEC and its partner organizations.

At the middle school level, students can participate in on-site exploration (job shadows, industry mentors, etc.), classroom exploration, exposure activities such as field trips, speakers, library reviews and summer camps.

At the high school level, students can register as apprentices; participate in summer camps and internships; learn job-seeking skills (resume writing and interview skills); enroll in college or technical school level courses; and participate in Tech Prep programs. The students can graduate and enter into an apprenticeship (through Alaska Works), attend SAVEC or go directly to the university.

SAVEC will work with university and secondary school partner organizations to provide credit to students for attending SAVEC courses.

Industry

This business plan recommends SAVEC continue to develop strong relationships with industry partners, to secure funding and to ensure that SAVEC courses are aligned with industry needs and employment opportunities. Industry partners will also assist with marketing efforts, using their own recruitment programs to promote training opportunities at SAVEC. Working closely with fish processing companies, particularly those with operations near to King Salmon, will provide on-the-job training opportunities for SAVEC students and increase the pool of qualified workers for processors.

Labor Unions

SAVEC will continue its relationship with Alaska Works Partnership, Inc. but should also explore relationships with other labor union training programs. SAVEC can act as a local recruiter and assist with feeding workers to apprenticeship programs and help workers progress through union certifications.
Market Analysis

Stakeholder Analysis and Social Return on Investment

Alaska is a vast state, much of which is rural and located far from urban market centers. Alaska’s economy is primarily a resource-based economy and most of these resources come from rural Alaska. In order to plan for future economic development we must look at rural areas as part of a larger statewide economy.

The average population of the Bristol Bay communities described in Figure 2, excluding Dillingham, is 212 residents. None of these communities are connected to a broader road system and most are accessible only by plane. This makes the transfer of goods difficult and increases the costs for energy production. Particularly in many of the smaller communities, without a significant increase in local industry, these isolated economies will not be able to offer local employment to all of their residents in living-wage jobs.

Rural residents have always traveled for their livelihood, whether they are living a subsistence lifestyle or piecing together multiple types of cash employment throughout the year. To give Bristol Bay and other rural Alaska residents the widest possible circle of opportunity to draw from, skills training and education are needed. This will enable residents to bring more money into local economies to support local businesses as well as vitalize the state economy as a whole.

The target market for SAVEC programs is the unemployed and low wage earning workforce of rural residents age 15 and up in Bristol Bay and other rural Alaska communities.

Many stakeholders will benefit from SAVEC’s increased capacity and expansion of programs. A short list of major stakeholders and the benefits that will accrue to them follows.

Industry:

- Oil & Gas; Tourism; Fisheries; Hard Rock Mining; Health care; Aviation: Provide targeted training that responds to the changing needs of these industries to build a skilled and ready workforce

“In short, the time to act is now. We must train our local residents with the skills that industry demands, if we are to provide a strong foundation for our families, our culture and our community life.”

State of Alaska:

- To increase and improve the statewide economy by vitalizing local economies in rural Alaska
- Provide skilled Alaska workers to fill Alaska jobs in existing industries currently held by non-residents; and, to provide skilled Alaska workers for upcoming projects and emerging industries such as the Alaska Gas Pipeline
- Attract new industries to Alaska by building a skilled and ready workforce
- Stem the drain on state resources caused by a high percentage of adults not in the labor force
- Build hope in rural Alaska

Unions:

- Build a skilled labor pool that will help unions secure contracts in the rural Alaska
- Prepare union members for well-paying jobs
- Give unions a strong position from which to bargain
- Prepare a work-ready workforce

Native for-profit corporations:

- Build a skilled labor pool for corporation employment
- Fuel new for-profit ventures and increase capacity to manage and develop successful enterprises
- Stronger economic base builds investment opportunities

Native nonprofit and other regional organizations:

- Build a source of trained employees who know rural Alaska and intend to stay for the long-term
University of Alaska:

- SAVEC has the facilities, connections and partners to assist the UA with providing high quality workforce development training in the Bristol Bay region
- Provide a workforce development alternative to post secondary education

**Building a strong rural workforce benefits individuals, families, communities and the entire state of Alaska.**

- Assist with meeting the goal of preparing Alaskan workers for Alaskan jobs
- Feeder to UA programs
  - Alaska Native Science and Engineering Program
  - Process technology
  - Increase outreach to rural Alaska

Rural Communities:

- Ensure community survival by providing skills that allow residents to find jobs and bring money into local economies
- Give rural residents the necessary skills to be part of Alaska’s mobile economy – helping them widen the circle of opportunity for finding a living wage job
- Supplement seasonal economy with other well-paying jobs, even if they are not located in the local area
- Improve the quality of life for residents by providing a way out of poverty – provide hopeful alternatives to dependence on government programs and underemployment

Urban Centers:

- When rural economies are depressed and opportunities to build skills and find employment are scarce, people come to town looking for work – if they don’t have the skills to find jobs they may drain resources from social services agencies
- A trained rural workforce benefits many organizations based in urban centers
- As income levels in rural Alaska increase, so does spending on goods from urban centers

Individuals:

- Build ability for residents to provide for themselves, their families, and their communities
- Provide skills and opportunities particularly for young men from local villages who often find themselves unsuited to office-type jobs and in search of a meaningful and productive role in their communities

**Industry and Market Trends**

Alaska has a number of centers in rural areas that, like SAVEC, are helping to build a skilled workforce to vitalize both regional and statewide economies. Examples of similar career and workforce development centers include the Galena City School District’s Project Education Post Vocation School; the Alaska Technical Center in Kotzebue; the Alaska Vocational and Technical Center in Seward; the Delta Mine Training Center in Delta Junction; and **Yuut Elitnarviviit** in Bethel.

SAVEC’s Strategic Development Plan from June 2004 included a review of these facilities. Best practices identified in this review include:
• Timelines and curriculum of mining related classes needs to directly link to industry needs
• Long-term industry partnerships are central to building strong financial support
• Successful centers have established programs of continuous outreach and connection to their regional private and public decision makers

These best practices inform SAVEC’s plan for future sustainability. Strengthening relationships with the mining, oil and gas, tourism, and fishing industries, as well as the local communities, is the focal points of SAVEC’s business model.

Competitive Advantage and Strategic Position

SAVEC grew from a strong commitment from local and regional agencies to stimulate the region’s economy and to improve the quality of life for rural residents by providing training and skill-building to secure satisfying employment. We are a culturally competent organization, managed and governed by the largest and most influential regional organizations.

SAVEC operates from facilities located on a former Air Force Base in King Salmon, Alaska. The facilities include one of the most advanced technology centers in the state. Dorm facilities, laboratories, classrooms and outdoor space for training such as heavy equipment operation are all in first-class condition.

The changing economy in Bristol Bay is bringing new opportunities for employment to local residents. Alaska’s economy also has significant opportunities on the horizon that will demand skilled workers. The Alaska Natural Gas Pipeline, for example, provides an opportunity to put Alaskans to work – if they have the necessary skills. To attain the higher-paying, longer-term jobs in projects such as this we need to start training people now – even if the work may not become available for a few years.

Other jobs that could put locals to work, such as school construction, road and airport construction, dock work, maintenance for facilities and equipment, health care employment, aviation, business management, tourism guiding, are often filled by itinerate workers from outside the region. This means that money that could circulate within the region’s economy is instead flooding out. Many employment opportunities outside the region are also underutilized by local residents. Many jobs on the North Slope, for example, could be filled on an itinerate basis by local residents, if they had the skills.

In short, the time to act is now. We must train our local residents with the skills that industry demands, if we are to provide a strong foundation for our families, our culture and our community life.

The Competition

Another key partnership for a sustainable future will be cooperation and linkages with other vocational and technical centers around Alaska. All of Alaska’s vocational centers, with the exception of AVTEC in Seward, operate without significant state support. All are experiencing budget shortfalls and uncertain futures. Alaska needs a statewide network of vocational centers that prepares Alaska workers for Alaska jobs – SAVEC will be a key partner in the effort to link vocational centers around the state to form a sustainable system for career and workforce development.

Residential programs and low student-instructor ratios build relationships between students and instructors and increase both job skills and social networking for future employment.
Opportunities for Collaboration

Listed below are activities within various industries that would create strong collaborations with our stakeholders.

**Industry:**
- **Fisheries:**
  - Work with Bristol Bay Economic Development Corporation to provide training linked to industry opportunities
  - Increase links with processors and fishery-related industries to identify training and employment opportunities
- **Minerals:**
  - Establish working partnership with mining industry representatives to identify training and employment opportunities
  - Identify and provide training programs for mining-related service industries
- **Oil & Gas:**
  - Establish working partnership with oil and gas industry representatives to identify training and employment opportunities
  - Identify and provide training programs for oil and gas service industries
- **Construction:**
  - Increase partnership with the Alaska Works program and other union and industry partners to identify and provide targeted trainings for upcoming projects
- **Tourism:**
  - Work closely with lodge owners and guiding companies to understand training needs for jobs available and tailor courses accordingly
- **Health Care, Education and Social Services:**
  - Work with UA, Bristol Bay Area Health Corporation, local school districts and Bristol Bay Native Association to provide in-region trainings for health care, education and social services related jobs
- **Housing:**
  - Strengthen existing apprentice programs in various construction trades that train workers for jobs in the housing industry
- **Aviation:**
  - Work with UA and existing aviation industry companies to strengthen existing apprentice programs and identify additional training and apprentice opportunities

**State of Alaska:**
- Work with the State administration, legislature and departments, in cooperation with other vocational centers, to secure stable funding to vocational centers around the state

**Unions:**
- Build on existing relationships with the Alaska Works program to increase the number of union members living in rural Alaska
- Support union bids on contracts in the region that will put local workers to work

**Native for-profit corporations:**
- Initiate entrepreneurial opportunities to start business enterprises in the region, or to put local residents to work in enterprises located outside of the region

**Regional Organizations**
- Work with major employers to better understand the training needs for jobs available from their organizations and tailor trainings to meet these needs

**University of Alaska**
- Establish strong, well-defined partnership with the UA system to utilize SAVEC's facilities, connections and partners to enable UA to have a meaningful impact in the region for vocational education; and, to allow SAVEC to gain some economy of scale in outreach to students by utilizing the UA's system for course registration and outreach
• Provide information to SAVEC students about UA programs such as the Alaska Native Engineering program, process technology programs and others

Rural Communities:
• Provide technical training on-site in villages when possible
• Engage closely with local residents to better understand the training needs and tailor courses accordingly
• Assist rural communities with securing financial aid for students to enable them to participate in SAVEC courses

Individuals:
• Actively recruit local residents, working closely with major employers, to provide a straight track from training to securing employment

Community and Stakeholder Support

Community and stakeholder support for SAVEC has been significant from the beginning. Deepening the ties to the local communities and regional organizations is an ongoing process. Listed below are examples of support SAVEC currently enjoys. Areas for improvement include: securing annual funding commitments from local organizations; cultivating “champions” in the region that will argue for support from regional and statewide entities; and, reaching out to villages in the region and around rural Alaska to recruit students and target trainings to meet local needs.

Board membership – SAVEC’s board of directors includes the leaders of the major regional organizations in Bristol Bay including the Bristol Bay Housing Authority, Area Health Corporation, Native Association, Native Corporation, Economic Development Corporation, the UAF Bristol Bay Campus, the Bristol Bay Borough and the Lake and Peninsula Borough.

Funding from local organizations – SAVEC began with significant and ongoing contributions from local organizations. In FY2006, $80,000 in cash donations was received from local groups.

Genesis for center came from the community efforts – The original proposal that outlines the design of the SAVEC program includes resolutions of support from all of the major local organizations as well as the majority of Bristol Bay communities. In addition, housing authorities in Kodiak, Bethel and Barrow also endorsed this program.

UAF hosts programs – The SAVEC facilities are used by UAF to host trainings which generate revenues from dorm rentals and housing fees.

Capital funding – EDA, the Denali Commission and a range of major funders provided resources to rehabilitate the Air Force Base facilities to create SAVEC.

State of Alaska – The State provides an annual grant from the Training and Vocational Education Program to supplement SAVEC’s revenue generation.

Federal Support – Senator Stevens and the congressional delegation provided significant support for the start-up of SAVEC in the form of a federal earmark through the Department of Labor.
Marketing Plan

Marketing is the means by which SAVEC will recruit and serve new students, as well as create strong collaborations with other stakeholders. Developing a comprehensive marketing plan is a necessary part of a sustainable business model for SAVEC and should be completed within the year. This plan should accomplish the following:

- Establish a web presence so that prospective students and partners can access class schedule and registration
- Brand the center to entice partners and market to industry and other stakeholders
- Actively recruit new partners such as federal agencies to use SAVEC to provide trainings
- Increase awareness among prospective students through partnerships with school districts, labor unions and the UA system

Establish key contacts and priority trainings for each of the industries described in this business plan.

SAVEC prepares rural residents to pass state and national certifications that allow them to attain skilled, long-term employment.
Sustainable Human Resource Plan

Current Personnel

SAVEC is currently staffed with the four full-time employees in the following positions:

Executive Director, Eldon Davidson
Administrative Assistant, Annette Wilson
Instructional & Student Services, Marjorie Payton-Hewlett
Facility Janitorial and Maintenance, Ray Cottle

The existing personnel line item in the annual budget is $411,088. Existing staffing levels do not allow for increasing and expanding course offerings.

Projected Personnel Needs

SAVEC must build a sustainable funding stream by increasing industry contributions, developing new courses and programs and securing support from state and federal sources. This will necessitate an expanded staff; however, the expansion will occur gradually as revenues are secured.

This plan calls for maintaining all existing personnel and adding two new positions in year three; a Fund Development Manager and a Community & Industry Outreach worker.

The Fund Development Manager will be responsible for managing existing local and corporate donors; managing existing state and federal grant programs; cultivating new donors from industry partners and local organizations; researching and securing new state and federal funding opportunities. This will be a full time position with full benefits.

The Community & Industry Outreach worker will be responsible for traveling to and meeting with representatives from local communities; recruiting prospective students from rural communities; managing existing marketing efforts and developing new and innovative means to market SAVEC programs to a broader audience; assisting the Executive Director in cultivating relationships with industry partners to understand training needs and employment opportunities; acting as a liaison between communities and industry partners to ensure SAVEC programs are meeting the needs of both.

The expanded personnel budget starting in year four will be $635,737. The expanded staff will increase revenues to sustain SAVEC’s programs and continue to develop an expanded course offering working in close partnership with industry.

SAVEC contracts with the best trainers and facilitators from around Alaska to deliver high-quality courses to rural residents.
Governance and Leadership

**Governance Board — Board of Directors**

The Board of Directors includes the following members:

- Ralph Anderson, Bristol Bay Native Association
- Sheila Bergey, Lake and Peninsula Borough
- Shelby Boothe, Bristol Bay Borough
- Mel K. Brown, Bristol Bay Native Corporation
- Robert Clark, Bristol Bay Area Health Corporation
- Representative Bryce Edgmon, Bristol Bay Economic Development Corporation
- David McClure, Bristol Bay Housing Authority
- Dr. Deborah McLean, University of Alaska, Fairbanks, Bristol Bay Campus

**Key Decision Maker — Eldon Davidson, ED**

Eldon Davidson has more than 15 years in educational administration serving as Vice President of Instruction, Dean of Instruction, Dean of Students, Division Director of Electrical and Electronics as well as Associate Dean of Instruction from two statewide career and technical systems (Georgia and Texas).

Eldon was instrumental in initiating a $5 million NSF Grant Initiative, one of only five to be awarded in the country, that promoted an educational union between numerous educational institutions, including secondary, post-secondary, community college, career and technical education schools, and businesses, community organizations in the Texas Panhandle. This major partnering effort involved developing models of curriculum for nontraditional career and technical education students to transfer to universities allowing them a greater variety of career paths from high school to college with multiple entry and exit points.

Eldon has a Master’s of Business Administration (MBA) degree, a Bachelor’s of Business Administration (BBA) degree and Associates degree in Business. He was a successful entrepreneur and owned a construction related business in Colorado for eight years. His company was selected by the ABC television show “Extreme Home Makeover Show” for the Peyton, Colorado project which aired October 4, 2005. Although a small company, he was selected based on his 1-year perfect rating with the Better Business Bureau and excellent relationship with the Regional Building Commission knocking out his million dollar competitor. Eldon has always been dedicated to quality, service, strong ethics, and community development.
Sustainable Income Plan

The Current Revenue Picture

The current sources of revenue are not adequate to meet SAVEC’s mission and future areas of development. Currently, the center is dependent on a federal earmark grant that will end in April 2008. The pie chart below demonstrates the current revenue picture (see Figure 6). Sustainability issues with the current revenue picture areas follows:

- 32 percent of current revenue is a federal earmark which will disappear in April 2008
- Tuition currently accounts for zero percent of revenue
- The current budget is not large enough to fulfill the mission of SAVEC
- There are currently no staff resources devoted to marketing or fund development

On the plus side, the current revenue picture includes a significant amount of local support (9 percent) and it is fairly diverse. It also includes a significant portion of earned income, 31 percent (total of Instruction & Training, Housing, Meals, and Facility Use Fees and Space Rental).

Including state and federal funding sources in the revenue mix is a strategy that should continue although the proportion of total funds from these sources should decrease from the current 58 percent. To increase total revenues, new sources must be explored such as increasing contributions from industry.

Figure 6. Current revenue picture.
The Five-Year Revenue Picture

The future revenue picture is focused on diversifying revenue streams and maximizing the amount of earned revenue and increasing contributions from local organizations and industry partners. This will create a solid financial foundation for SAVEC.

The future revenue picture includes the five-year goal of providing 150 days of training per year with an average of 15 students per day paying an average of $65 per day. This increase is phased over five years (see attached pro forma income statement). To achieve this goal will involve a significant increase from current levels, but will provide an increase in earned income.

The future revenue picture is summarized in the chart below (see Figure 7). This revenue picture involves significant fundraising from business and industry partners, in exchange for training opportunities that will meet their needs. Grant funding should still be explored and secured but the percentage of funds from state and federal grants should decrease from the current revenue picture of 58 percent to the five-year projected amount of 36 percent. Tuition and revenue generated through course offerings such as housing, meals, and facility use fees will account for 33 percent of total revenues, a slight increase from current levels.

Cash Flow Analysis

SAVEC ended FY2007 with a budget surplus for the first time in its seven year operating history. The amount of the surplus was more than $80,000. This will be placed in an operating reserve that will greatly stabilize cash flow. This is the first step towards building a reserve of unrestricted income that will cushion operating costs and allow for some expansion of SAVEC’s programs.

Some of the challenges to positive cash flow include: cost-reimbursable grants that only pay once expenses have been incurred; grant funds that pay out once a year, again, after expenses have been incurred; infrequent billing for utilities from the Air Force that has resulted in bills sometimes as high as $41,000; and, an inadequate proportion of unrestricted income in the overall revenue mix.

A cash flow analysis was performed in the course of developing this business plan that analyzed actual monthly cash flow for fiscal year 2007, and projected monthly cash flow for fiscal years 2008 and 2009. Part of the importance of this analysis is to measure the impact of losing the federal earmark grant that runs out in April 2008. The analysis revealed that cash flow will remain positive if the following assumptions are met: the budget surplus from fiscal year 2007 is used to form the basis of an operating reserve; fundraising targets are met as budgeted including both local and

![Figure 7. Future revenue picture.](image-url)
industry contributions; an additional federal or state grant is secured, as budgeted; costs remain relatively constant within the increases included in the five-year budget; and, the Air Force agrees to bill SAVEC for utility costs on a monthly rather than annual basis. If these assumptions are met SAVEC will be able to maintain positive cash flow and will no longer be reliant on other organizations to act as its banker during cash flow crunches.
# The Financials

## Pro Forma Income Statement

Following is a statement that outlines the revenue and expenses associated with this sustainable business strategy.

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>FY2007 Budget</th>
<th>Fiscal Year #1</th>
<th>Fiscal Year #2</th>
<th>Fiscal Year #3</th>
<th>Fiscal Year #4</th>
<th>Fiscal Year #5</th>
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<tbody>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Facility Use Fee &amp; Space Rental</td>
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<td>$31,000</td>
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<td>Subtotal Individual &amp; Community Contributions</td>
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<td>Subtotal Individual &amp; Community Contributions</td>
<td>$209,600.00</td>
<td>$228,000.00</td>
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<td>Maintenance &amp; Janitorial labor</td>
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<td>Sub-total In-kind (cash replacement)</td>
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* Over five years, builds up to 150 training days with average of 15 students paying $65/day
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<thead>
<tr>
<th>Item</th>
<th>2007 Budget</th>
<th>Annual Amount</th>
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<td>CEO / Executive Director</td>
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<td>Instructional &amp; Student Services</td>
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<td><strong>Facility</strong></td>
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<td>Janitorial &amp; Maintenance*</td>
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<td>$46,460.00</td>
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<td>Fringe Benefits</td>
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<td>Supplies</td>
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<td>Trainers</td>
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<td>Communications*</td>
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* Assumes 3% annual increase in salary costs for program personnel and other costs
## Facility Operations & Maintenance

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<tr>
<th>Expense Category</th>
<th>Existing Facility</th>
<th>Facility Operations &amp; Maintenance</th>
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<tr>
<td><strong>Utility Expense</strong></td>
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<tr>
<td>Electricity</td>
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<tr>
<td>Fuel Oil</td>
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<td>$-</td>
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<tr>
<td>Water &amp; Sewer</td>
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<td>$-</td>
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<tr>
<td><strong>Utility Subtotal</strong></td>
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<td><strong>Materials and Equipment Expense</strong></td>
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<tr>
<td>Maintenance &amp; Repair Materials</td>
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<td>$-</td>
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<td>Custodial Materials</td>
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<td>$-</td>
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<td><strong>Materials &amp; Equipment Subtotal</strong></td>
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<td>Building Insurance</td>
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<td>Liability Insurance</td>
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<td><strong>Repair &amp; Replacement Reserve</strong></td>
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<td>Facility</td>
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<tr>
<td>Equipment &amp; Furnishings</td>
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<tr>
<td><strong>Subtotal Repair &amp; Replacement Reserve</strong></td>
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<td><strong>Total Expenditures</strong></td>
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<td><strong>Revenues Less Expenditures: Surplus (Deficit)</strong></td>
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* Assumes 5% annual increase in costs
## Goals and Measures

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<tr>
<th>GOAL</th>
<th>STRATEGY</th>
<th>MEASURES</th>
<th>TARGET DATE</th>
<th>STAFF RESPONSIBLE</th>
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</thead>
<tbody>
<tr>
<td><strong>GOAL 1: Build sustainable annual revenue streams that include earned income.</strong></td>
<td>Secure five year contribution commitments from local agencies and industry partners.</td>
<td>Meet targets identified in five-year budget. FY2009: $95K from regional organizations</td>
<td>June 2009</td>
<td>Executive Director</td>
</tr>
<tr>
<td></td>
<td>Secure stable, ongoing funding from the State of Alaska, working with other workforce development centers, the Department of Labor and Workforce Development and the Governor’s Office.</td>
<td>Meet targets identified in five-year budget. FY2009: $100K in addition to TVEP funding.</td>
<td>June 2009</td>
<td>Executive Director</td>
</tr>
<tr>
<td></td>
<td>Increase number of training days and secure tuition from students or scholarships.</td>
<td>Meet targets identified in five-year budget with 150 training days by FY2014, with students paying tuition.</td>
<td>June 2009 through June 2014</td>
<td>Instructional Operations Manager</td>
</tr>
<tr>
<td></td>
<td>Maintain operating reserve account and increase reserves over time.</td>
<td>Meet or exceed targets identified in cash flow analysis: $80K in beginning balance funds for FY09.</td>
<td>June 2009</td>
<td>Executive Director and SAVEC Staff</td>
</tr>
<tr>
<td><strong>GOAL 2: Increase Training Partnerships and Collaborations with industry and other partners to increase programs and services capacity.</strong></td>
<td>Develop programs that draw students from a statewide catchment area and that are aligned with industry needs and employment opportunities.</td>
<td>Students come from increasingly diverse parts of the state, as demonstrated by a review of student records.</td>
<td>June 2009, and on an annual basis, thereafter. Once a baseline has been established, annual targets will be set.</td>
<td>Instructional Operations Manager</td>
</tr>
<tr>
<td></td>
<td>Increase partnerships with school districts to develop career pathways for high school students.</td>
<td>Signed MOU with at least one school district by end of 2009 that outlines roles and responsibilities for Career &amp; Technical Education programs.</td>
<td>June 2009</td>
<td>Executive Director and Instructional Operations Manager</td>
</tr>
<tr>
<td></td>
<td>Develop a database of SAVEC’s students’ certifications within the region to link students with industry needs.</td>
<td>Compiled and consistently updated database of past students created by end of 2009. Add capacity to SAVEC website to advertise job opportunities. Actively connecting students with job openings by end of 2009.</td>
<td>June 2009</td>
<td>Administrative Assistant and Instructional Operations Manager</td>
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<td>GOAL</td>
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<td>Provide on-site trainings in area villages.</td>
<td>Provide at least one training delivered on-site in a village by the end of 2009 depending upon program funding.</td>
<td>June 2009</td>
<td>Instructional Operations Manager</td>
</tr>
<tr>
<td></td>
<td>Establish and promote the Southwest Alaska Regional Industry Council.</td>
<td>Convene council and hold introductory meeting – establish regular meeting schedule by end of June 2008.</td>
<td>June 2008</td>
<td>Executive Director</td>
</tr>
</tbody>
</table>

**GOAL 3: Respond to the training needs of target industries.**

<p>| Fisheries: Work with Bristol Bay Economic Development Corporation to provide training linked to industry opportunities. | Establish a MOU and work plan to direct training in fisheries-related industries. Provide at least one training by June 2009. | June 2009 | Executive Director and Instructional Operations Manager |
| Construction Industry: Work with Housing and Construction Labor Unions: Work with Alaska Works to develop additional training programs (i.e. Electrical, CDL, Advanced Heavy Equipment, Drivers Education, Construction Supervision, etc.). | Offer at least one new training per year starting March 2008. | March 2008 | Executive Director and Instructional Operations Manager |
| Oil, Gas, &amp; Minerals: Work with MAPPS-UAA, UAF-Bristol Bay, APICC, and Industry to provide training linked to the oil, gas, and mining fields. | Offer at least one training per year starting with March 2008. | March 2008 | Executive Director and Instructional Operations Manager |
| Health Care: Work with UAF-Bristol Bay Campus, Bristol Bay Area Health Corporation, local school districts, and Bristol Bay Native Association to provide in-region trainings for healthcare, education and social services related jobs. | Offer at least one training per year starting with April 2008. | April 2008 | Executive Director and Instructional Operations Manager |
| Entrepreneurial Opportunities – Native Corporations: Work with Native Corporations/Associations and UAF-Bristol Bay Campus to establish entrepreneurial training opportunities. | Offer at least two trainings per year starting with April 2009. | April 2009 | Executive Director and Instructional Operations Manager |</p>
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<tr>
<th>GOAL</th>
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<td></td>
<td>Tourism: Work closely with lodge owners, UAF-Bristol Bay Campus, and guiding companies to understand training needs for jobs available and tailor courses accordingly.</td>
<td>Offer at least one training per year starting February 2009.</td>
<td>February 2009</td>
<td>Executive Director and Instructional Operations Manager.</td>
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<td></td>
<td>Aviation: Work closely with aviation industry and UAF-Bristol Bay Campus to develop course offerings.</td>
<td>Offer at least one training per year.</td>
<td>March 2010</td>
<td>Executive Director and Instructional Operations Manager.</td>
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<td></td>
<td>University of Alaska: Establish an MOU that establishes strong, well-defined partnership to utilize SAVEC’s facilities, connections and partners to enable UA to have a meaningful impact in the region for vocational education; and, to all SAVEC to gain some economy of scale in outreach to students by utilizing the UA’s system for course registration and outreach.</td>
<td>Develop MOU and obtain signatures from appropriate administrators.</td>
<td>May 2009</td>
<td>Executive Director</td>
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<td></td>
<td>Regional Organizations &amp; Industry: Work with major employers to better understand the training needs for jobs available from their organizations and tailor trainings to meet those needs.</td>
<td>Meet with a minimum of four organizations/Industry per year to better understand training needs.</td>
<td>May 2009</td>
<td>Executive Director</td>
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<td></td>
<td>Rural Communities: Provide technical training on-site in villages when possible (funding).</td>
<td>Seek stable state funding that allows SAVEC to offer training in the villages.</td>
<td>January 2008</td>
<td>Executive Director</td>
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<td></td>
<td>State of Alaska: Work with the State administration, legislature and departments, in cooperation with other vocational centers, to secure stable funding to vocational centers around the state.</td>
<td>Seek stable state funding each year from the Alaska Legislature, Department of Labor, and work in partnership with other vocational centers through AGIA state efforts.</td>
<td>January 2008</td>
<td>Executive Director</td>
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**GOAL 4: Market SAVEC courses statewide**

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</thead>
<tbody>
<tr>
<td>Create a brand for SAVEC to increase recognition and support from both industry partners and prospective students.</td>
<td>Develop a logo and tag line by June 2009.</td>
<td>June 2009</td>
<td>Executive Director</td>
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<tr>
<td>GOAL</td>
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<td>Update and expand SAVEC website and to include on-line registration.</td>
<td>Course calendar and descriptions are on line by December 2008.</td>
<td>December 2008</td>
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<td></td>
<td>Market SAVEC partnerships – UA, school districts and labor unions.</td>
<td>SAVEC website is linked to at least five other relevant sites by December 2008.</td>
<td>December 2008</td>
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**GOAL 5: Maintain and Expand Human Resources**

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<tr>
<th>STRATEGY</th>
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<tbody>
<tr>
<td>Maintain all existing personnel</td>
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<td>July 2008</td>
<td>Executive Director</td>
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<tr>
<td>Expand staff to add a Fund Development Manager and a Community and Industry Outreach worker.</td>
<td>Add two positions by FY2010 as funding targets are met.</td>
<td>June 2010</td>
<td>Executive Director</td>
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**GOAL 6: Implement and Maintain High Quality Program Standards**

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<tbody>
<tr>
<td>Maintain 85% job placement rate.</td>
<td>Database of students and employment status to annually survey students.</td>
<td>December 2009 and annually thereafter</td>
<td>Instructional Operations Manager</td>
</tr>
<tr>
<td>Retain 85% of students in trainings.</td>
<td>Course evaluation forms</td>
<td>December 2009 and annually thereafter</td>
<td>Instructional Operations Manager</td>
</tr>
<tr>
<td>Maintain an 85% student course satisfaction rating.</td>
<td>Course evaluation forms</td>
<td>December 2009 and annually thereafter</td>
<td>Instructional Operations Manager</td>
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