September 2, 2019

Dear Governor Ricketts:

I am pleased to provide you with the report on activities for Program Year July 1, 2018 through June 30, 2019, for the Nebraska Worker Training Program.

This past year the program funded 227 grants in whole or in part, over sixty-eight per cent (68.7%) of all entities applying. In awarding $2,478,307 all over the state, the program will benefit an estimated 584 Nebraska businesses and over 6,700 Nebraska workers. Matching funds by participating employers exceeded $6.8 million. The top training activities last year (ranked by the number of approved requests):

- Manufacturing/Machining Operations: 33 grants, 14.5% of all grants approved
- OSHA/Safety Related Topics: 24 grants, 10.5% of all grants approved
- Electricals/Programmable Logic Controls: 22 grants, 9.7% of all grants approved
- Lean/Kaizen/Six Sigma/ISO Related: 17 grants, 7.4% of all grants approved
- Leadership: 17 grants, 7.4% of all grants approved
- IT (Development/Programming/Software): 14 grants, 6.1% of all grants approved
- Management/Supervision: 12 grants, 5.3% of all grants approved
- Marketing/Sales: 11 grants, 4.8% of all grants approved
- Workforce Development: 11 grants, 4.8% of all grants approved
- Apprenticeships: 10 grants, 4.4% of all grants approved

With carryover from previous quarters, the Board was able to provide six-figure support to four grants with continuing statewide impact. 1) In partnership with BD, create and staff an injection-molding program at Central Community College. 2) In partnership with Westside Community Schools, Metropolitan Community College and eight area businesses, expanded the welding, fabrication and manufacturing facilities at Westside. 3) With the City of Lexington, Tyson Foods and Central Community College, create an Industrial Training Center for the region’s manufacturers. 4) Provide over 250 employees of Becton Dickinson’s five plants with training in eighteen subjects to assist with their statewide expansion.

While we are proud to support those initiatives, every grant — regardless of size — helps develop, increase, and sharpen the skills of Nebraska’s workers to the benefit of their employers. So, on behalf of the Board, program staff and Nebraska’s businesses and workforce, I thank you for your continuing support of this program.

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:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Applications Received</th>
<th>Grants Awarded</th>
<th>Businesses Benefiting *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>330</td>
<td>227</td>
<td>584</td>
</tr>
<tr>
<td>History of the Program</td>
<td>9,356</td>
<td>6,803</td>
<td>14,010</td>
</tr>
</tbody>
</table>

Comment:
The number of grants awarded dropped by 53 from the previous year. Funding, in whole or in part, was awarded to sixty-eight point eight percent (68.8%) of those applying – down four percent (4%) from 2018.

The dollar amount of grants awarded:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>$2,478,307</td>
</tr>
<tr>
<td>History of the Program</td>
<td>$32,899,980</td>
</tr>
<tr>
<td>Historical Average</td>
<td>$1,495,453</td>
</tr>
<tr>
<td>Average 2016 - 2019</td>
<td>$1,729,222</td>
</tr>
</tbody>
</table>

Comment:
Although the number of grants awarded decreased from 2018, the total amount awarded increased by $1,071,280.00 because the carry-over from 2018 allowed the program to fully fund the BD grant. Projections indicate that the level of funding will return to pre-2019 levels in the 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 13 consortia received funding.*
The value, expressed in dollars and as a percentage, of total training expenditures of matching contributions made by employers:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Amount Matched By Employers</th>
<th>% Matched By Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>$6,817,444</td>
<td>73.3%</td>
</tr>
<tr>
<td>History of the Program</td>
<td>$89,882,018</td>
<td>73.3%</td>
</tr>
</tbody>
</table>

**Comment:**

Thanks to a seven-figure match and high six-figure matches by two other applicants, the average match per grant exceeded thirty thousand dollars ($30,032.00), just over two and a quarter (2.26) times the historical average ($13,276).

The geographical distribution of employers receiving grants under the program:

See Attached Map

**Comment:**

In order to ensure 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, 2018 - June 30, 2019

Midplains Region
4 Grants
$175,112

Northeast Region
20 Grants
$278,930

Omaha Region
69 Grants
$560,943

Lincoln Region
43 Grants
$243,066

Panhandle Region
8 Grants
$32,537

Central Region
45 Grants
$181,777

Southeast Region
13 Grants
$46,126

Statewide
25 Grants
$1,117,416

Geographical Grant Distribution
July 1, 2017 - June 30, 2018

Midplains Region
6 Grants
$24,283

Northeast Region
38 Grants
$425,237

Omaha Region
90 Grants
$441,143

Lincoln Region
52 Grants
$208,594

Panhandle Region
13 Grants
$23,224

Central Region
42 Grants
$115,577

Southeast Region
18 Grants
$72,234

Statewide
21 Grants
$96,725
The number of businesses that receive grants under the program and the total amount of grants awarded in each category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Program Definition</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>Less than 100 employed</td>
<td>$196,084</td>
</tr>
<tr>
<td>Large</td>
<td>100 – 499 employed</td>
<td>$212,201</td>
</tr>
<tr>
<td>Extra Large</td>
<td>500 or more employed</td>
<td>$333,805</td>
</tr>
<tr>
<td>Consortia</td>
<td>Partnership of any categories</td>
<td>$43,497</td>
</tr>
<tr>
<td>STP</td>
<td>Apprenticeships/New Industries/</td>
<td>$586,122</td>
</tr>
<tr>
<td></td>
<td>Reimbursables</td>
<td></td>
</tr>
<tr>
<td>Commissioner</td>
<td>Economic benefit to state or region</td>
<td>$1,103,598</td>
</tr>
</tbody>
</table>

Comment:

When the Worker Training Program was created the legislature wanted to insure that employers of all sizes had equal access to these funds. This year the program set aside 20% of available funds each quarter for small, large, ex-large for-profit businesses and 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. To increase accessibility, each quarter, the remaining grant funds were available to the Commissioner to distribute at any time for any training initiative that provides significant economic benefit to a region or the state. This year the Commissioner used the discretionary funds and the carry-over from the previous year to fund the development and implementation of a Registered Apprenticeship program in engine building for a “second chance” employer. Remaining funds will establish an injection-molding training center at Central Community College providing skills for incumbent and future Nebraska employees, and industrial training for BD employees, including those at BD’s new state-of-the-art injection molding facility in Columbus.
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:

<table>
<thead>
<tr>
<th></th>
<th>Greater Omaha</th>
<th>Greater Lincoln</th>
<th>Greater Nebraska</th>
<th>*Statewide (two or more regions)</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>2,097</td>
<td>1,104</td>
<td>2,413</td>
<td>1,164</td>
<td>6,778</td>
</tr>
<tr>
<td>History</td>
<td>78,345</td>
<td>54,116</td>
<td>176,189</td>
<td>14,132</td>
<td>322,782</td>
</tr>
<tr>
<td>Historical Avg./year</td>
<td>3,561</td>
<td>2,459</td>
<td>8,008</td>
<td></td>
<td>14,671</td>
</tr>
<tr>
<td>Avg. last 3 yrs.</td>
<td>2,372</td>
<td>1,505</td>
<td>4,157</td>
<td>1,390</td>
<td>9,424</td>
</tr>
</tbody>
</table>

**Comment:** This year the average cost per participant was $365.64. The historical average is now $101.92. Grants for training facilities increased the 2019 figure.

*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.

[Graph showing Workers Trained by Program Year and Region]

[Graph showing Percentage of Employees Covered by Employers Offering Health Insurance]

**Comment:** Of the two hundred fifty-eight (258) employers closing out their grants in the past year, one hundred thirty-three (133) reported that they offer health care insurance to their employees (51.5%).

[Graph showing Training Resulting in Wage Increases]

**Comment:** Of those recipients responding to this question, thirty-nine (39) of two hundred fifty-eight (258) – fifteen point one percent (15.1%) – reported wage increases resulting from training received, up one point three points (1.3) over the average for the last three years.
DEPARTMENT OF LABOR
NEBRASKA TRAINING AND SUPPORT CASH FUND (NTSC)

FUND ANALYSIS
QUARTER ENDING June 30, 2019

Cash Balance as of June 30, 2019 $3,714,935.62

Plus: Estimated June 2019 Suit Interest 140,061.97 Average of previous 3 months

Plus: Estimated June 2019 NTSC Investment Interest 7,342.78 Average of previous 3 months

(A) $3,862,340.37

Projection for the twelve month period of July 2019 - June 2020

Add Annual Revenue:

Estimated SUIT deposits based on current SUIT Cash Balance $1,617,988.79 See note (1) below

Estimated NTSC interest earned 74,066.51 See note (2) below

Total (B) $1,692,055.30

Less Annual Expenses:

Grant Awards Payable ($843,982.73 spent in last 12 months)* $2,383,177.78 From amount outstanding 7-2-19

Annual Expenses Admin ($127,934.82 during last 12 months) 130,493.52 Projected Admin Expenses

Liability for UI Collection of SUIT Tax 31,764.37 For FFY18 SUIT Admin Costs

Liability for Sector Partnership Fund Transfer 300,000.00 Budget Request reduced from $500K to $300K

Estimated Cash Reserve 352,395.05 Cash Reserve = Expenditure over 2 months

Total (C) $3,197,830.72

Projected total available for Grants and Admin through 6/30/2020 $2,356,564.95 (A) + (B) - (C)
Notes:

(1) To estimate quarterly deposits, the current average annual interest rate of 2.41069% is used. Average Daily Balance in May 2019 is $67,117,248.24 (according to DAS report). Estimated annual interest from SUIT is

\[
$67,117,248.24 \times 2.41069\% = $1,617,988.79
\]

(2) Annual Interest from NTSC

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance as of July 1, 2019</td>
<td>$3,862,340.37</td>
</tr>
<tr>
<td>Estimated Annual Expenses</td>
<td>(3,197,830.72)</td>
</tr>
<tr>
<td>Estimated Interest transferred from SUIT</td>
<td>1,617,988.79</td>
</tr>
<tr>
<td>Estimated Ending Balance</td>
<td>$2,282,498.44</td>
</tr>
<tr>
<td>Estimated Average Balance</td>
<td>$3,072,419.41</td>
</tr>
<tr>
<td>Estimated Annual Interest from NTSC</td>
<td>$74,066.51</td>
</tr>
</tbody>
</table>

Estimated Annual Interest from NTSC = $3,072,419.41 \times 2.41069\%

FY18-19 Appropriation for Admin          194,077.54
Includes $51,474.54 of carryover funds from FY17-18.

FY18-19 actual Admin spending            127,934.82

Unexpended FY18-19 Funds                 66,142.72

FY18-19 Appropriation for Grants         2,449,403.04
Includes $849,403.04 of carryover funds from FY17-18.

FY18-19 actual Grant spending            843,982.73

Unexpended FY18-19 Funds                 1,605,420.31

* Only year-end encumbered expenses will carry into FY19-20.
Other Relevant Program Information or Indicators That Relate To the Effectiveness of the Program and Its Administration, As Required By Statute:

**Customer Comments:**

*We are grateful and thankful for the program. It is providing the ability to retain talent, improve skillset and meet customer needs.*

Mark Fitch, 3M, Valley
Grant # 9453

*This is an excellent program. Safety training on railroad operations is expensive and would not otherwise be possible for the 11 employees who completed the training.*

Becky Stitt, Western Sugar Cooperative, Scottsbluff
Grant # 9244

*The work and training with Michelle came in handy with the disaster (flooding) and helping to tell our story.*

Lona Thompson, Nebraska Farm Bureau Federation, Lincoln
Grant # 9416

*Valley County Health System would like to thank the Department of Labor – Worker Training Board – for the grants we received in 2018. As a small rural community hospital, they allow us to continue offering great services to all we serve through continued education and growth.*

Becky Ries, Valley County Health System, Ord
Grants # 8967, 9301

*The NE Worker Training Program was very simple and easy to understand, fill out and submit. The process seems straightforward and doesn’t need improving from my experience with utilizing it.*

Sarah Cuevas, The Greater Omaha Chamber Foundation, Omaha
Grant # 8525

*As a small business owner, this is significant to be able to provide our staff with valuable training!* 

Elaine Farley-Zoucha, EZ Nutrition Consulting, Columbus
Grant # 9590

*We very much appreciate this grant funding, which will allow us to provide some much-needed leadership training to our managers.*

Jon Thober, B&R Stores, Inc., Lincoln
Grant # 9378

*This is a great asset to rural businesses.*

Linda Simonsen, Frontier Bank, Pender
Grant # 9010
Nebraska Worker Training Program Board Membership

July 2018 – June 2019

Greg Eden, Chair
Employer’s Representative
Molex LLC
700 Kingbird Road
Lincoln, NE 68521-3000
402-458-8715
Fax 402-458-2019

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Fax 402-471-4726

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Commissioner of Labor
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Lincoln, NE 68509-4600
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Fax 402-471-2318

Jacquie Slagle
Public Representative
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Kearney, NE 68845
308-237-2292

John Bourne
Employee’s Representative
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Omaha, NE 68142
402-943-6324

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

Equal Opportunity Program/Employer
TDD: 800.833.7352
Auxiliary aids and services are available upon
Request to individuals with disabilities.