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/HAZWOPER/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:

<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>252</td>
<td>152</td>
<td>319</td>
</tr>
<tr>
<td>History of the Program</td>
<td>9,356</td>
<td>6,955</td>
<td>14,329</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>$918,762</td>
</tr>
<tr>
<td>History of the Program</td>
<td>$33,818,742</td>
</tr>
<tr>
<td>Average 2017 - 2020</td>
<td>$1,526,607</td>
</tr>
<tr>
<td>Historical Average</td>
<td>$1,470,380</td>
</tr>
</tbody>
</table>

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:

<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>$4,286,542</td>
<td>81.3%</td>
</tr>
<tr>
<td>History of the Program</td>
<td>$94,168,560</td>
<td>73.3%</td>
</tr>
</tbody>
</table>

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

Statewide
25 Grants
$1,117,416

District 1
37 Grants
$252,85

District 2
33 Grants
$369,392

District 3
70 Grants
$169,193

Midplains Region
4 Grants
$17,512

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
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>0—50 employees</td>
<td>$31,418</td>
</tr>
<tr>
<td>Mid-Small</td>
<td>51—100 employees</td>
<td>$66,480</td>
</tr>
<tr>
<td>Mid Employer</td>
<td>101—250 employees</td>
<td>$86,306</td>
</tr>
<tr>
<td>Mid-Large</td>
<td>250—400 employees</td>
<td>$78,985</td>
</tr>
<tr>
<td>Large</td>
<td>401+ or more employees</td>
<td>$259,348</td>
</tr>
<tr>
<td>STP</td>
<td>Apprenticeships/New Industries/Reimbursables</td>
<td>$252,527</td>
</tr>
<tr>
<td>Consortia</td>
<td>One or more entities acting in partnership for a single training.</td>
<td>$143,698</td>
</tr>
</tbody>
</table>

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.
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.

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%).

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

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

\[ \text{Estimated annual interest from SUIT} = 69,666,445.55 \times 2.23959\% = 1,560,242.75 \]

(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, 2020</td>
<td>3,511,849.54</td>
</tr>
<tr>
<td>Estimated Annual Expenses</td>
<td>(2,434,161.38)</td>
</tr>
<tr>
<td>Estimated Interest transferred from SUIT</td>
<td>1,560,242.75</td>
</tr>
<tr>
<td>Estimated Ending Balance</td>
<td>2,637,930.91</td>
</tr>
<tr>
<td>Estimated Average Balance</td>
<td>3,074,890.22</td>
</tr>
<tr>
<td>Estimated Annual Interest from NTSC</td>
<td>$68,864.93</td>
</tr>
</tbody>
</table>

\[ \text{Estimated Annual Interest from NTSC} = 3,074,890.22 \times 2.23959\% \]

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 1,083.38

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 2,439,753.76

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

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

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