

# Worker Training Program

ANNUAL REPORT | JULY 2019 - JUNE 2020





September 1, 2020

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, 2019 through June 30, 2020, for the Nebraska Worker Training Program.

This past year the program funded 152 grants in whole or in part, 60.3% of all entities applying. In awarding \$918,762.00 throughout the state, the program will benefit an estimated 319 Nebraska businesses and over 3,400 Nebraska workers. Matching funds from participating employers exceeded \$4.2 million. The top training activities last year (ranked by the number of approved requests):

Manufacturing/Machine Operations	25 grants	16.4% of all grants approved
Leadership	22 grants	14.4%
Management/Supervision	16 grants	10.5%
Lean/Kaizen/Six Sigma/ISO Related	13 grants	8.5%
Workplace Safety/HAZWOPPER/OSHA	13 grants	8.5%
IT (Development/Programming/Software)	10 grants	6.5%
Electricals/Programmable Logic Controls	9 grants	5.9%
Apprenticeships	9 grants	5.9%
Communications	7 grants	4.6%
Medical Techniques/Issues	7 grants	4.6%

In its annual review of the program, the Board felt more emphasis could be placed on H3 jobs (high wage, high skill, and high demand). However, public response convinced us that our initial changes to the guidelines were too restrictive. A second revision helped the program achieve a good balance in funding H3 and all other jobs going forward.

While the pandemic has tabled much training, businesses recognize that new challenges will require new skills and training tailored to enhance those skills. Nebraska businesses know that the Worker Training Program will be there to assist them.

On behalf of the Board, staff and Nebraska businesses, thank you for your continued support of this distinctive partnership of government, education and private industry.

Sincerely,

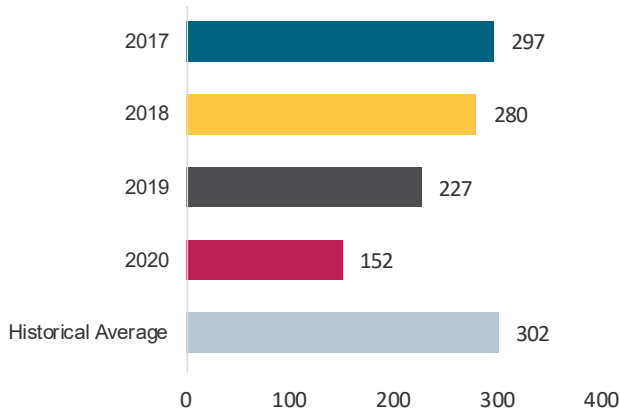
Greg Eden  
Molex LLC  
Chair, Worker Training Board

cc: Members of the Nebraska Legislature Business and Labor Committee

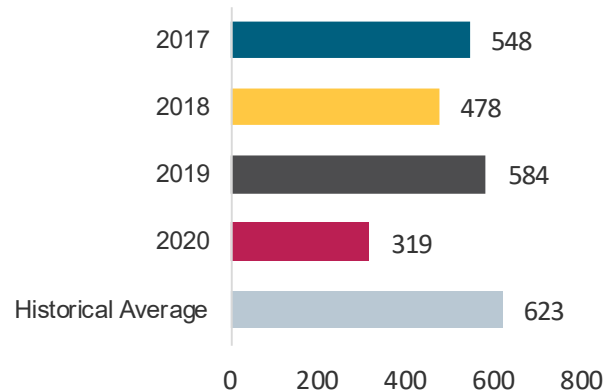
## The number of employers receiving grants:

Time Period	Applications Received	Grants Awarded	Businesses Benefiting *
Fiscal Year	252	152	319
History of the Program	9,356	6,955	14,329

### Grants Awarded



### Businesses Benefiting

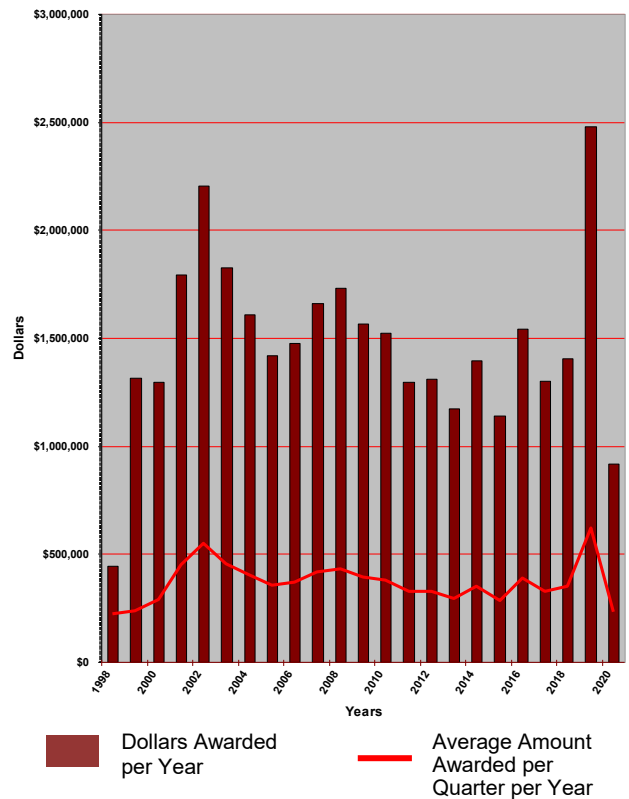


The number of grants awarded dropped by 75 from the previous year. Funding, in whole or in part, was awarded to 60.3% of those applying – down 8% from 2019.

## The dollar amount of grants awarded:

Time Period	Amount Awarded
Fiscal Year	\$918,762
History of the Program	\$33,818,742
Average 2017 - 2020	\$1,526,607
Historical Average	\$1,470,380

The decrease in grants began in the fourth quarter of 2019 because of a change in eligibility requirements. When the Board recognized that the changes were too restrictive and amended the guidelines, the pandemic stepped in and curtailed training for the remainder of the year.

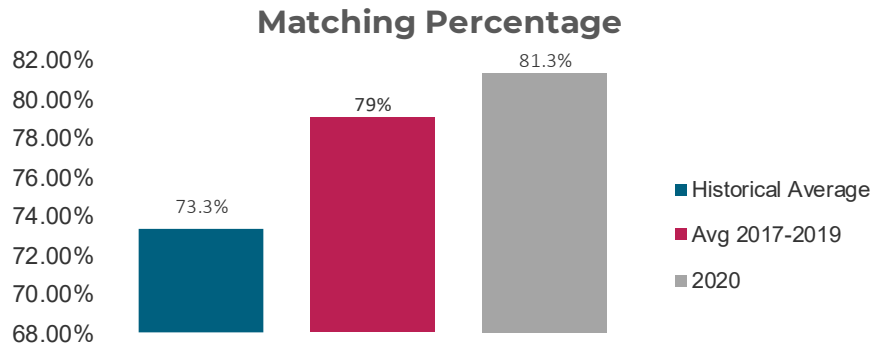


\*The number of businesses benefiting is higher than the number of grants awarded because one employer receives the funding on behalf of all members in a consortium. This past year 20 consortia received funding.

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

Time Period	Amount Matched By Employers	% Matched By Employers
Fiscal Year	\$4,286,542	81.3%
History of the Program	\$94,168,560	73.3%

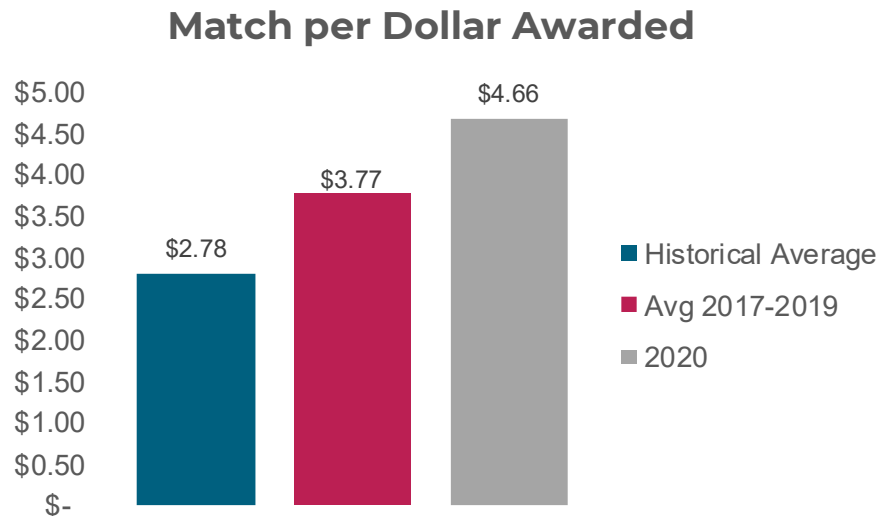
By placing greater emphasis on training H3 occupations (High Wage, High Skill, High Demand), businesses responded by increasing the amount they matched. The average match exceeded \$4.66 per dollar awarded, significantly higher than the historical average of \$2.78.



**The geographical distribution of employers receiving grants under the program:**

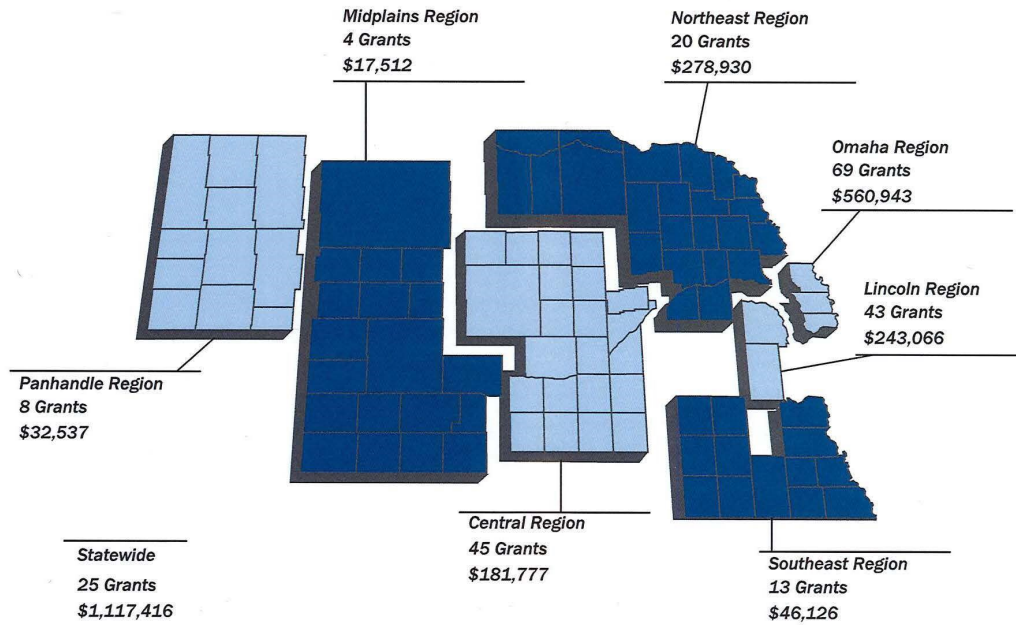
[See Attached Map](#)

In order to ensure equitable distribution between urban and rural communities, the Program has divided the state by Congressional District. 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 population in each area. No Congressional District was eligible for a fourth grant per quarter until each Congressional District received at least three grants. Once each district received three grants, distribution was influenced by the amount of funds remaining and by the quality of the applications. Funds not used in one area may have been transferred to another area.



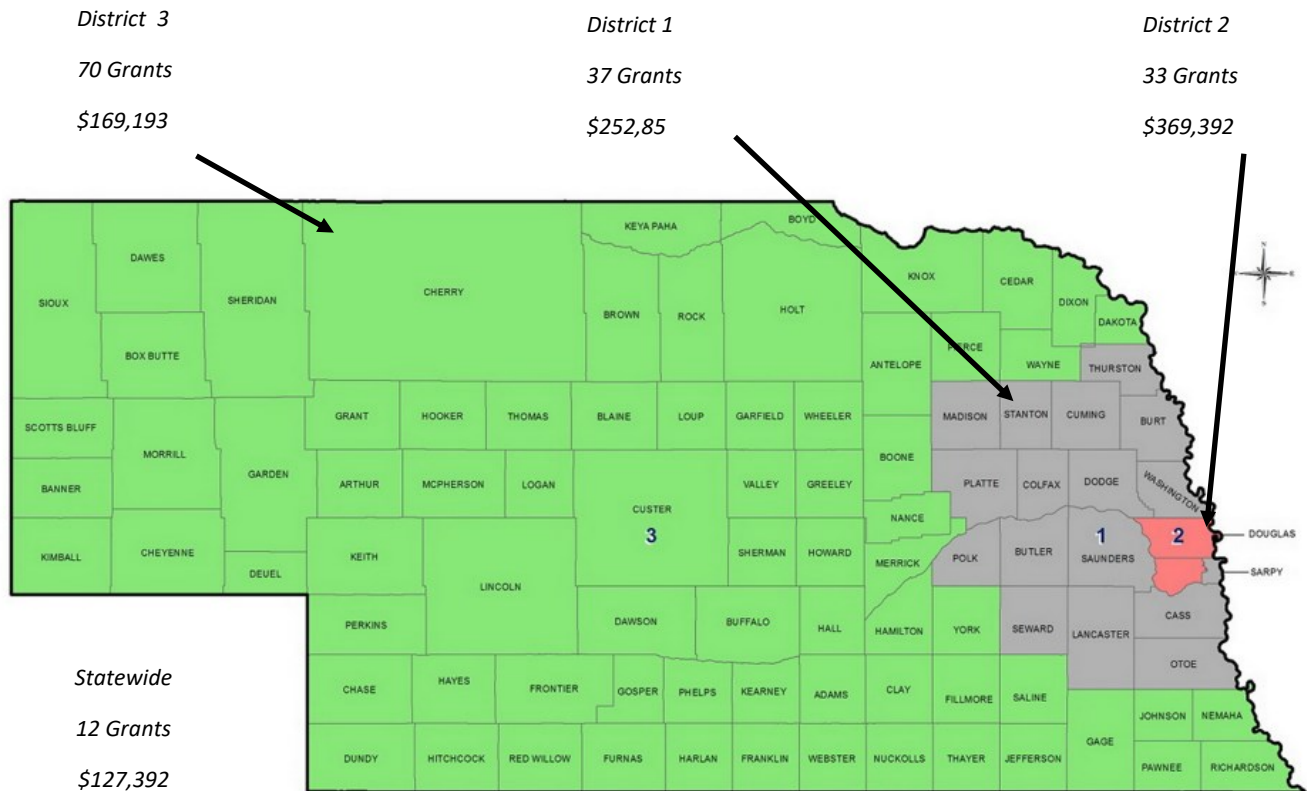
## Geographical Grant Distribution

July 1, 2018 - June 30, 2019



## Geographical Grant Distribution

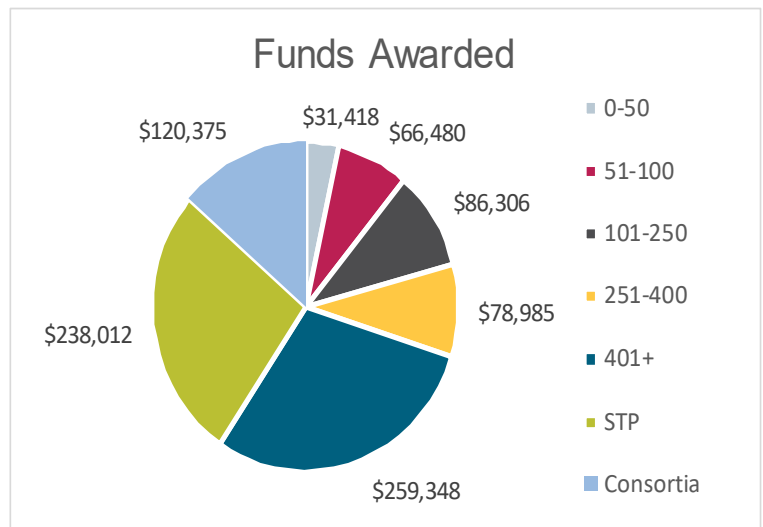
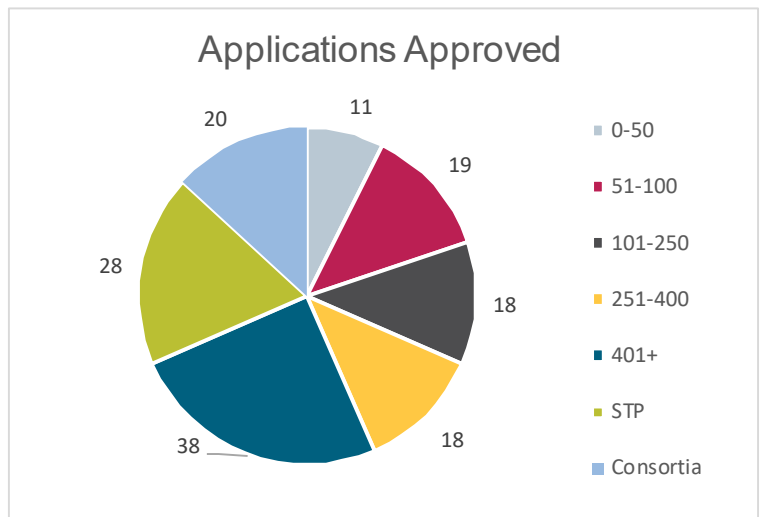
July 1, 2019—June 30, 2020



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

Category	Program Definition	Amount Awarded
Small	0—50 employees	\$31,418
Mid-Small	51—100 employees	\$66,480
Mid Employer	101— 250 employees	\$86,306
Mid-Large	250 — 400 employees	\$78,985
Large	401 — or more employees	\$259,348
STP	Apprenticeships/New Industries/ Reimbursables	\$252,527
Consortia	One or more entities acting in part- nership for a single training.	\$143,698

From its inception, the Worker Training Program has distributed funds to employers of all sizes. This year the program moved from three for-profit size categories (under 100, 100-499, 500 or more) to five categories to insure competitive parity. The program continued to set aside 20% of available funds each quarter for special training projects (STP's). The STP funds could be used: by a reimbursable employer for training in a high wage, high skill or high demand job; for apprenticeship stipends; for small business entrepreneurial training; and any training advancing development of new industries in the state. Every grant is important to the continued success of Nebraska businesses, but securing qualified employees for the future is a growing concern. Three grants addressing the issue: a pilot project by a consortium headed by Doane College and Don't Panic Labs to take existing employees and train them to become software developers; a grant to Avenue Scholars Foundation to help provide internships to high school seniors in H3 occupations; a grant to the Westside Foundation to expand their welding program.



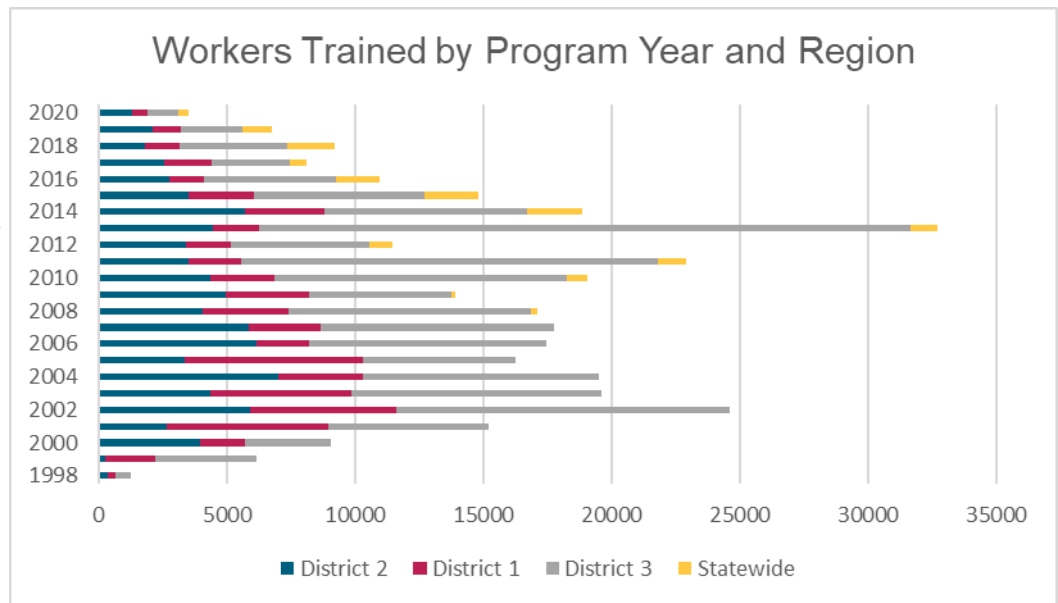
**Total number of employees trained\*\* – reported by regions of the state (estimates as some grants remain open); employees covered by health care; and companies reporting wage increases:**

	District 1	District 2	District 3	*Statewide (two or more Districts)	Totals
Fiscal Year	581	1,304	1,210	396	3,491
History	54,697	79,649	177,399	14,132	325,877
Historical Avg./year	2,378	3,463	7,713	1,117	14,168
Avg. last 3 yrs.	1,386	2,141	3,222	1,191	7,940

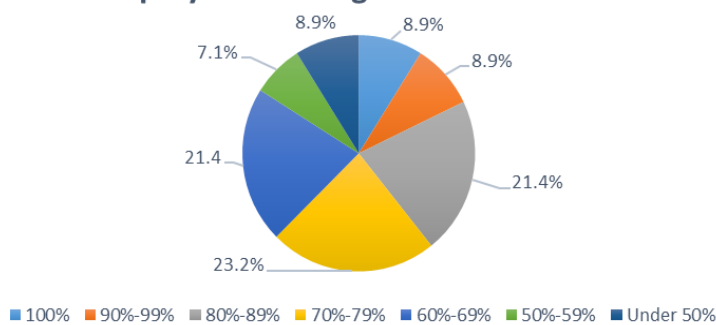
This year the average cost per participant was \$263.18. The historical average is now \$103.77.

\*Until 2008, statewide grants were placed in the region of the lead company.

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

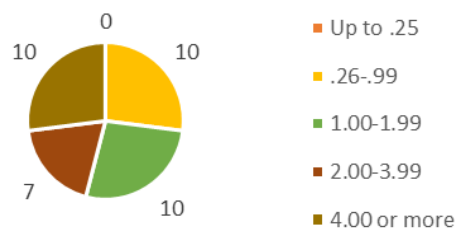


### Percentage of Employees covered by Employers offering Health Insurance



Of the 198 employers closing out their grants in the past year, 56 reported that they offer health care insurance to their employees (28.2%).

### Training Resulting in Wage Increases



Thirty-seven of 198 (18.7%) reported wage increases resulting from training received, up 3.6 percentage points over the last year. Perhaps this jump is a result of more H3 job holders receiving training.

# DEPARTMENT OF LABOR

## NEBRASKA TRAINING AND SUPPORT CASH FUND (NTSC)

### FUND ANALYSIS QUARTER ENDING June 30, 2020

Cash Balance as of June 30, 2020	\$3,395,676.69	
<i>Plus: Estimated June 2020 Suit Interest</i>	110,988.21	Average of previous 3 months
<i>Plus: Estimated June 2020 NTSC Investment Interest</i>	5,184.64	Average of previous 3 months
	(A) \$3,511,849.54	
Projection for the twelve month period of July 2020 - June 2021		
Add Annual Revenue:		
Estimated SUIIT deposits based on current SUIIT Cash Balance	\$1,560,242.75	See note (1) below
Estimated NTSC interest earned	68,864.93	See note (2) below
	Total (B) \$1,629,107.68	
Less Annual Expenses:		
Grant Awards Payable (\$1,458,368.02 spent in last 12 months)	\$1,678,703.48	From amount outstanding 7-1-20
Annual Expenses Admin (\$146,552.90 during last 12 months)	149,483.96	Projected Admin Expenses
Liability for UI Collection of SUIIT Tax	31,754.85	For FFY18 SUIIT Admin Costs
Liability for Sector Partnership Fund Transfer	300,000.00	Budget Request from \$500K to \$300K
Estimated Cash Reserve	274,219.09	Cash Reserve = Expenditure over 2 months
	Total (C) \$2,434,161.38	
Projected total available for Grants and Admin through 6/30/2021	\$2,706,795.94	(A) + (B) - (C)



**Notes:**

(1) To estimate quarterly deposits, the current average annual interest rate of 2.23959% is used.

Average Daily Balance in May 2020 is \$69,666,445.55 (according to DAS report).

Estimated annual interest from SUIT is

$$\$69,666,445.55 \times 2.23959\% = \$1,560,242.75$$

(2) Annual Interest from NTSC

Beginning Balance as of July 1, 2020	\$3,511,849.54	(A)
Estimated Annual Expenses	(2,434,161.38)	(C)
Estimated Interest transferred from SUIT	1,560,242.75	See Note (1)
Estimated Ending Balance	<u>\$2,637,930.91</u>	
Estimated Average Balance	<u>\$3,074,890.22</u>	
Estimated Annual Interest from NTSC	\$68,864.93	\$3,074,890.22 X 2.23959%
FY19-20 Appropriation for Admin	147,636.28	Includes FY18-19 encumbrance of \$7,307.09.
FY19-20 actual Admin spending	146,552.90	
Unexpended FY19-20 Funds	<u>1,083.38</u>	
FY19-20 Appropriation for Grants	3,898,121.78	Includes FY18-19 encumbrance of \$2,298,121.78.
FY19-20 actual Grant spending	1,458,368.02	
Unexpended FY19-20 Funds	<u>2,439,753.76</u>	

All unexpended Appropriation will carry into FY 20-21.

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

## **Customer Comments:**

***This program helps rural employers maintain skilled staff.***

**Carol Kratke – Michael Foods, Inc., Wakefield.**

Grant # 8903

***The program has been very helpful for my firm, and was easily administered.***

**Janyne Peek Emsick – Integrow Change Catalysts, Omaha.**

Grant # 9558

***Thank you again to the Worker Training Board and to the Nebraska Department of Labor (NDOL) for making this possible. Power Sports Nation is fortunate to be an employer that is still growing during the COVID-19 crisis and looks forward to continuing to partner with NDOL in creating new career opportunities and pathways for people with employment barriers in the Norfolk area.***

**Eric Zeece – for Power Sports Nation, Norfolk.**

Grant #9377

***This is an excellent program allowing affordable training to many businesses.***

**Karen Anderson – Scottsbluff/Gering United Chamber, Scottsbluff.**

Grant #9451

***Continuing to support training programs that impact workplace quality and have a broad influence on an array of service sectors is of great importance to small communities with limited population bases.***

**Brenda Ledall – Chase County Healthcare, Imperial.**

Grant #9607

***We appreciate the opportunity this grant provided to help these outside agencies establish a program and develop individual expertise in this area.***

**Michele Selvage – City of Lincoln Police Department, Lincoln.**

Grant #9549

***Thank you again for your support and commitment to the students, the greater Omaha community and the trade industries.***

**Terry Hanna – Westside Community Foundation, Omaha.**

Grant # 9455

***This program is fantastic.***

**Jason Peck – Nebraska Animal Medical Center, Lincoln.**

Grant #9374

## Nebraska Worker Training Program Board Membership

July 2019 – June 2020

**Greg Eden, Chair**  
**Employer's Representative**  
Molex LLC  
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  
402-471-9000  
Fax 402-471-2318

**John Bourne**  
**Employee's Representative**  
12720 Scott Street  
Omaha, NE 68142  
402-943-6324

**Allison Hatch**  
**Department of Economic Development**  
301 Centennial Mall South  
Lincoln, NE 68509  
402-471-3367

**Greg Adams**  
**Nebraska Community College Association**  
Executive Director  
1320 Lincoln Mall, Suite 100C  
Lincoln, NE 68508  
402-471-4685  
Fax 402-471-4726

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

**Steve Porr**  
**Worker Training Program Coordinator**  
**Nebraska Department of Labor**  
5752 Ames Avenue  
Omaha, NE 68104  
402-934-2822  
Fax 402-471-2022



# NEBRASKA

DEPARTMENT OF LABOR

A proud partner of the **americanjobcenter**<sup>®</sup> network

Equal Opportunity Program/Employer TDD: 800-833-7352  
Auxiliary aids and services are available upon request to individuals with disabilities.