

NEBRASKA

Good Life. Great Connections.

Department of Labor

Worker Training

PROGRAM ANNUAL REPORT

July 2015 - June 2016



Pete Ricketts
Governor

STATE OF NEBRASKA

DEPARTMENT OF LABOR

John H. Albin, Commissioner
P.O. Box 94600 • Lincoln, NE 68509-4600
Phone: 402.471.9000 • dol.nebraska.gov

September 1, 2016
Governor Pete Ricketts
Second Floor, NW Corner
State Capitol
Lincoln, NE 68509-4848

Dear Governor Ricketts:

On behalf of the Worker Training Program, I am pleased to provide you with the report on activities for Program Year July 1, 2015 through June 30, 2016.

This past year the program funded 321 grants in whole or in part, over sixty-nine per cent (69%) of all entities applying. In awarding \$1,541,094 throughout the state, the program will benefit an estimated 847 Nebraska businesses and almost 11,000 Nebraska workers. Matching funds by participating employers exceeded \$4.2 million. The average grant award was \$4,807. The top training activities last year (ranked by the number of approved requests):

Manufacturing/Machine Operations	42 grants	13.1% of all grants approved
Leadership	40 grants	12.4%
Health Related Trainings	37 grants	11.5%
Safety Related Topics	32 grants	9.9%
Productivity	25 grants	7.8%
IT (Development/Programming/Software)	21 grants	6.5%
ISO/Lean Manufacturing	19 grants	5.9%
Management/Supervision	18 grants	5.6%
Team Building/Teamwork	14 grants	4.3%
Marketing/Sales	12 grants	3.7%

The largest grant in program history - \$296,904 – was provided to Cargill Meat Solutions of Columbus. As the plant shut down to convert from a ground beef production plant to a cooked meats facility, 121 employees trained on a variety of subjects to successfully transition for the plant's reopening. After completion, these employees averaged a \$2.20 per hour increase in wages. The Cargill grant was designed to keep jobs in Nebraska. But the program also funded a \$100,000 grant to the Nebraska Department of Economic Development for the development and deployment of a Talent Attraction website intended to encourage worker relocation to the state of Nebraska.

While the examples above show the program's ability to help retain and recruit, its primary function has been to upgrade the skills of existing Nebraska workers and we continue to do so. Since its creation this program has awarded over \$27.7 million to Nebraska businesses of all sizes in all regions to train their workers in areas they judge vital to their growth. I am proud to be a part of this program, and on behalf of the Board and staff, I thank you for your continuing support of this positive partnership of business, education and government.

Sincerely,

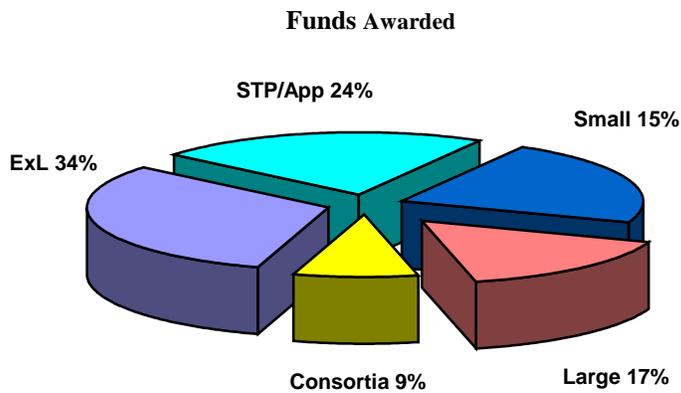
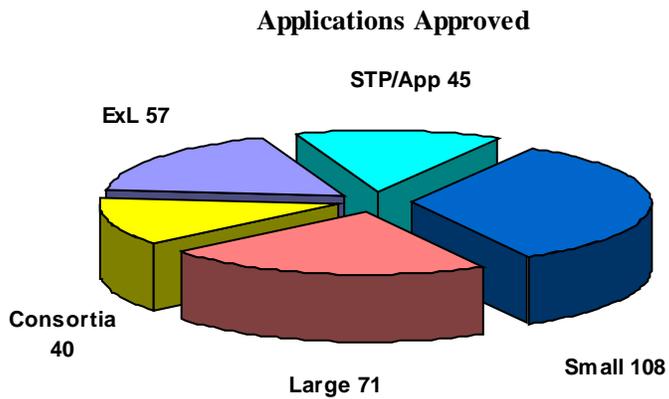
Greg Eden
Molex, Incorporated
Chair, Worker Training Board
cc: Members of the Nebraska Legislature Business and Labor Committee

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	\$236,557
Large	100 – 499 employed	\$262,764
Extra Large	500 or more employed	\$529,560
Consortia	Partnership of any categories	\$138,631
STP/Apprentice	Non-profits/Apprenticeships	\$375,582

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. Twenty-seven percent (27%) of all for-profit business grants funded – a total of sixty-four (64) – were awarded to those businesses within the following Battelle clusters: Financial Services, Precision Metals Manufacturing, Software & Computer Services, and Transportation, Warehousing & Distribution.



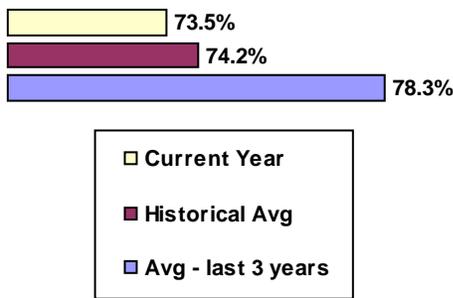
The value, expressed in dollars and as a percentage, of total training expenditures of matching contributions made by employers:

<u>Time Period</u>	<u>Amount Matched By Employers</u>	<u>% Matched By Employers</u>
Fiscal Year	\$4,284,755	73.5%
History of the Program	\$79,712,680	74.2%

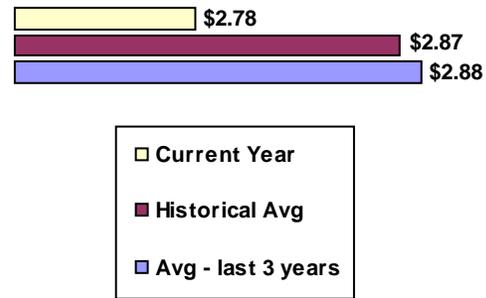
Comment:

Employers matched two dollars and seventy-eight cents (\$2.78) for every dollar awarded by the program. The historical figure stands at two dollars and eighty-seven cents (\$2.87) matched for every dollar awarded.

Matching Percentage



Match Per Dollar Awarded



The geographical distribution of employers receiving grants under the program:

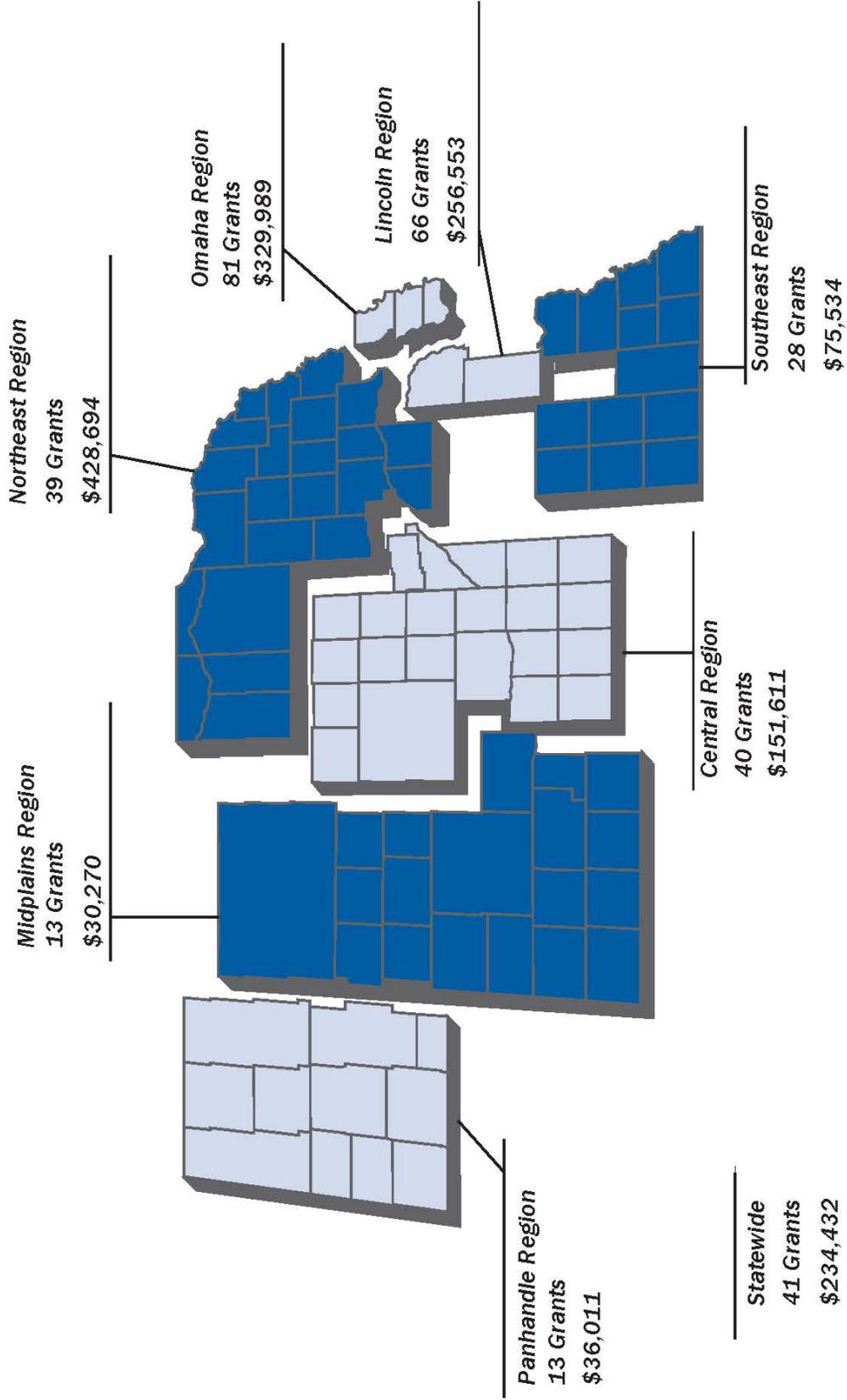
[See Attached Map](#)

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 can be transferred to another area.

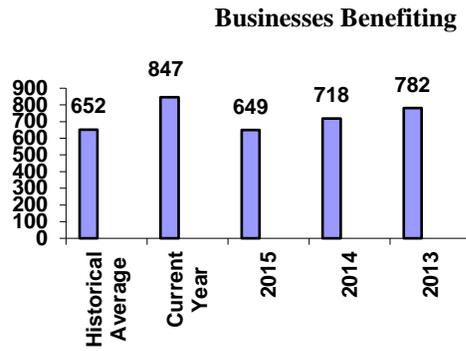
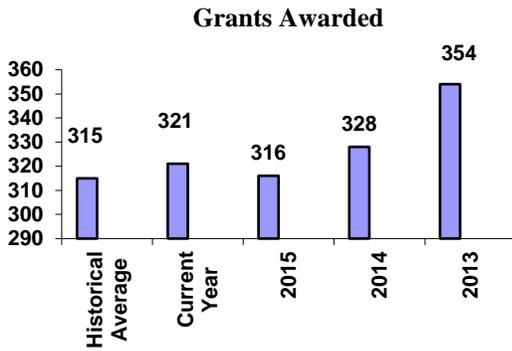
Geographical Grant Distribution

July 1, 2015 - June 30, 2016



The number of employers receiving grants:

<u>Time Period</u>	<u>Grants Received</u>	<u>Grants Awarded</u>	<u>Businesses Benefiting</u> *
Fiscal Year	465	321	847
History of the Program	8,256	5,999	12,400



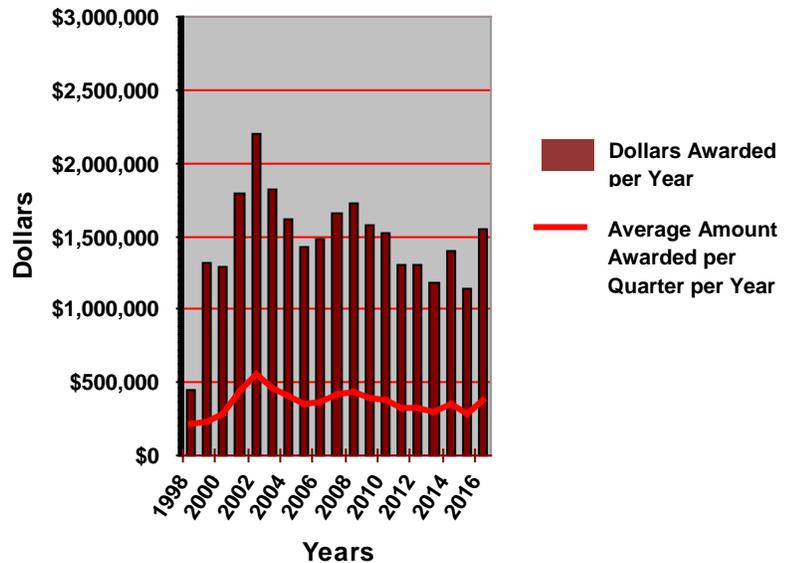
*

Comment:

Funding in whole or in part was awarded to sixty-nine per cent (69%) of those applying.

The dollar amount of grants awarded:

<u>Time Period</u>	<u>Amount Awarded</u>
Fiscal Year	\$1,543,094
History of the Program	\$27,714,061
Historical Average	\$1,458,634
Average-Last 3 Years	\$1,360,127



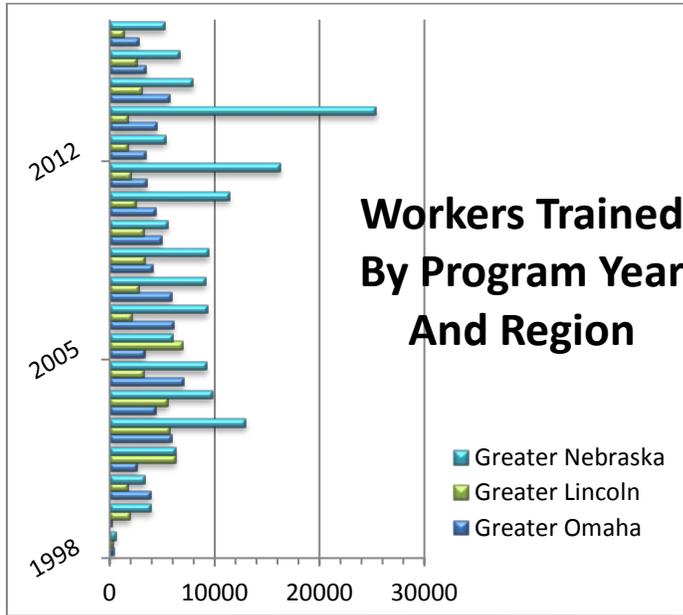
Comment:

The total amount awarded increased by \$401,780.00 from the previous year, due to grants awarded to Cargill Meat Solutions and the Nebraska Department of Economic Development. This year the average amount awarded each quarter was \$385,273.00. Projections indicate that the current level of funding can be maintained or increased next year, if desired.

*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 40 consortia were funded.

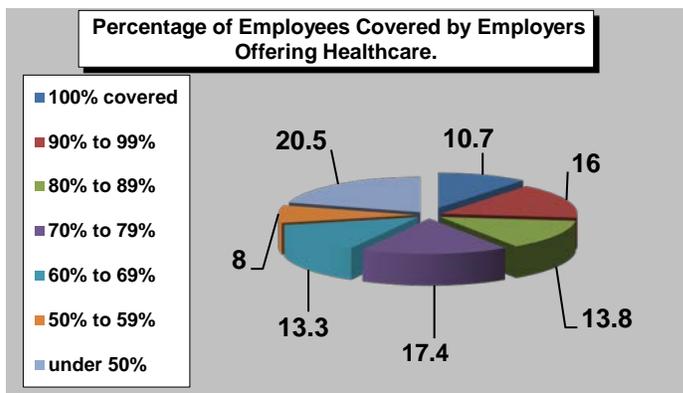
Total number of employees trained – reported by regions of the state (estimates as some grants remain open); employees covered by health care; companies reporting wage increases:

Time Period	Greater Omaha	% Of Total	Greater Lincoln	% Of Total	Greater Nebraska	% Of Total	Total*
Fiscal Year	2,751	25.1%	1,332	12.1%	5,188	47.3%	10,964
History of the Program	73,049	24.2%	50,104	16.6%	168,770	55.9%	301,818
Historical Average	3,844		2,637		8,882		15,885
Avg. – Last 3 Years	3,983	28.1%	2,328	16.4%	6,445	45.5%	14,156

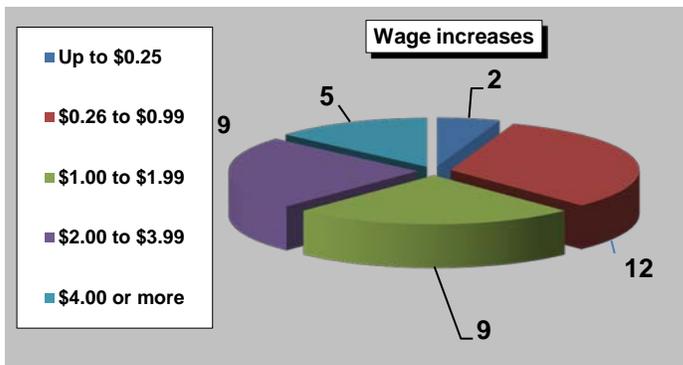


Comment: Not shown in the above chart, statewide grants (those covering two or more regions) trained one thousand six hundred and ninety-three (1,693) workers last year. The average cost per participant for the year was \$140.55. The historical average is now \$91.82 per participant.

*Exact figures are available only when training is completed. Until verified, the number used is taken from the application.



Comment: Of the two hundred ninety eight (298) employers closing out their grants in the past year, two hundred twenty-four (224) or seventy-five percent (75%), reported that they offer health care insurance to their employees.



Comment: Of those recipients responding to this close-out question, thirty-seven (37) of two hundred fifty-five (255), fourteen point five percent (14.5%), 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, 2016

Cash Balance as of June 30, 2016 \$4,271,350.70
 Plus: Estimated June 2016 Suit Interest 118,447.03 Average of previous 3 months
 Plus: Estimated June 2016 NTSC Investment Interest 8,571.71 Average of previous 3 months
 (A) \$4,398,369.44

Projections for the twelve month period of July 2016 - June 2017	
Add Annual Revenue:	
Estimated SUIT deposits based on current SUIT Cash Balance	\$1,187,779.81 See note (1) below
Estimated NTSC interest earned	79,760.62 See note (2) below
Total	(B) \$1,267,540.43
Less Annual Expenses:	
Grant Awards Payable (\$966,404.75 spent in last 12 months)	\$1,028,259.64 From amount outstanding 3-1-16
Annual Expenses Admin (\$107,691.51 over last 12 months) *	110,383.80 Projected Admin Expenses
Liability for UI Collection of SUIT Tax	45,370.09 From FY14 SUIT Admin Costs
Liability for Sector Partnership Fund Transfer	250,000.00 From LB851A
Estimated Cash Reserve	239,002.26 Cash Reserve = Expenditure over 2 months
Total	(C) \$1,673,015.79
Projected total available for Grants and Admin through 6/30/2017 \$3,992,894.08 (A) + (B) - (C)	

Notes:

(1) To estimate quarterly deposits, the current average annual interest rate of 2.03828% is used.
 Average Daily Balance in May 2016 is \$58,273,633.20 (according to DAS report). Estimated annual interest from SUIT is
 $\$58,273,633.20 \times 2.03828\% = \$1,187,779.81$

(2) Annual Interest from NTSC (A)
 Beginning Balance as of June 1, 2016 \$4,398,369.44
 Estimated Annual Expenses (1,673,015.79) (C)
 Estimated Interest transferred from SUIT 1,187,779.81 See Note (1)
 Estimated Average Balance \$3,913,133.47
 Estimated Annual Interest from NTSC \$79,760.62 X 2.03828%

FY15-16 actual Admin spending and commitments 254,301.11 Includes \$146K for DataBank
 FY15-16 Appropriation for Admin 264,494.00 Includes \$146K for DataBank
 Unexpended FY15-16 Funds 10,192.89

FY15-16 actual Grant spending 966,404.75
 FY15-16 Appropriation for Grants 1,600,000.00
 Unexpended FY15-16 Funds 633,595.25

* Excluding DataBank

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

Customer Comments:

This grant opportunity is a great way for rural Nebraska workers to expand their skill set. What a great benefit to both the workers and their employers!

David Meierdierks, Michael Foods, Inc., Wakefield

Grant # S-8107

The Worker Training is a great program, glad our state has this available.

Rob Mayer, Graphic Technologies, Inc., Omaha

Grant # S-8066

I have received copies of the Grant Agreement and would like to express my gratitude for all the help and support you have given us for this type of training opportunity. We are grateful the Department of Labor has been so helpful in retaining these workers in the Columbus area.

Kim Schumacher, Cargill Meat Solutions Corporation, Columbus

Grant # S-8031

Keep up the excellent work. This program provides many fantastic opportunities for local workers to gain skills and attend trainings to which they may not have otherwise had access.

Partnership 4 Kids, Bradley Kirshenbaum, Omaha

Grant # S-8160

On behalf of the Chamber – Thank You!!! For the Worker Training Program Grant for the “Standing Tall” workshop yesterday. This grant allowed us to offer excellent training at an affordable price.

Karen Anderson, Scottsbluff/Gering United Chamber

Grant # C-8256

We are grateful for the funds available to businesses to help implement new ideas and processes. It definitely improves employee engagement, employee and customer satisfaction and promotes company innovation and growth.

Jessica Jones, Conductix-Wampfler, Omaha

Grant # S-7737

Great program!

Mike Rose, Neapco, Beatrice

Grant #S-7729

This program will insure that we can keep the residents of Nebraska employed and continue to provide investment to our community. Great program!

Bob Grothe, Ironworkers Training and Education

Grant # S-8064

Greg Eden, Chair
Employer's Representative
Molex
700 Kingbird Road
Lincoln, NE 68521-3000
402-458-8715/FAX 402-458-2019

John H. Albin
Commissioner of Labor
P.O. Box 94600
Lincoln, NE 68509-4600
402-4 71-9000
FAX 402-471-2318

Rich Katt
State Director - Nebraska Career Education
301 Centennial Mall South
Lincoln, NE 68509-4987
402-471-4808
FAX 402-471-4565

Jacque Slagle
Public Representative
West Pharmaceutical Services, Inc.
923 W Railroad
Kearney, NE 68845
308-237-2292

Dennis Baack
Nebraska Community College Association
Executive Director
1320 Lincoln Mall, Suite 100C
Lincoln, NE 68508
402-471-4685
FAX 402-471-4726

John Bourne
Employee's Representative
IBEW International
12720 Scott Street
Omaha, NE 68142
402-943-6324
FAX 402-393-2795

Eric Zeece
Department of Economic Development
301 Centennial Mall South
Lincoln, NE 68509
402-471-3769
FAX 402-471-3778

Worker Training Program Office
Steve Porr, Program Coordinator
P.O. Box 94600
Lincoln, NE 68509-4600
402-4 71-9977
FAX 402-471-2022