

Program Planning Report
Aviation Flight

| | | | |
|----------------|-------------------------|------------------|----------------|
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| Date Requested | 1/15/2002 | CIP Code 3 | 36.0119 |
| | | OCC Program Code | AVF |
| Status | New Program | | |
| | | Course Code 1 | FLT |
| Program Type | Credit | | |
| | | Course Code 2 | |
| Hyperlink | J:\Advancement\Aviation | | |

Problem Statement

Campus is considering the reactivation of the Aviation Flight program which was recently inactivated on 12-31-01. OCC would offer all ground school courses, while forming an affiliation agreement with Trade Winds to provide actual Flight school training. There is a relatively high level of uncertainty concerning the viability of such a program given current economic and geopolitical conditions. Furthermore, a well defined target market needs to be identified.

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1. Student Interest: To what extent is there evidence that people in the community have an expressed interest in this area?

Negative Traits

Weak

Little to no evidence

Anecdotal

Positive Traits

Sources

Competitor's enrollment

Advisory Committee

Enrollment

Analysis

Credit hour generation in OCC FLT courses has remained relatively stable over the past five years (1997-98 through 2001-02), averaging approximately 300 credit hours per year. Moreover, there has been a 65% decline in FLT credit hours over the past ten years. According to the FAA the number of student pilots has steadily declined since the events of September 11, 2001. Area flight school owners have also noted a decline in student enrollment. Only one-third have seen an increase in enrollment since September 11, 2001. Most students are seeking private pilot, commercial and instrument training. The majority of (57%) Trade Winds are students seeking private pilot training. Between May 2002 and April 2003 Trade Winds had 155 students in a wide variety of courses/training.

Rating

Date Last Modified 7/1/2003

Factor Target Market

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2. Student Target Market: Exactly for whom is the program designed? To what extent can this population of potential students be clearly defined?

Negative Traits

Lack of information on target population
Difficult to identify
Unclear
Limited

Positive Traits

Within OCC's regional market

Sources

Student profile

In-class survey

Advisory Committee

Analysis

OCC FLT students are mostly male (75%), with 60% age 25 and older, and one-third over the age of 35. Seventy-eight percent are non-minority. Note: this data also includes students who are enrolled in the college's Aviation Management program. Trade Winds students are nearly all (99%) male, with an average age of 37.

Rating

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Factor Target Market

- Don't know if 9/11 affected hobbyists. Not likely which may ↑ target potential to this group + ↓ need for assoc. degree for these students

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3. Student Market Size: How large is each target market within OCC's regional market? Roughly how many people are in each target market?

Negative Traits

Small

Unable to determine

First need to define target market

Positive Traits

Sources

Competitor analysis

Enrollment and degree trends

Socio demographic data

Analysis

Although the population of males in their mid 30's to late 40's is large, the number who seek to learn to fly and who can afford the expense is much lower. Furthermore, those who also seek an Associate's degree is even smaller.

Rating

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Factor Target Market

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4. Student Target Market Growth Rate: TO what extent are each of the target markets growing in OCC's regional market? How large will each target market be in the future?

Negative Traits
Slow

Positive Traits

Sources
Socio demographic data
Industry Reports

Analysis

Given the relatively high cost of learning to fly (flight time), it is doubtful that there is or will be a high demand for this program. Furthermore, wide-spread industry lay-offs have created an ample number of qualified pilots to fill current and near-term demand.

Rating

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Factor Target Market

*still may be need
among hobbyists*

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5. Student Skill, Knowledge and Credential Gained: Exactly what will the student learn, gain from taking courses in the program? To what extent is this knowledge durable, portable, transferable and/or certified through a formal award?

Negative Traits

Positive Traits
Durable
Beyond investment

Sources
Accreditation
Labor market analysis
Industry studies

Analysis

Industry values the FAA certificate/license before the OCC Degree. An Associates Degree may be of value to those seeking a career as a pilot and/or in the aviation industry. The degree is of less value to those seeking to be private or recreational pilots. !

Rating

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Factor Benefit to Student

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6. Student Flexibility, Convenience: To what extent will students have the ability to take courses that fit their life styles? Will the sequencing of courses optimize student flexibility?

Negative Traits
Little flexibility
Restrictive

Positive Traits

Sources
Course descriptions
Faculty

+ current

Analysis

Courses are highly regulated by the FAA. Given an anticipated low enrollment level, it may be difficult to offer multiple sections of courses throughout the year. Students will also need to schedule flight time which is dependent upon the availability of flight instructors and planes.

Rating

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Factor Benefit to Student

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7. Student Financial Commitment: What financial burden is placed on the student? Will the student encounter other non-tuition related expenses e.g. fees, loss of income, etc.?

Negative Traits

High cost given other opportunities
High personal cost
Major commitment
Not affordable

Positive Traits

Sources

Labor Market study
Advancement
Faculty

Analysis

Ground school courses are affordable (basic OCC tuition). Some courses require a lab fee e.g. simulation courses. However, the high cost is associated with flight time/training e.g. plane rental and fuel. Students would have access to Trade Winds simulation trainer, but at a higher cost than OCC's equipment.

Rating

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Factor Benefit to Student

↓
again, toward
graded toward
noblyists with
lots of \$

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8. Student Barriers to Entering the Program: Must the student meet unique standards before entering the program, beyond normal? Will the student have to reach a given level of knowledge, experience, before entering the program?

| Negative Traits | Positive Traits | Sources |
|-----------------------------------|---------------------------------|---------------|
| Must meet additional requirements | Immediate entry available | Faculty |
| | No restrictions outside of norm | Accreditation |

Analysis

There are no specific requirements in order to enroll in ground school courses. However, students must pass a medical examination before their first solo flight (associated with flight training). There are three different "Medical" ratings depending on the type of pilot license/rating. This further restricts the potential pool of students for the program.

Rating
Date Last Modified 7/1/2003
Factor Benefit to Student

NS: review medical ratings - appendix

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9. College Degree of Control: To what extent will the College have the ability to modify the program and control its content, delivery, and on-going operation?

Negative Traits

Dictated by external agencies
Little flexibility

Positive Traits

Moderate Control

Sources

Faculty
Advisory Committee

Analysis

Course content is highly regulated by FAA standards. Courses prepare students to begin flight training and qualify to take the appropriate FAA license exam. However, the College has some flexibility in determining course content. Since OCC does not need to be FAA certified, there are less restrictions.

Rating

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Factor College Flexibility

- Why doesn't OCC want FAA certification

only colleges are CCC, WMA &
North Me U.

- however 2 FAA-flight schools
in Pontiac

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10. College Responsiveness, Ability to Adapt to Changing Market: : To what extent will the College have the ability to modify the program given changing economic, technological, labor market and social changes?

Negative Traits

Positive Traits
Willing to change

Sources
Accreditation
Faculty

Analysis

Those courses that are not equipment intensive can be modified as necessary. Courses that require large capital outlay may be more difficult to revise depending on availability of resources. Governmental regulations in an era of tighter security have the potential of impacting course offerings and their content. Changes in flight school requirements may also impact the need to modify OCC course offerings and content.

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Factor College Flexibility

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11. College Exit Mechanism: To what extent will internal and/or external forces hinder the College's ability to discontinue the program?

Negative Traits
Undefined benchmarks
Illiquid investment

Positive Traits
Few internal issues

Sources
Advancement
Faculty

Analysis

Currently, there are no full-time faculty in the program. The College does own simulation equipment that may be difficult to liquidate.

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Factor College Flexibility

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12. College Location and Method of Delivery: To what extent can courses be offered at multiple locations, in modular format, electronically, as well as in a variety of settings?

Negative Traits

Few options

Single location

Low percentage of courses can be

Positive Traits

Easy to revise

Sources

Course descriptions

Faculty

Analysis

Highland Lakes is located near the Oakland International Airport. However, given equipment requirements in some courses they can not be offered at other OCC sites. However, other courses could be offered elsewhere.

Rating

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Factor Competition

Program Planning Report
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13. College Barriers to Entering the Market: To what extent are there legal or accrediting issues confronting the College in order to establish the program?

Negative Traits

No proprietary protection

Many other providers

Positive Traits

High acceptance of community college

Sources

Competitor analysis

Faculty

Analysis

A major barrier will be overcome with an affiliation agreement with Trade Winds. Trade Winds provides a highly insured flight school as well as their reputation. However, reliance on only one flight school could jeopardize the program in the long run.

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Factor College Flexibility

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14. College Contacts and Networks: To what extent is the College plugged into appropriate business networks? What is the quality of these contacts?

Negative Traits
Limited
Undefined

Positive Traits
Accessible
High quality

Sources
Advisory Committee
Advancement

Analysis

Trade Winds is a respected organization and is a strong supporter of OCC. Although they are unlikely to refer their students to OCC students (at a higher fee than what is paid at OCC), they are willing to provide their flight simulation equipment to OCC students. OCC will have the opportunity to jointly market our program with Trade Winds. However, the program will be reliant on only one flight school which could cause problems in the long run.

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Factor Competition

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15. College Marketing Strategy: Are there existing venues for marketing the program? Are these venues affordable, accessible, and appropriate? Is the program difficult to promote? Does the program require unique or special marketing methods?

Negative Traits
Ineffective
Few resources

Positive Traits
Strong commitment
Ease of entry
Low cost

Sources
Faculty
Advisory Committee

Analysis

OCC will be able to jointly market the program with Trade Winds. In addition, OCC will be able to use Trade Winds name in our marketing materials. There are various trade publications that can be used to market OCC's program. Hence, increasing the likelihood of reaching the desired target market.

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Factor Competition

*- How exactly will affiliation
of Tradewinds work?*

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16. College Supporting Resources: Is there wide-spread support for allocating the necessary resources to develop and sustain the program? Is there a skilled pool of instructors available to teach courses throughout the duration of the program?

Negative Traits
Only for proposer
Weak

Positive Traits
Easy to find instructors

Sources
Faculty

Analysis

There is unlikely to be wide-spread political support within the college to allocate resources to this program. Previous College history with this program and general social perception of the aviation industry is likely to create internal resistance. However, given the affiliation with Trade Winds, OCC costs should be greatly reduced.

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Factor College Resource Commitment

?

where is
cost-benefit
analysis?

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17. College Capital Requirements: What are the short and long term costs associated with developing and maintaining the program?
Are these costs justifiable given other priorities and opportunities?

Negative Traits

High outlay

Funding difficult to obtain

Positive Traits

Infrastructure already exists

Equipment already existing

Sources

Cost analysis

Faculty

Analysis

Current simulators are functional, yet outdated. Students will have access to more modern simulators at Trade Winds (with cost). The affiliation with Trade Winds is essential. The cost of fully developing a flight school is beyond current resource availability.

Rating

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Factor College Resource Commitment

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18. College Return on Investment: Will the program generate sufficient revenue given its cost? How long will it take to reach an acceptable rate of return on investment?

Negative Traits

Uncertain

Little chance of seeing return

More than three years

Slower than competition

Positive Traits

Sources

Cost analysis

Advancement

Analysis

In part this depends on projected enrollment and the need to purchase new equipment. Currently all OCC courses are taught by adjunct faculty. During academic year 2001-02 a total of 320 credit hours were generated in FLT courses. Based on in-district tuition approximately \$16,000 in revenue was generated.

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Factor College Resource Commitment

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19. College Management Team: To what extent is the management team experienced in the program area? How broad based is the management team?

Negative Traits
Solo person
Narrowly based

Positive Traits
Existing

Sources
Advancement

Analysis

The program will be housed within the Business department at the Highland Lakes campus. There are no full-time faculty in the program. The person proposing the reestablishment of the flight program has taught FLT courses at OCC for several years.

Rating

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Factor College Resource Commitment

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20. Industry Need: To what extent is there evidence that industry needs and economically values this program? How broad based is this need? Is this a real and valued need? Is there a clearly defined industry/occupation within Southeast Michigan?

Negative Traits
Questionable
Anecdotal
Low demand

Positive Traits
Easy to obtain contact information

Sources
Labor market analysis
Advisory Committee

Analysis

Larger commercial airlines tend to value college degrees more so than smaller, regional companies. Of primary value is a pilots FAA license and rating. Recent trends suggest that larger airlines are down-sizing, while smaller, regional airlines are accommodating local demand.

Rating

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Factor Industry Demand

Over the past 20 years, 11 airports have closed in SE Michigan. In last 5 years, 2 airports in Oakland City have closed.. Troy Big Beaver + Spencer field in Wixom.

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21. Industry Size: What is the relative size of the targeted industry/occupation in southeast Michigan? Is the size of the targeted industry/occupation sufficient to sustain employment for those who complete all or part of the program?

Negative Traits

Unable to determine job
opportunities

Poorly defined job opportunities

Positive Traits

Sources

Labor market analysis

Analysis

The aviation industry continues to experience difficulties. Wide-spread lay-offs have created a glut of qualified pilots. The extent to which the aviation industry will grow in Southeast Michigan is difficult to estimate. There is no immediate evidence that current demand is going unmet.

Rating

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Factor Industry Demand

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22. Industry Growth Rate: To what extent is each targeted industry/occupation growing in southeast Michigan? What is the expected duration of the current growth rate?

Negative Traits

Stagnant or declining

Slow

Weak

Positive Traits

Sources

Labor market analysis

Advisory Committee

Analysis

There is some evidence that smaller cargo and commercial carriers may grow at a slow pace over the next several years. Larger carriers may continue to experience stagnant or shrinking rates of growth.

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Factor Industry Demand

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23. Industry Working Conditions and Benefits: Are future earnings enhanced by completing all or part of the program? Are expected wages justified given the typical working conditions? Do employers value what is gained through the program?

Negative Traits

Positive Traits
Positive

Sources
Labor market analysis
Advisory Committee

Analysis

In an effort to cut costs the aviation industry is experiencing a transformation. Large airlines are cutting high paying pilot positions (replacing large aircraft with smaller, shorter distance aircraft) which translates into lower paying pilot positions. Regional carriers typically pay salaries lower than the larger carriers. Nonetheless, pilots are typically paid well e.g. averaging \$x during xxxx.

Rating

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Factor Occupational Conditions

2000

airline / ~~commercial~~ = \$110,940
commercial 543,300

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24. Industry Barriers to Entering the Occupation: To what extent are there additional requirements for gaining employment in the industry/occupation? To what extent is the market already saturated with skilled workers?

Negative Traits
Licensure
Glut, saturated

Positive Traits

Sources
Labor market analysis

Analysis

This is a highly regulated industry/occupation. Pilots must have FAA license and meet medical standards.

Rating

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Factor Occupational Conditions

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25. Industry Degree of Versatility: To what extent are there opportunities for career growth? What is the likelihood of career growth?

Negative Traits
Little flexibility
Limited

Positive Traits
Many options

Sources
Labor market analysis
Advisory Committee

Analysis

To the extent positions are available pilots with additional FAA licensing/rating can fly larger aircraft. Pilots can work for large carriers, smaller regional carriers as well as corporate and cargo carriers.

Rating

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Factor Occupational Conditions

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26. Competition: Who else offers similar training? Who are our major competitors?

Negative Traits

Mature industry

Many others providing training in

Well established

High recognition

Positive Traits

Sources

Competitor analysis

State-wide enrollment report

State-wide completions report

Analysis

Many of the courses in the proposed program are not required by area flight schools. Several public and private colleges also have ground training programs/courses. Many of the area flight schools also offer ground training courses.

Rating

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Factor Competition

**Aviation Program Assessment
Flight Schools Survey**

Hello, my name is _____ and I'm calling from Oakland Community College. We are contacting area flight schools to learn about current trends in flight training. Could you or someone most knowledgeable about this matter answer a few questions for me?

1. First, thinking over the past few years, in what type(s) of flight training are your students most interested? (*read list and circle all that apply*)

| Yes | No | Type of Training |
|--------------|--------------|-------------------------------|
| 1 | 0 | Recreational pilot |
| 1 | 0 | Flight instructor |
| (1) | 0 | Private pilot |
| 1 | 0 | Airline transport. |
| (1) | 0 | Commercial pilot |
| (1) | 0 | Multi-engine rating |
| (1) | 0 | Instrument rating |
| (1) | 0 | Ground school |
| 88 | | Don't know |

Other (please specify): _____

2. Approximately how many people complete your training program(s) annually -- by type of training?

_____ Recreational pilot

_____ Flight instructor

_____ Private pilot

_____ Airline transport.

_____ Commercial pilot

_____ Multi-engine rating

_____ Instrument rating

_____ Ground school

(88) Don't know

_____ Other (please specify) _____

_____ Other (please specify) _____

Flight Schools Survey – Page 2

3. In the last year, what percentage of students do you estimate are hobbyists (i.e., taking flight instruction for pleasure only)?

40 %

88 Don't know

4. Have you seen an increase, decrease or no change at all in the number of students enrolling in flight instruction at your facility since September 11th? (*circle only one*)

1 Decrease

2 Stay the same

3 Increase

88 Don't know

4a. (*If respondent says "1" or "3"*) Can you estimate the percentage of this (*enter which applicable: increase or decrease*) in enrollment?

75 %

88 Don't know

5. What has the trend in enrollment been over the past 5 years prior to September 11th – increase, decrease or no change at all? (*circle only one*)

1 Decrease

2 Stay the same

3 Increase

88 Don't know

5a. (*If respondent says "1" or "3"*) Can you estimate the percentage of this (*enter which applicable: increase or decrease*) in enrollment?

_____ %

88 Don't know

5b. Additional comments (*please record any additional comments made by respondent*):

Flight Schools Survey – Page 3

6. Who do you consider to be your primary competitor(s) for the type(s) of training your facility offers? (record all responses)

- 1. Western University
- 2. _____
- 3. _____
- 4. _____
- 5. _____

88 Don't know

7. Since September 11th, are there any specific issues that you have had to address (if asked for clarification: i.e., background checks for prospective students)? (please record all comments by respondent)

7-year background checks. Require professional dress for the
Eastern Michigan program as well as airport tags for students.
Drug testing as well.

I have no further questions today. Thank you very much for your time.

Mark Lowe- Flight Coordinator

Chris N. 6-20