

**Vocational Training
&
Resource Center (VTRC)**

**Ha Kaak Hás Ka Hidi
(Our Uncles' House)**

2008 Business Plan

February 25, 2008

Mission

Based on the economic development and employment needs that exist within the region, the Vocational Training and Resource Center will provide opportunities for training and career advancement through quality postsecondary academic and vocational education.

'08 VTRC Business Plan-Objectives

- Increase sales of \$400,000 in 2008
- Obtain net income more than 30% of sales by the third quarter
- In February of 2008, per the direction of the President of the Central Council, a \$300,000 MOA will be constructed between the VTRC and E&T (using E&T 477 funding) to conduct training programs of: literacy (math, reading, writing), "Fast Forward," (i.e., comprehensive language program), and assessments of tribal members to transpire in the next five months to the end of the year. These training programs are to be housed at the VTRC, utilizing two separate rooms.
- In January of 2008, per the direction of the President of the Central Council, E&T transferred \$150,000 to the VTRC deferred revenue account (using E&T 477 funding) for the payment of tuition costs of eligible tribal trainees to take classes of: CDL Class A or B, Hazmat, Flagging, Carpentry and Boiler/Furnace Repair.
- Based upon the \$150,000 received from E&T for VTRC training courses, \$30,000 has been obligated within the deferred revenue account specifically for the purchase of a dual-axel, second-hand tractor (CDL Class A & B truck). Repair costs of our old tractor used for our CDL classes have contributed to '07 deficit costs that need to be curbed. Also, safety operations of this old piece of equipment are of major concern. Second to our computer classes, the CDL training programs are our next highest revenue generator.
- Eliminate television advertisement costs in lieu of advertisement in the Capital City Weekly for the recruitment of trainees to the programs of hazmat, flagging, CDL class A & B, boiler/furnace repair and carpentry.

- Make a decision by April of 2008 if the NCCER carpentry training program should be continued.
- Plan for the implementation of cultural classes (i.e. carving, weaving, jewelry making, NW coast form-line design) in the space of the NCCER (i.e. ANNEX) carpentry building.

Areas of Primary Focus

- Develop mobile training opportunities (i.e. CDL A&B and “CDL Train-the-Trainer,” carpentry courses and computer classes in SE villages (i.e. Craig, Klawock, Kake, Angoon, and Hoonah).
- Work on the development of a distance education program through the pursuit of grant funding that could incorporate training programs described above.
- Develop enrollment/MOU agreements with those villages that request on-site training that pays travel, per diem and instructor costs.
- Work towards increasing our abilities of class advertisement through emails, website blasts, notifications and mail-outs.
- Of major critical importance to the success of the VTRC is the addition of a Training Coordinator position to assist in developing new courses to expand locally and throughout the region, in the following areas:
 1. Research training priorities and needs of CCTHITA, employers, Native corporations, health organizations, etc.
 2. Coordinate with CCTHITA in-house departments for the obligation of staff attendance to training courses developed specifically for them.
 3. Identify competition to reduce duplication.
 4. Identify sustaining features and strengths of the VTRC in: construction, CDL, Computer Skills and compile course evaluations to determine if changes are necessary.

5. Develop a marketing strategy with: State of Alaska, CBJ, Local Unions and other Contractors.
6. Develop a Distance Education Training Program via the internet.
7. Meet with IRA Tribes to develop training courses for employment within respective communities.
8. Identify and apply for additional funding resources for training programs of the VTRC.

Market Strategy

- Our primary marketing strategy will continue to focus on the Central Council tribal members. Our secondary market is the general public. Our third market will be Native organizations, both local and regional.
- Advertisements; emails, mail-outs to former and current students, faxes, distributions of flyers and brochures and selective ads will be in place in instances where no other means are available to entice our customers. Local radio will be pursued for cost benefits; classified ads will also be researched as potential means of recruitment.
- Incentives will be offered within the computer classes consisting of drawings, sale coupons and prizes.
- Networks and partnerships will be established with both state, tribal entities and possible the UAS.

Target Market Segment Strategy

- Native population/CCTHITA
- State of Alaska (the biggest employer in Juneau)
- The City and Borough of Juneau
- Local Union Halls
- Rotary and Chamber of Commerce organizations
- National Seminars

Market Segmentation

- Past and current students who have taken our vocational courses and computer classes, and rental vendors who have rented rooms from the VTRC. Our main marketing vehicle will be our 2008 VTRC Catalogue, which will drive a direct mail/telemarketing and faxing campaign. We will supplement the mailings with emails and selective print advertisements, coupled with special class promotions (offering discounts, and an internet presence).
- The general public customers will continue to be advertised through the Capital City Weekly, flyer advertisement, Central Council email notices/website, word-of-mouth, job fairs, Rotary Club, State and Federal agencies and employer presentations.

Service Business Analysis

- The VTRC's service market is vocational, computer training and rentals. Some identified competitors in these areas include: Alaska Vocational Technical Institute (offers free carpentry training), UAS, Juneau Centennial Hall, Career Path, Juneau Economic Development Center and Southeast Regional Resource Center (offers free computer classes and training).
- The one major overriding factor that distinguishes our facility and services from any of our competitors: The VTRC is the only regional training center of its kind in SE Alaska!
- Our main selling point that makes us also unique as to why we feel customers would choose our center for training classes, computer courses, and rentals: This building is spit polished to a Marine Corp standard, prompting many compliments from the general public on its appearance, resulting in the return of many of our rental vendors. Also, in addition, our high quality of customer service provided by our VTRC staff is rated as one of the best in Juneau. Last, we offer cutting edge computer instruction (i.e. Mr. Kevin Araki receives consistent high to excellent evaluation ratings from everyone who attends his computer classes), and the highest quality of updated computer software and equipment.

- Other selling points include:
 1. Pricing sensitivity
 2. Competitive costs
 3. Accessible location
 4. Restaurant located within the VTRC
 5. High quality vocational instructors
 6. Unique cultural ambiance relative to the culture of this region
 7. Wide variety of class offerings
 8. Availability of instructional/teaching/meeting equipment included within our rental costs
 9. Availability of coffee, tea, cups, creams, sugar and other amenities included in our rental costs
 10. Access to Customized Courses based upon client stated requests or needs
 11. Accredited and Certified classes (some of which are on the State of Alaska Providers List)

VTRC Certified/Accredited Classes

CDL A & B:

- Commercial Driver's License (CDL) Class A
- Flagger certification
- 40 hour Hazwoper
- 8 hours Hazwoper refresher
- W/optional Passenger & Hazmat endorsement

CDL Class A & B refreshers are also available based upon an hourly fee + tuition.

Construction/Carpentry (NCCER/National Center for Construction, Education and Research)

- Introductory skills for a Crew Leader
- NCCER building trades/core curriculum
- NCCER carpentry level 1 w/core curriculum
- NCCER carpentry level 2 & 3
- Project supervision

Boiler & Warm Air Units Maintenance & Troubleshooting

- Oil burner troubleshooting
- Advanced oil burner troubleshooting
- NORA Silver certification
- NORA gold certification
- Introductory and advanced heating, ventilation and air conditioning (HVAC)

VTRC 2001-2007 Student Count

Class Count ~ 2001-2007

	Juneau	Other	Other S.E.	Total Classes
Arts	11	0	0	11
Business Skills	359	1	44	404
Commercial Drivers License	67	0	33	100
Computer Information Sciences	3905	16	298	4219
Construction Skills	26	0	28	54
Customer Service, Relations and Support	142	0	9	151
Flagger Skills	252	3	119	374
Health, Medicine, CPR/First Aid	34	0	1	35
Heating, Ventilation, & Air Conditioning	17	3	7	27
Hazardous Waste Opportunities	56	4	30	90
Life, Employment & Job Readiness Skills	25	0	17	42
Maintenance and Repair	8	0	3	11
Management Training and Support	135	0	9	144
Native Culture	0	0	1	1
Office Skills	120	0	16	136
Oil, Heat Furnace Maintenance	162	9	97	268
Miscellaneous Seminars	45	0	9	54
Water Control and Maintenance	12	2	10	24
Writing Skills	15	0	0	15
Total Students	5391	38	731	6160

Dental Assistant - 3 graduates

Total 6163 VTRC students served

VTRC Room Rental Information

In February of 2008 the President's office issued a policy statement that the CCTHITA departments' would no longer be required to pay room rent for the use of VTRC rooms, due to the National Business Council's (NBC) funding rule that government indirect funds cannot be used twice for payment of a direct cost (i.e. double-dipping).

The CCTHITA pays for the indirect costs of the VTRC from an Indirect-Cost Pool contributed to by all the CCTHITA departments. This decision, albeit consistent with the NBC rule, will dramatically affect the room rent revenue received from CCTHITA these past 9 years, contributing to the loss statement at the end of the year.

- Rooms for all needs
 - Multi-purpose use
 - Conferences
 - Seminars/workshops
 - Classes
 - Computer custom classroom

- Fully equipped rooms
 - Cable-ready internet access floor plugs
 - Large dry-erase boards
 - Automatic projector screens

- Equipment available
 - P.A. system (in auditorium only)
 - PowerPoint sound system
 - Overhead projector
 - Television
 - DVD/CD
 - VCR
 - Cassette deck
 - Easel
 - Flip chart paper
 - Multimedia projector
 - Microphone/sound systems
 - Microphone hearing aids for the hearing impaired

- Faxes
 - Photocopying
 - Mobile 16-table-top microphones
 - Conference calling phones
 - Lap-top computers
- Amenities
 - Cups, coffee, tea, cream, paper towels
- Training Rooms Available
 - Naa Tláa (Clan Mother) Computer Lab (900 square feet with 15 computer stations)
 - Naa Shuhani (Head of Clan), a.k.a., Incubator Room (740 square feet for meetings or classroom instruction (seats up to 40))
 - Hit S'aati (House Master) a.k.a., Auditorium (1650 square feet with a full sound system, that seats up to a 100). This room can be rented either full or half (front half 830 square feet, 790 square feet in back half).
 - Haa Yátx'i (Our Children) First Floor Back Room (968 square feet for meetings or classroom instruction (seats up to 40 with chairs only or 22 in classroom style).

Personnel Plan

This plan consists of the following administration:

1. Archie Cavanaugh, VTRC Director/Higher Education Manager/JOM Supervisor/Spring King Salmon Derby Director
2. Marilynn Torgerson, VTRC Administrative Assistant
3. Leslie Isturis, Higher Education Specialist/Spring King Salmon Derby Coordinator

4. Tana Bell, Higher Education Clerk II/Spring King Salmon Derby Assistant
5. Kevin Araki, Computer Instructor
6. Elias Duran, NCCER Carpentry Instructor
7. Phyllis Carlson, JOM Manager
8. Dody Miyasato, Accounting Technician
9. Thomas Skeek, VTRC Custodian

Financial Plan

Of the 10 years of its operations the VTRC experienced seven years of profitability. If, during the opening of this facility in 1998, a loan amount of \$89,000 was not attached to the VTRC to pay off through its earned revenue, this facility would have been profitable nine out of its ten year's of operations.

To prevent any future potential of a deficit, the most important element in the financial plan will be the crucial need for improving several of the key factors that impact cash flow:

1. We must look at more economical ways of advertising our classes to cut advertisement expenses.
2. In order to make our financial forecasts we must monitor our revenues and expenses per class summary reports from the VTRC Accounting Technician.
3. Monthly accounting comparisons of budget vs. actuals will be reviewed allowing costs to be tracked often and accurately.
4. Financial growth is highly dependent upon the marketing strategy. Attention will be given to the seasonality (summer month class downturns).
5. Decisions relative to losses and expenses will be called to attention immediately. Diverting deficit potentials will be addressed through a decision making process with the President of the Central Council

6. Try to obtain Presidential approval for the mandatory attendance of CCTHITA staff to take no less than two (2) computer classes per year, (not based upon COLA requirements), but simply as a requirement that would benefit our tribal employees in the area of advancing computer technology skills. This would contribute to the Tribe's overall workplace competency and insure employability competitiveness in the general public.
7. Try and obtain Presidential approval for the mandatory attendance of professional writing classes, and other pertinent professional advancement courses that the VTRC offers.

2007 Deficit Explanation

During 2007, a NCCER carpentry instructor was hired that did not generate student attendance for nearly a year, contributing excessively to the deficit in '07. The '07 budget is attached to show deficit line items attributed to the deficit of \$110,454.38. The decision for not diverting this deficit earlier in the year was related to the following reasons:



1. It took us several months to attain NCCER (National Center for Construction and Educational Research) national accreditation status of our carpentry instructor. We did not want to lose this accreditation status, giving way to hopeful student attendance and tuition assistance from E&T;
2. We spent nearly \$36,000 in renovation costs of the ANNEX facility (located next to the Edward K. Thomas building), that served as our carpentry training class.
3. We spent approximately \$13,000 on carpentry tools to equip the carpentry training class.
4. We believed this type of carpentry training was needed for our region.
5. I was informed, during the month of December of '06, that E&T (via Ozzie Sheakley, E&T Specialist II) had 50 students signed up for our carpentry classes, but could not be fund them at that time due to the federal withholding of E&T 477 funds. I was also informed that these federal funds would be forthcoming based upon the lifting of "continuing resolution" funding delays.

6. When these funds were finally received by E&T, approximately during the month of March of '07, the construction season had begun, reducing the potential attendance of carpentry students to our class.
7. Also, the applications we requested for the 50 E&T students that we were told were signed up to attend our carpentry class were found not to exist.

VTRC 2007 Enterprise Revenue & Expense Budget

<i>VTRC Enterprise 1500-00</i>					
REVENUE AND EXPENSE REPORT					
<i>Budget Period 1/1/07 - 12/31/07</i>					
<i>Expense Period through 12/31/07</i>					
<u>Name</u>	<u>Total Budget</u>	<u>YTD Budget</u>	<u>Total Encumbrance</u>	<u>YTD Actual</u>	<u>Total Available</u>
Revenue					
Revenue				\$220,980.67	
Rent Revenue				65,453.55	
Subtotal				286,434.22	
Personnel					
Direct Labor	216,249.00	216,249.00		221,085.96	(4,836.96)
Taxes/Benefits	64,875.00	64,875.00		71,551.09	(6,676.09)
Subtotal	281,124.00	281,124.00		292,637.05	(11,513.05)
Operating Expenses					
Travel Business	2,601.00	2,601.00		5,131.94	(2,530.94)
Travel Training	2,000.00	2,000.00		100.00	1,900.00
Professional Services	12,000.00	12,000.00		13,693.80	(1,693.80)
Office Support	34,000.00	34,000.00		14,873.75	19,126.25
Business Support	18,300.00	18,300.00		35,519.31	(17,219.31)
Facility Expenses	8,200.00	8,200.00		1,147.58	7,052.42
Transportation	11,500.00	11,500.00		12,600.75	(1,100.75)
Other	15,500.00	15,500.00		21,184.42	(5,684.42)
Total Operating Expenses	104,101.00	104,101.00		104,251.55	(150.55)
Total Administrative Expense	385,225.00	385,225.00		396,888.60	(11,663.60)
Net Profit (Loss)				(110,454.38)	

2008 VTRC Enterprise Budget

		TLINGIT HAIDA CENTRAL COUNCIL					
PROGRAM BUDGET FORMAT							
2008							
Program Name: VTRC Enterprise			Fund No: 01500				
Funding Agency: VTRC Enterprise							
Contact Person: Archie Cavanaugh			Budget Dates: 1/1/08 to 12/31/08				
Budget Prepared By: Archie Cavanaugh			Date Prepared: 3/3/2008				
Fund Manager Signature:							
Item No.	Item Description	On Site Amount	Off Site Amount	Item No.	Item Description	On Site Amount	Off Site Amount
PERSONNEL SERVICES				CAPITAL OUTLAY			
5000	Direct Labor	\$184,019		5500	Minor Equipment		
5050	Fringe Benefits	\$55,206		Category Subtotal			
Category Subtotal		\$239,224		Running Total		\$353,775	
Running Total		\$239,224		GRANT DISTRIBUTIONS			
PROGRAM TRAVEL				6xxx Awards Amount			
5100	Travel Business	\$3,351		Category Subtotal			
Category Subtotal		\$3,351		Running Total		\$353,775	
Running Total		\$242,575		INDIRECT			
TRAINING				Direct (base)			
5150	Travel Training	\$100		CY 2008 Indirect Rates			15.84%
Category Subtotal		\$100		Base Indirect			
Running Total		\$242,675		Capital Base			
5122 Travel/POV				Capital Rate			
		\$200		Capital Indirect			
5200	Consulting	\$13,000		Category Subtotal			
5300	Office Supplies	\$9,500		PERSONNEL SERVICES		\$239,224	
5301	Printing	\$2,000		PROGRAM TRAVEL		\$3,351	
5304	Classroom Supplies	\$5,500		TRAINING		\$100	
5401	Advertising	\$21,600		MATERIALS AND SERVICES		\$111,100	
5402	Crdt Card Fees	\$4,500		CAPITAL OUTLAY			
5403	Dues/Membership Fees	\$1,300		GRANT DISTRIBUTIONS			
5406	Insurance & Bonding	\$6,800		Total Direct		\$353,775	
5501	Computers	\$6,000		Total Indirect			
5603	Telephone	\$1,200					
5691	Vehicle Maintenance	\$6,700					
5692	Vehicle Operation	\$5,800					
5920	Miscellaneous	\$27,000					
Category Subtotal		\$111,100					
Running Total		\$353,775					

Form revision: 1/28/08 GP

Grant Opportunities

- Three separate federal grant proposals for fiscal year 2009 were submitted respectively, on 2/14/08, to: Senator Stevens, Representative Don Young and Senator Murkowski.
- Each proposal amount was for \$1,409,364 per year x 3 years.
- These proposals are titled, the “Alaska Comprehensive Training Program “(ACT). The funding goal is to: address unemployment and work skill deficiencies in SE Alaska by delivering training directly to remote SE communities. Over a three-year period the program will train a total of 1,000 individuals in 20 communities of the region in the areas of:
 - Tribal citizens: Placement assessment (adult basic education), Fast Forward (comprehensive language program), basic literacy (reading, writing and math), life skills, and development of Individual Education Plans (IEP’s)
 - IRA tribal employees: Basic and advanced computer skills, accounting/bookkeeping fundamentals, budgeting, grant writing, grant management, cultural customer service, and Robert’s Rules of Order.
 - ANCSA Corporation Employees: Public relations, business communications, public speaking, office management, time management, accounting and bookkeeping, advanced computer skills (Web Design and PowerPoint), fundamentals of business development, and basic economic principals.

The method of approach included: three or more mobile classrooms (i.e., buses) with computers, printers, projectors and other necessities, traveling via the Alaska Marine Highway System to remote communities of the region to conduct training.

We also planned to use a synchronized system of content deliver (teleconferencing and low bandwidth internet collaboration tools) for our classes. This approach would allow us to cut costs on travel and make training accessible to all resident of SE Alaska.



Archie Cavanaugh

To: Dorianne Miyasato

Subject: RE: 2008 VTRC 1500 as of June.xls

VTRC Enterprise 1500-00
REVENUE AND EXPENSE REPORT
 Budget Period 1/1/08 - 12/31/08
 Expense Period though 06/30/08

<u>Name</u>	<u>Total Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Total Available</u>	<u>% of Total Budget Spent</u>
Revenue					
Revenue			92558.35		
Rent Revenue			27839.72		
Open Invoices			33521.00		
Amount to be Journal			<u>30000.00</u>		
Subtotal			183919.07		
Personnel					
Direct Labor	262552.00	131274.00	66721.71	195830.29	25.41%
Taxes/Benefits	<u>73582.00</u>	<u>36786.00</u>	<u>23358.49</u>	<u>50223.51</u>	<u>31.74%</u>
Subtotal	336134.00	168060.00	90080.20	246053.80	26.80%
Operating Expenses					
Travel Business	3551.00	1770.00	2679.82	871.18	75.47%
Travel Training	100.00	48.00	42.00	58.00	42.00%
Professional Services	13000.00	6498.00	8000.00	5000.00	61.54%
Office Support	17000.00	8490.00	8388.96	8611.04	49.35%
Business Support	34200.00	17094.00	9212.00	24988.00	26.94%
Controlled Property	6000.00	3000.00	27000.00	(21000.00)	450.00
Facility Expense	1200.00	600.00	169.00	1031.00	14.08%
Transportation	12500.00	6246.00	13825.61	(1325.61)	110.60%
Other	<u>27000.00</u>	<u>13500.00</u>	<u>7713.54</u>	<u>19286.46</u>	<u>28.57%</u>
Total Operating Expense	<u>114551.00</u>	<u>57246.00</u>	<u>77030.93</u>	<u>37520.07</u>	<u>67.25%</u>
Total Admin Expense	450685.00	225306.00	167111.13	283573.87	37.08%
Net Profit (Loss)			16807.94		

6/5/2008

