

NEBRASKA

Good Life. Great Connections.

DEPARTMENT OF LABOR



Worker Training Program

ANNUAL REPORT | July 2016 - June 2017



Pete Ricketts
Governor

STATE OF NEBRASKA

DEPARTMENT OF LABOR

John H. Albin, Commissioner
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Phone: 402.471.9000 • dol.nebraska.gov

September 1, 2017

Governor Pete Ricketts
Second Floor, NW Corner
State Capitol
Lincoln, NE 68509-4848

Dear Governor Ricketts:

I am pleased to provide you with the report on activities for Program Year July 1, 2016 through June 30, 2017, for the Nebraska Worker Training Program.

This past year the program funded 297 grants in whole or in part, over seventy-seven per cent (77%) of all entities applying. In awarding \$1,302,334 throughout the state, the program will benefit an estimated 548 Nebraska businesses and over 8,000 Nebraska workers. Matching funds by participating employers exceeded \$3.3 million. The average grant award was \$4,384.96. The top training activities last year (ranked by the number of approved requests):

Leadership	50 grants	16.8% of all grants approved
Manufacturing/Machine Operations	35 grants	11.7%
Safety Related Topics	28 grants	9.4%
Lean/Kaizen/Six Sigma Related	23 grants	7.7%
Health Related Trainings	22 grants	7.4%
IT (Development/Programming/Software)	17 grants	5.7%
Productivity	14 grants	4.7%
Apprenticeship Programs	13 grants	4.3%
Programmable Logic Controls	11 grants	3.7%
Marketing/Sales	11 grants	3.7%

The program continues to provide a simple, customer-friendly method for businesses to upgrade the skills of their employees. To enhance our efficiency, in January of this year we moved to an online application process. Applicants now receive email confirmation of their submission, results, grantee requirements and deadline dates.

But the best measure of customer satisfaction is results. Whether it is retention (see the comments from Tyson Lexington on page 8), expansion, wage increases or increased morale, these training grants have a positive impact. That is why I appreciate the opportunity to be a part of this program, a program that enables business, education and government to partner in developing, maintaining and advancing Nebraska's workforce. On behalf of the Board and staff, I thank you for your continuing support.

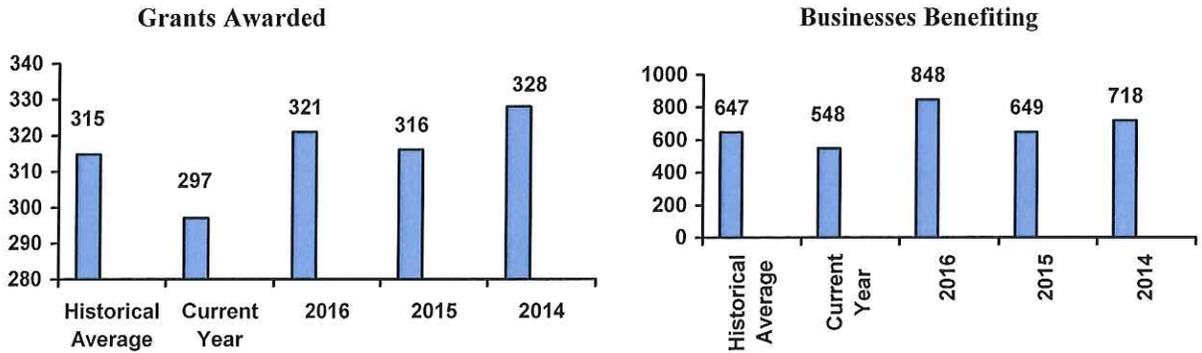
Sincerely,

Greg Eden
Molex LLC
Chair, Worker Training Board

cc: Members of the Nebraska Legislature Business and Labor Committee

The number of employers receiving grants:

<u>Time Period</u>	<u>Grants Received</u>	<u>Grants Awarded</u>	<u>Businesses Benefiting</u> *
Fiscal Year	383	297	548
History of the Program	8,641	6,296	12,948



Comment:

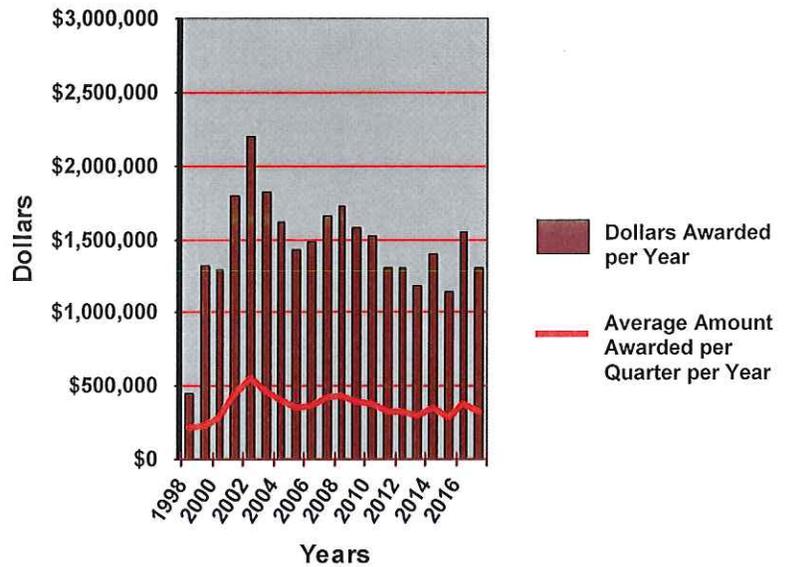
The number of grants awarded dropped by 24 from the previous year but funding, in whole or in part, was awarded to seventy-seven point five per cent (77.5%) of those applying – up eight per cent over 2016 (8%).

The dollar amount of grants awarded:

<u>Time Period</u>	<u>Amount Awarded</u>
Fiscal Year	\$1,302,334
History of the Program	
Historical Average	\$29,016,396
Average 2014 - 2016	\$1,450,819
	\$1,360,127

Comment:

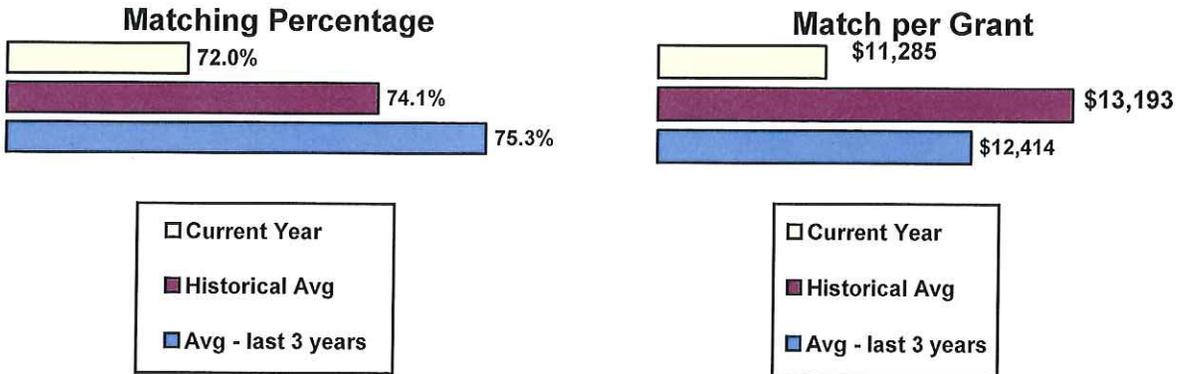
As the number of grants awarded decreased from 2016, so to the total amount awarded decreased by \$240,760.00 from the previous year and the average amount awarded each quarter dropped by \$60,000 to \$325,583.00. Projections indicate that the current level of funding can be maintained for the foreseeable future.



*The number of businesses benefiting is higher than the number of grants awarded because one employer receives the funding on behalf of all members in a consortium. This past year 39 consortia were funded.

The value, expressed in dollars and as a percentage, of total training expenditures of matching contributions made by employers:

<u>Time Period</u>	<u>Amount Matched By Employers</u>	<u>% Matched By Employers</u>
Fiscal Year	\$3,351,819	72%
History of the Program	\$83,064,574	74.1%



Comment:

Employers matched two dollars and fifty-seven cents (\$2.57) for every dollar awarded by the program. The historical figure stands at two dollars and eighty-six cents (\$2.86) matched for every dollar awarded.

The geographical distribution of employers receiving grants under the program:

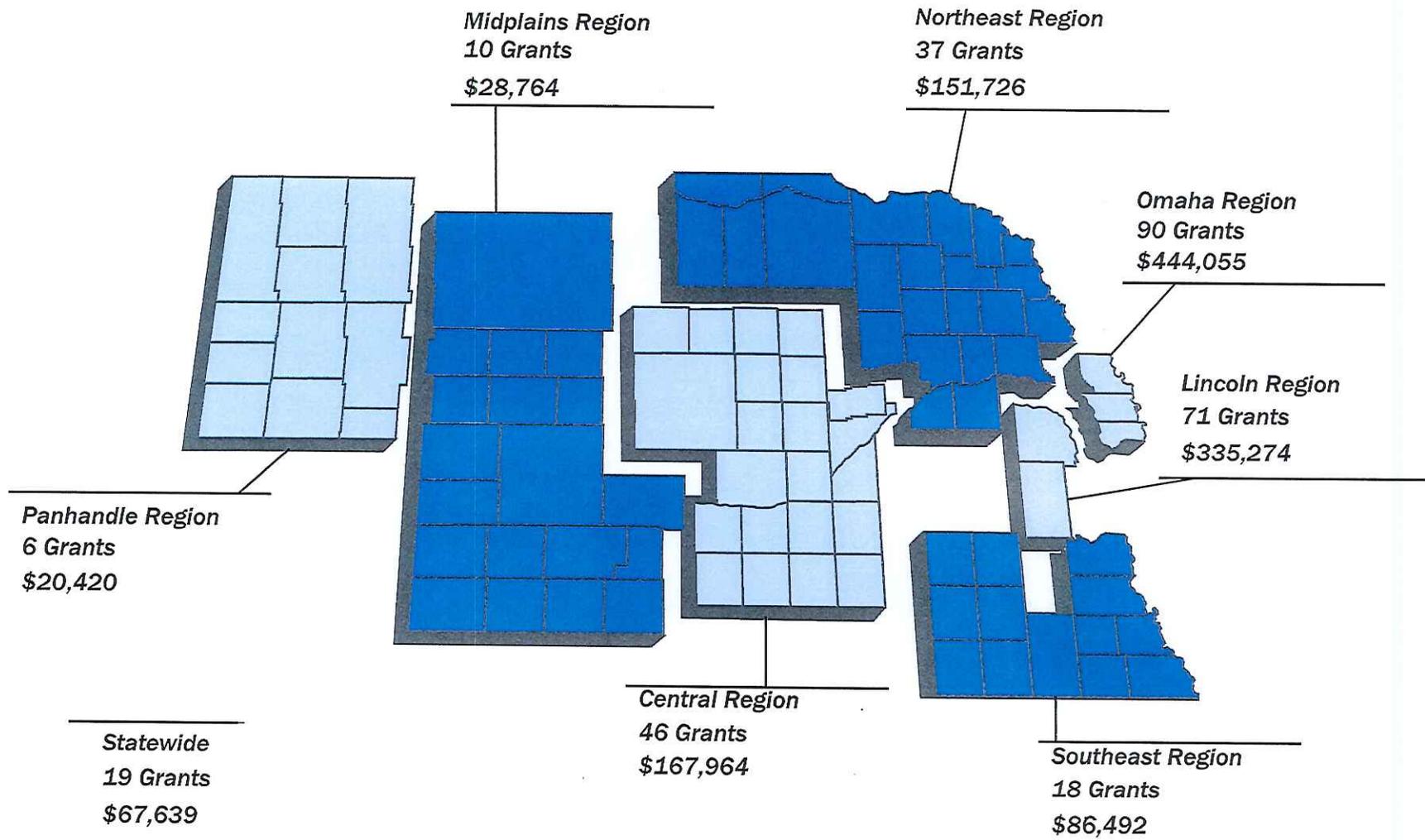
[See Attached Map](#)

Comment:

In order to insure equitable distribution between urban and rural communities, the Program has divided the state into seven (7) geographic areas. Those areas: Greater Omaha, (containing Washington, Douglas, and Sarpy counties); Greater Lincoln (containing Lancaster and Saunders counties); and five (5) regions in Greater Nebraska containing the remaining eighty-eight (88) counties – Panhandle, Mid Plains, Central, Southeast and Northeast. Grants serving two or more areas have their funds assigned to a statewide category. A percentage of the funds available each quarter initially are assigned to those areas based on the worker population in each area. So, for example, Omaha is assigned a higher percentage of available funds than the Panhandle. Distribution is influenced by the amount of money available in each area and by the quality of the applications. Funds not used in one area may have been transferred to another area.

Geographical Grant Distribution

July 1, 2016 - June 30, 2017



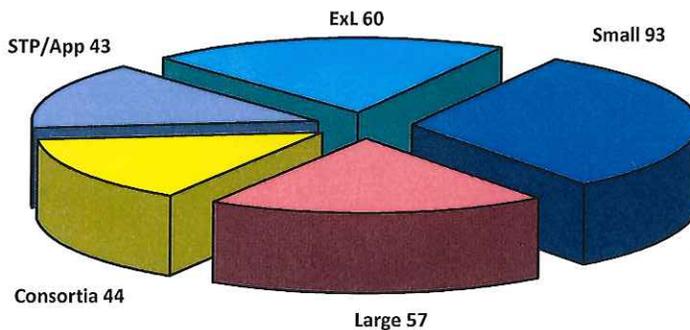
The number of businesses that receive grants under the program and the total amount of grants awarded in each category:

<u>Category</u>	<u>Program Definition</u>	<u>Amount Awarded</u>
Small	Less than 100 employed	\$254,734
Large	100 – 499 employed	\$216,799
Extra Large	500 or more employed	\$324,096
Consortia	Partnership of any categories	\$193,983
STP/Apprentice	Special Training/Apprenticeships	\$312,722

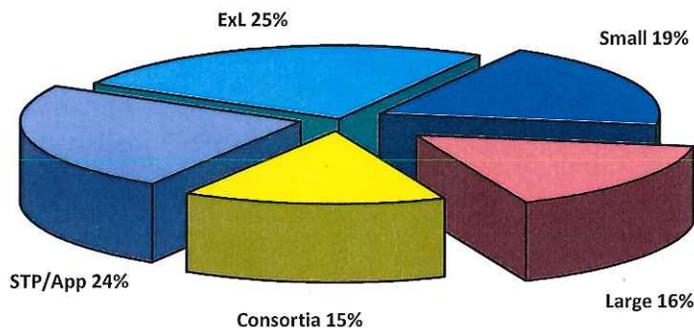
Comment:

When the Worker Training Program was created the legislature wanted to insure that employers of all sizes had equal access to these funds. The program now sets aside 20% of available funds each quarter for small, large, ex-large for-profit businesses and Special Training Projects (STP's). STP funds may be used by a reimbursable employer, apprenticeship stipends, small business entrepreneurial training and any training advancing development of new industries in the state. Any funds not used in one category may be shifted to another category. To increase accessibility, each quarter, the remaining twenty percent (20%) of grant funds are available to the Commissioner to distribute at any time, in any category, for any training initiative he believes will provide significant economic benefit to a region or the state. The program continues to support the Battelle Study initiatives. Thirty-one percent (31%) of all for-profit business grants funded – a total of sixty-five (65) – were awarded to those businesses within the following Battelle clusters: Financial Services, Precision Metals Manufacturing, Software & Computer Services, and Transportation, Warehousing & Distribution.

Applications Approved

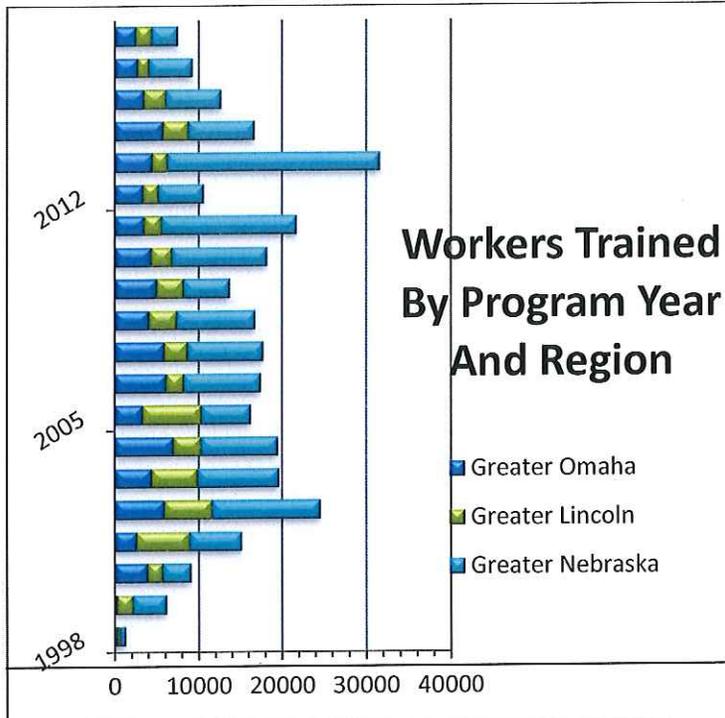


Award Amount Percentages



Total number of employees trained – reported by regions of the state (estimates as some grants remain open); employees covered by health care; companies reporting wage increases:

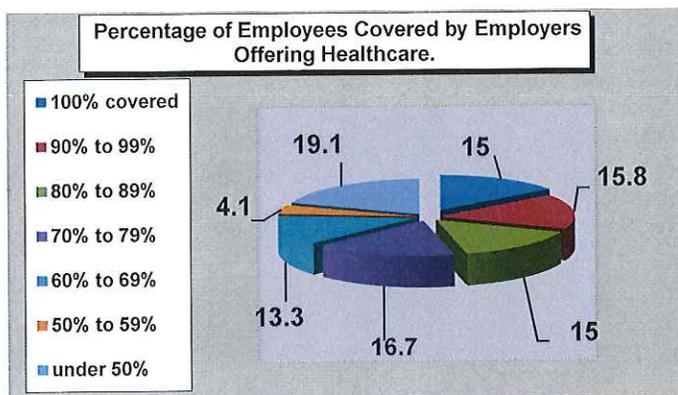
Time Period	Greater Omaha	% Of Total	Greater Lincoln	% Of Total	Greater Nebraska	% Of Total	Total
Fiscal Year	2,551*	31.5%	1,838*	22.7%	3,087*	38.1%	8,093*
History of the Program	74,523	24.4%	51,808	16.9%	169,916	55.9%	305,663
Historical Average	3,726		2,590		8,495		15,283
Avg. – Last 3 Years	2,664	20.8%	2,278	17.7%	6,121	47.8%	12,800



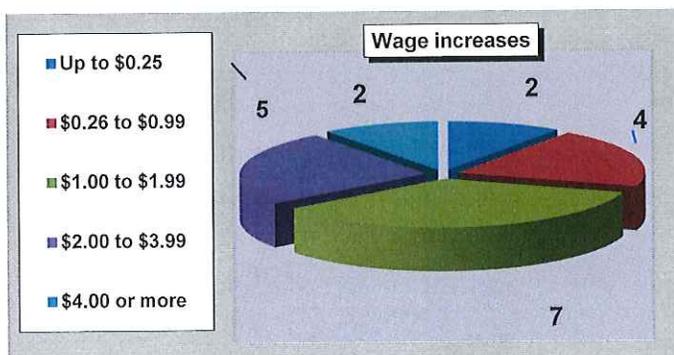
Comment: The average cost per participant for the year was \$160.92. The historical average is now \$94.92 per participant.

*Not shown in the above chart, statewide grants (those covering two or more regions) trained six hundred and seventeen (617) workers last year.

*Not all grants funded in the last year have been completed. Exact figures are available only when training is completed. Until verified, the number used is taken from the application.



Comment: Of the one hundred sixty-four (164) employers closing out their grants in the past year, one hundred twenty (120) or seventy-three percent (73%), reported that they offer health care insurance to their employees.



Comment: Of those recipients responding to this close-out question, twenty (20) of one hundred sixty-one (161), twelve point four percent (12.4%), reported an increase in employee wages as a result of training received.

DEPARTMENT OF LABOR
NEBRASKA TRAINING AND SUPPORT CASH FUND
(NTSC)

FUND ANALYSIS
QUARTER ENDING JUNE 30, 2017

Cash Balance as of June 30, 2017	\$3,872,276.45	
Plus: Estimated June 2017 Suit Interest	105,929.59	Average of previous 3 months
Plus: Estimated June 2017 NTSC Investment Interest	6,635.33	Average of previous 3 months
	(A) <u>\$3,984,841.37</u>	

Projection for the twelve month period of July 2017 - June 2018		
Add Annual Revenue:		
Estimated SUIIT deposits based on current SUIIT Cash Balance	\$1,293,798.53	See note (1) below
Estimated NTSC interest earned	76,193.62	See note (2) below
Total	(B) <u>\$1,369,992.15</u>	
Less Annual Expenses:		
Grant Awards Payable (\$1,301,832.99 spent in last 12 months)*	\$782,884.12	From amount outstanding 7-5-17
Annual Expenses Admin (\$94,822.42 during last 12 months)	97,192.98	Projected Admin Expenses
Liability for UI Collection of SUIIT Tax	50,000.00	For FY16 SUIIT Admin Costs (Estimate)
Liability for Sector Partnership Fund Transfer	500,000.00	From LB851A
Estimated Cash Reserve	238,346.18	Cash Reserve = Expenditure over 2 months
Total	(C) <u>\$1,668,423.28</u>	
Projected total available for Grants and Admin through 6/30/2018	\$3,686,410.24	(A) + (B) - (C)

Notes:

(1) To estimate quarterly deposits, the current average annual interest rate of 2.11050% is used.
Average Daily Balance in May 2017 is \$61,302,939.05 (according to DAS report). Estimated annual interest from SUIIT is
\$61,302,939.05 x 2.11050% = \$1,293,798.53

(2) Annual Interest from NTSC		
Beginning Balance as of April 1, 2017	\$3,984,841.37	(A)
Estimated Annual Expenses	(1,668,423.28)	(C)
Estimated Interest transferred from SUIIT	1,293,798.53	See Note (1)
Estimated Average Balance	<u>\$3,610,216.61</u>	
Estimated Annual Interest from NTSC	\$76,193.62	\$3,610,216.61 X 2.11050%

FY16-17 actual Admin spending	94,822.42	
FY16-17 Allotment for Admin	162,649.89	Includes \$10,192.89 in FY15-16 Carryover funds
Unexpended FY16-17 Funds	<u>67,827.47</u>	

FY16-17 actual Grant spending	1,301,832.99	Includes \$296,904.64 for Cargill Meat Solutions Corp.
FY16-17 Allotment for Grants	2,233,595.25	Includes \$633,595.25 in FY15-16 Carryover funds
Unexpended FY16-17 Funds	<u>931,762.26</u>	

* Includes \$296,904.64 for Cargill Meat Solutions Corp.

Other Relevant Program Information or Indicators That Relate To the Effectiveness of the Program and Its Administration, As Required By Statute:

Customer Comments:

The five ingredients of a lean journey include passion, team, culture, techniques and practice. Thanks in part to the grant funding from the Nebraska Worker Training Program, we're providing leaders on our team with a solid foundation of tools and techniques to practice problem solving and lead Kaizen events.

Judy Altmaier, Exmark, Beatrice

Grant # 8216

...I just wanted to share with you what I think is an awesome story that shows the value of the worker training grants from NDOL. Since the time that we started focusing on leadership training with our supervisors and how to better communicate, lead, handle conflict, conduct meetings and instruct, etc. our turnover has dropped from 33% to 19% in a four-year period and our productivity has increased. This is absolutely phenomenal for the meat packing industry. The other plants in the Tyson family have not experienced this change and the only difference has been our worker training grants to provide these modules to the supervisors.

Jennifer McKeone, Tyson Fresh Meats, Lexington

Grant # S-8546

Great improvement with online grant and closeout forms. Very easy to use. Thank you!

Susan Lipsey, Partnership 4 Kids, Omaha

Grant # S-8665

As the first year of our Leader Fundamentals Series draws to a close, I cannot express enough our gratitude for this grant awarded from the Nebraska Worker Training Program toward our program. This series has been established to address a training void amongst our front-line leaders and aid in developing their leadership abilities. Tecumseh Poultry admires and fully identifies with the Nebraska Worker Training Program's goal to "support the retraining and upgrading of existing workers".

Dana Rautenbach, Tecumseh Poultry LLC, Waverly

Grant # S-8638

Let me take a moment to thank you for the grant! Our training was very important to the culture of NCHS. We have a wonderful organization and this strengthened us even more. The Worker Training Grant Program made this possible. Thank you, as well, for all the assistance you have provided along the way!

Lois Moore Crinklaw, Nebraska Children's Home Society, Omaha

Grant # S-8565



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DEPARTMENT OF LABOR

Nebraska Worker Training Program

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Equal Opportunity Program/Employer
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Request to individuals with disabilities.

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