Worker Training Program

ANNUAL REPORT
July 2017 - June 2018
September 1, 2018

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, 2017 through June 30, 2018, for the Nebraska Worker Training Program.

This past year the program funded 280 grants in whole or in part, over seventy-two per cent (72%) of all entities applying. In awarding $1,407,027 throughout the state, the program will benefit an estimated 478 Nebraska businesses and over 9,000 Nebraska workers. Matching funds by participating employers exceeded $2.9 million. The average grant award was $5,025.09. The top training activities last year (ranked by the number of approved requests):

- Leadership: 36 grants (12.8% of all grants approved)
- Manufacturing/Machine Operations: 30 grants (10.7%)
- OHSA/Safety Related Topics: 29 grants (10.3%)
- Lean/Kaizen/Six Sigma/ISO Related: 25 grants (8.9%)
- Management/Supervision: 25 grants (8.9%)
- IT (Development/Programming/Software): 24 grants (8.5%)
- Communications: 16 grants (5.7%)
- Marketing/Sales: 14 grants (5.0%)
- CPR/AED/First Aid: 13 grants (4.6%)
- Health Related Trainings: 9 grants (3.2%)

While the program continues to provide training for the workforce of today, it recognizes the need to prepare the workforce of tomorrow. Therefore, we were pleased to support Pathways 2 Tomorrow, a consortium developing a high school and college curriculum to meet the needs of area employers. There are six career pathways: welding, manufacturing, building construction, health sciences, computer science and transportation & logistics. Partners include Northeast Community College, Wayne State College, eight regional school districts and sixteen area communities. The $250,000 award will enable the group to purchase needed equipment for the new training center located in West Point.

Regardless of the amount, every grant represents a partnership of business, education and government collaborating to improve, sustain, and expand Nebraska’s workforce – an excellent return on investment. 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
Number of Employers Receiving Grants:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Grants Received</th>
<th>Grants Awarded</th>
<th>Businesses Benefiting*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>385</td>
<td>280</td>
<td>478</td>
</tr>
<tr>
<td>History of the Program</td>
<td>9,026</td>
<td>6,576</td>
<td>13,426</td>
</tr>
</tbody>
</table>

*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 41 consortia received funding.

Comment:
The number of grants awarded dropped by 17 from the previous year. Funding, in whole or in part, was awarded to seventy-two point seven per cent (72.7%) of those applying – down five per cent (5%) from 2017.

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>$1,407,027</td>
</tr>
<tr>
<td>History of the Program</td>
<td>$30,421,673</td>
</tr>
<tr>
<td>Historical Average</td>
<td>$1,448,651</td>
</tr>
<tr>
<td>2015-2017 Average</td>
<td>$1,328,247</td>
</tr>
</tbody>
</table>

Comment:
Although the number of grants awarded decreased from 2017, the total amount awarded increased by $104,693.00. The average amount awarded each quarter increased by $26,172 to $351,756.00. Projections indicate that the current level of funding can be increased for 2018 – 2019.
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>Percent Matched by Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>$2,989,463</td>
<td>68%</td>
</tr>
<tr>
<td>History of the Program</td>
<td>$86,054,037</td>
<td>73.8%</td>
</tr>
</tbody>
</table>

Comment:
Employers matched two dollars and twelve cents ($2.12) for every dollar awarded by the program. The historical figure stands at two dollars and eighty-two cents ($2.82) matched for every dollar awarded.

The geographical distribution of employers receiving grants under the program:

Comment:
For reporting purposes, 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.
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>$273,244</td>
</tr>
<tr>
<td>Large</td>
<td>100 – 499 employed</td>
<td>$240,384</td>
</tr>
<tr>
<td>Extra Large</td>
<td>500 or more employed</td>
<td>$199,646</td>
</tr>
<tr>
<td>Consortia</td>
<td>Partnerships of any categories</td>
<td>$379,044</td>
</tr>
<tr>
<td>STP/Apprentice</td>
<td>Non-profits/Apprenticeships</td>
<td>$314,709</td>
</tr>
</tbody>
</table>

Comment:
The program has established a goal that 20% of available funds each quarter be set aside for small, large, ex-large for-profit businesses and Special Training Projects (STP’s). The STP funds may 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.
Geographical Grant Distribution
July 1, 2017 - June 30, 2018

Midplains Region
6 Grants
$24,293

Northeast Region
38 Grants
$425,237

Omaha Region
90 Grants
$441,143

Lincoln Region
52 Grants
$208,594

Southeast Region
18 Grants
$72,234

Central Region
42 Grants
$115,577

Panhandle Region
13 Grants
$23,224

Statewide
21 Grants
$96,725
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>Time Period</th>
<th>Greater Omaha</th>
<th>Greater Lincoln</th>
<th>Greater Nebraska</th>
<th>Statewide (in two regions)</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>1,815</td>
<td>1,347</td>
<td>4,197</td>
<td>1,862</td>
<td>9,221</td>
</tr>
<tr>
<td>History</td>
<td>76,248</td>
<td>53,012</td>
<td>173,776</td>
<td>12,968</td>
<td>316,004</td>
</tr>
<tr>
<td>Historical Avg.</td>
<td>3,630</td>
<td>2,524</td>
<td>8,275</td>
<td>1,179</td>
<td>15,047</td>
</tr>
<tr>
<td>Avg. last 3 yrs.</td>
<td>2,927</td>
<td>1,920</td>
<td>4,975</td>
<td>1,455</td>
<td>11,277</td>
</tr>
</tbody>
</table>

Workers Trained by Program Year and Region

Comment: The average cost per participant was $152.59. The historical average is now $96.27. Statewide grants cover two or more areas. Until 2008, statewide grants were not recorded.

**Not all grants funded in the last year have been closed out. 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 Healthcare

Comment: Of the two hundred eighty-five (285) employers closing out their grants in the past year, one hundred eight-six (186) reported that they offer health care insurance to their employees.

Training Resulting in Wage Increases

Comment: Of those recipients responding to this question, thirty-seven (37) of two hundred fifty-five (255) – fourteen point five percent (14.5%) – reported wage increases resulting from training received.
Department of Labor  
Nebraska Training and Support Cash Fund (NTSC)

**FUND ANALYSIS**  
QUARTER ENDING June 30, 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Balance as of June 30, 2018</td>
<td>$3,543,937.51</td>
</tr>
<tr>
<td>Plus: Estimated June 2018 Suit Interest (Avg. of previous 3 months)</td>
<td>117,692.59</td>
</tr>
<tr>
<td>Plus: Estimated June 2018 NTSC Investment Interest (Avg. of previous 3 months)</td>
<td>6,492.44</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td><strong>$3,668,122.54</strong></td>
</tr>
</tbody>
</table>

**Projection for the twelve month period of July 2018 - June 2019**

Add Annual Revenue:
- Estimated SUIT deposits based on current SUIT Cash Balance: $1,368,999.09  
  See note (1) below
- Estimated NTSC interest earned: 68,086.95  
  See note (2) below

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total (B)</strong></td>
<td><strong>$1,437,086.04</strong></td>
</tr>
</tbody>
</table>

Less Annual Expenses:
- Grant Awards Payable ($1,112,069.08 spent in last 12 months)*  
  From amount outstanding 7-1-18: $947,377.02
- Annual Expenses Admin ($95,269.10 during last 12 months)  
  Projected Admin Expenses: 97,650.83
- Liability for UI Collection of SUIT Tax  
  For FY17 SUIT Admin Costs: 32,510.20
- Liability for Sector Partnership Fund Transfer  
  From LB851A: 500,000.00
- Estimated Cash Reserve  
  Cash Reserve = Expenditure over 2 months: 262,923.01

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total (C)</strong></td>
<td><strong>$1,840,461.06</strong></td>
</tr>
</tbody>
</table>

**Projected total available for Grants and Admin through 6/30/2019**  
(A) + (B) - (C)  
$3,264,747.52
Fund Analysis Notes:

(1) To estimate quarterly deposits, the current average annual interest rate of 2.12994% is used. Average Daily Balance in May 2018 is $64,274,068.32 (according to DAS report). Estimated annual interest from SUIT is $64,274,068.32 x 2.12994% = $1,368,999.09

(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, 2018</td>
<td>$3,668,122.54</td>
</tr>
<tr>
<td>Estimated Annual Expenses</td>
<td>(1,840,461.06)</td>
</tr>
<tr>
<td>Estimated Interest transferred from SUIT</td>
<td>1,368,999.09</td>
</tr>
<tr>
<td>Estimated Average Balance</td>
<td>$3,196,660.57</td>
</tr>
<tr>
<td>Estimated Annual Interest from NTSC</td>
<td>$68,086.95</td>
</tr>
<tr>
<td>$3,196,660.57 x 2.12994%</td>
<td></td>
</tr>
<tr>
<td>FY17-18 actual Admin spending</td>
<td>95,269.10</td>
</tr>
<tr>
<td>FY17-18 Allotment for Admin</td>
<td>146,743.64</td>
</tr>
<tr>
<td>Includes $4,140.64 of FY16-17 Encumbrances</td>
<td></td>
</tr>
<tr>
<td>Unexpended FY17-18 Funds</td>
<td>51,474.54</td>
</tr>
<tr>
<td>FY17-18 actual Grant spending</td>
<td>1,112,069.08</td>
</tr>
<tr>
<td>FY17-18 Allotment for Grants</td>
<td>1,961,472.12</td>
</tr>
<tr>
<td>Includes $361,472.12 of FY16-17 Encumbrances</td>
<td></td>
</tr>
<tr>
<td>Unexpended FY17-18 Funds</td>
<td>849,403.04</td>
</tr>
</tbody>
</table>

* All Unexpended Funds will carry into FY18-19.
Other Relevant Program Information or Indicators that Relate to the Effectiveness of the Program and its Administration, as Required by Statute:

Customer Comments:

Thank you for assisting with our new Law Enforcement Center and the training needed to open the doors.

- Mark English, Thurston County Board of Supervisors, Pender
  Grant # 8790

...As we all know, education is often a very expensive endeavor, but it is one that is necessary in this modern technical age. As the Technical Program Manager, it is my goal to bring training to the company that will provide a positive impact to production yet minimize the costs to operations. By reaching out to the Nebraska Commissioner of Labor, we were able to apply for and receive a grant. This money not only helps cover the costs of the apprenticeships we have through Metro Community College but also allows several technicians to attend school. Thank you to the Nebraska Commissioner of Labor for the grant through the Worker Training Program and to all the technicians who have taken the time to learn new skills to keep Warren competitive.

- Shawn Wellman, Warren Distribution, Omaha
  Grant # 8524

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

- Dave Meierdierks, Michael Foods, Inc., Wakefield
  Grant # 8450

No suggestion for improvements - Please continue this valuable program.

- Paul Christenson, Nebraska Engineering Company, Omaha
  Grant # 8774

Without these training grant dollars, we would not be able to offer these beneficial programs to our associates across the bank.

- Melissa Karloff, Heartland Bank, Hastings
  Grant # 8932

This is a wonderful program that has helped LI-COR’s mechanical engineers grow in their career several times. I really appreciate it.

- Marcus Epp, LI-COR Biosciences, Lincoln
  Grant # 8885

As we have stated in the past, we believe the most important idea is getting the word out about this program.

- Diana Busche, Bland & Associates, P.C., Omaha
  Grant # 8791
Nebraska Worker Training Program Board Membership

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