



**NEBRASKA**  
DEPARTMENT OF LABOR

# Worker Training Program

ANNUAL REPORT | JULY 2018 - JUNE 2019



September 2, 2019

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

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,

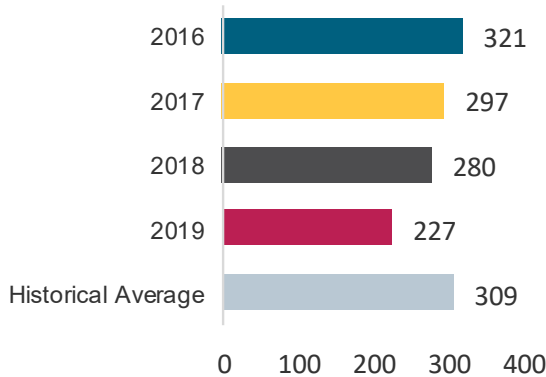
Greg Eden  
Molex LLC  
Chair, Worker Training Board

cc: Members of the Nebraska Legislature Business and Labor Committee

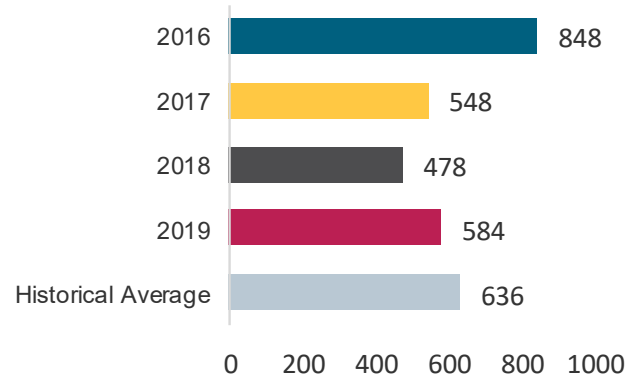
**The number of employers receiving grants:**

Time Period	Applications Received	Grants Awarded	Businesses Benefiting *
Fiscal Year	330	227	584
History of the Program	9,356	6,803	14,010

**Grants Awarded**



**Businesses Benefiting**



**Comment:**

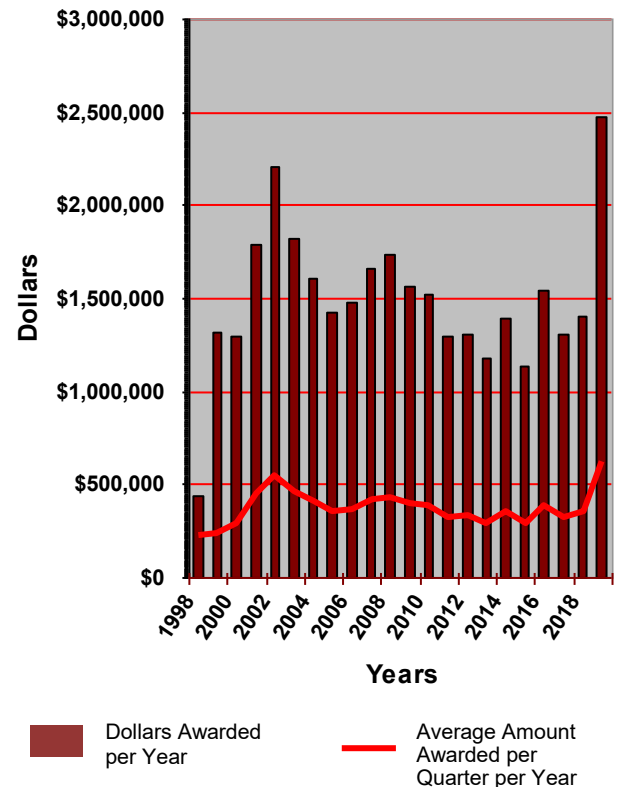
The number of grants awarded dropped by 53 from the previous year. Funding, in whole or in part, was awarded to sixty-eight point eight percent (68.8%) of those applying – down four percent (4%) from 2018.

**The dollar amount of grants awarded:**

Time Period	Amount Awarded
Fiscal Year	\$2,478,307
History of the Program	\$32,899,980
Historical Average	\$1,495,453
Average 2016 - 2019	\$1,729,222

**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.



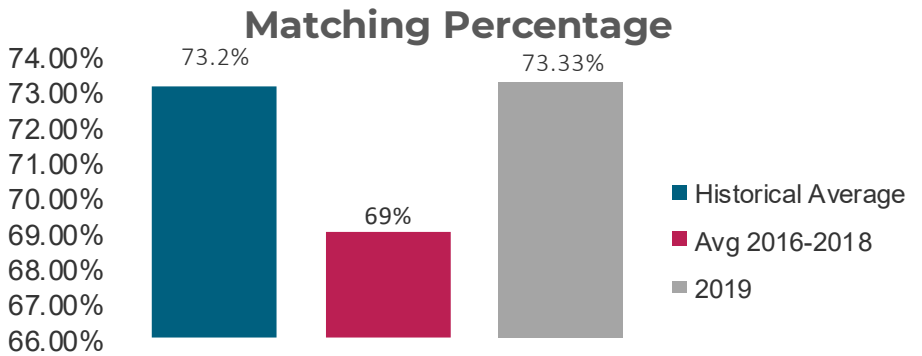
\*The number of businesses benefiting is higher than the number of grants awarded because one employer receives the funding on behalf of all members in a consortium. This past year 13 consortia received funding.

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

Time Period	Amount Matched By Employers	% Matched By Employers
Fiscal Year	\$6,817,444	73.3%
History of the Program	\$89,882,018	73.3%

**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).

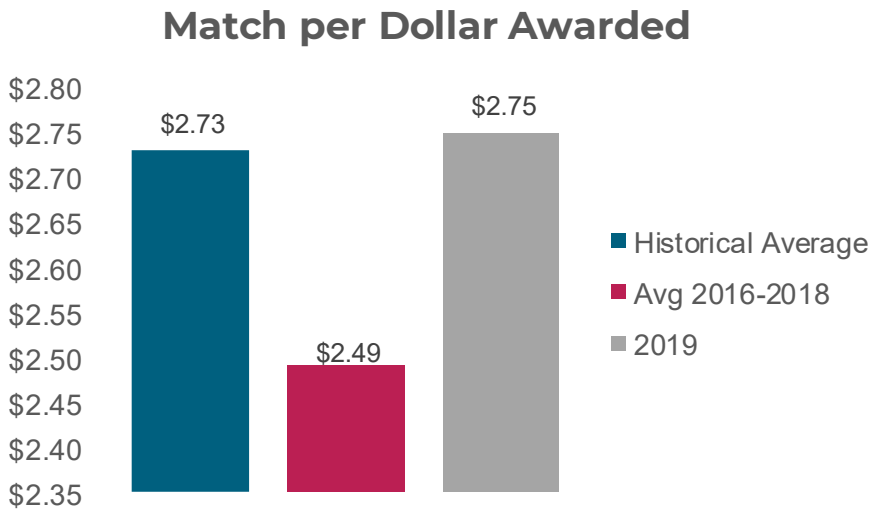


**The geographical distribution of employers receiving grants under the program:**

[See Attached Map](#)

**Comment:**

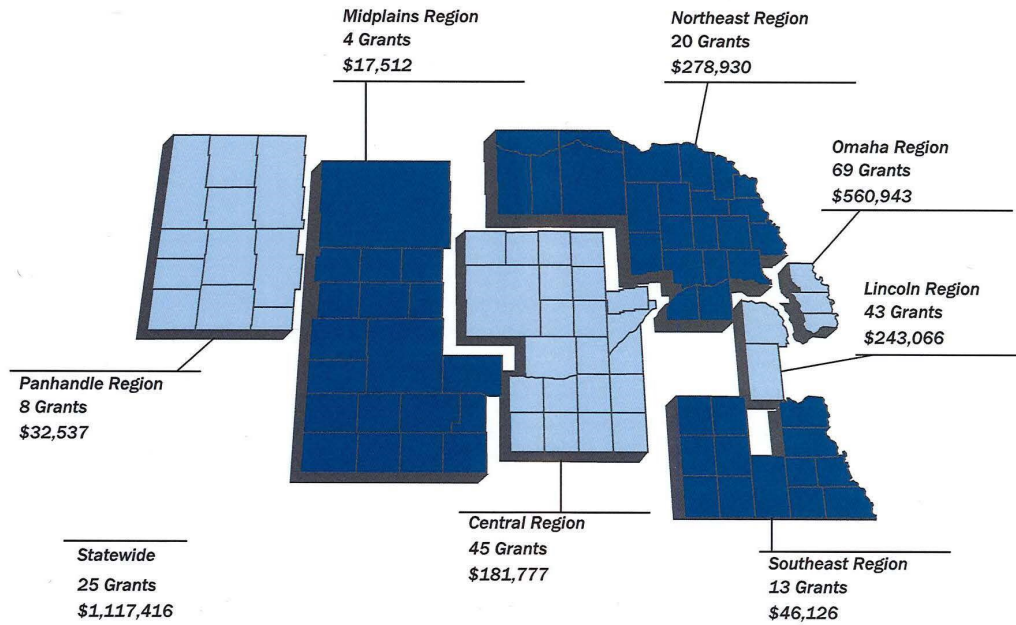
In order to ensure equitable distribution between urban and rural communities, the Program has divided the state into seven (7) geographic areas. Those



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.

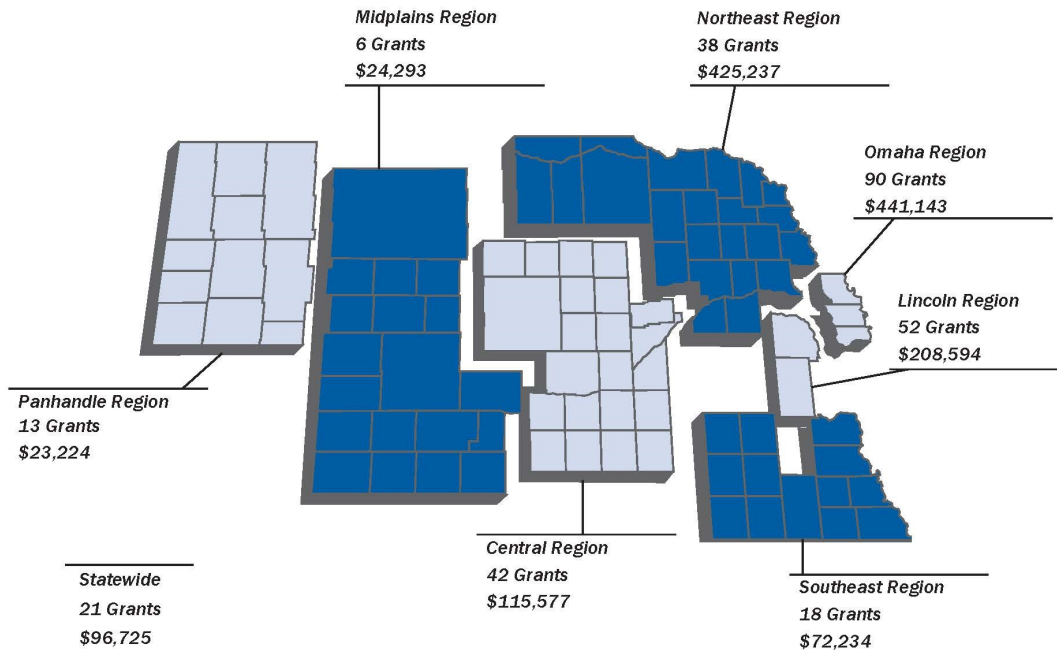
## Geographical Grant Distribution

July 1, 2018 - June 30, 2019



## Geographical Grant Distribution

July 1, 2017 - June 30, 2018

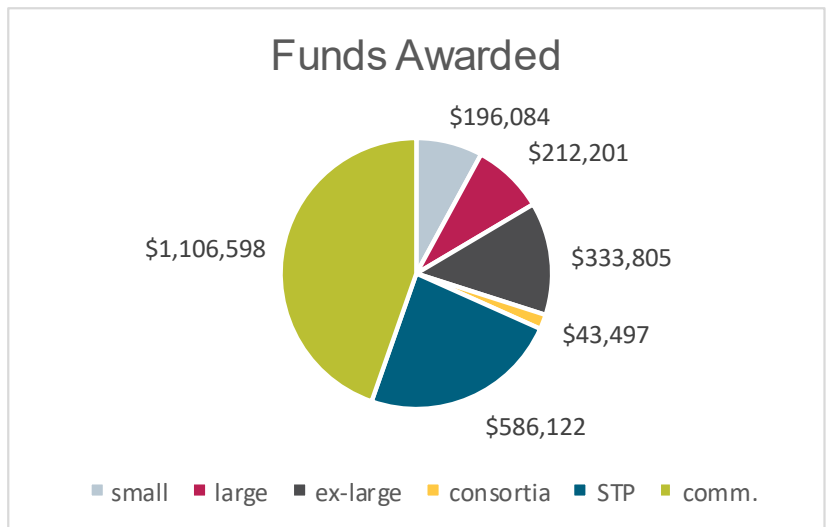
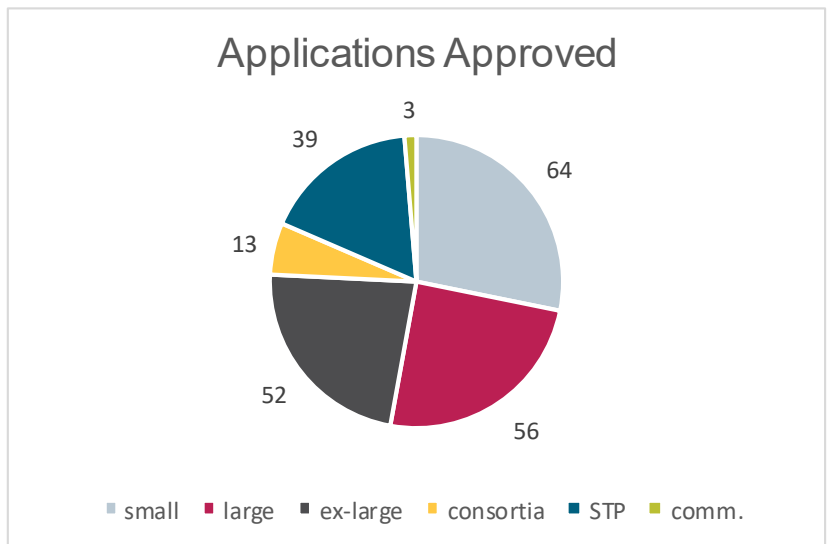


**The number of businesses that receive grants under the program and the total amount of grants awarded in each category:**

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

**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.



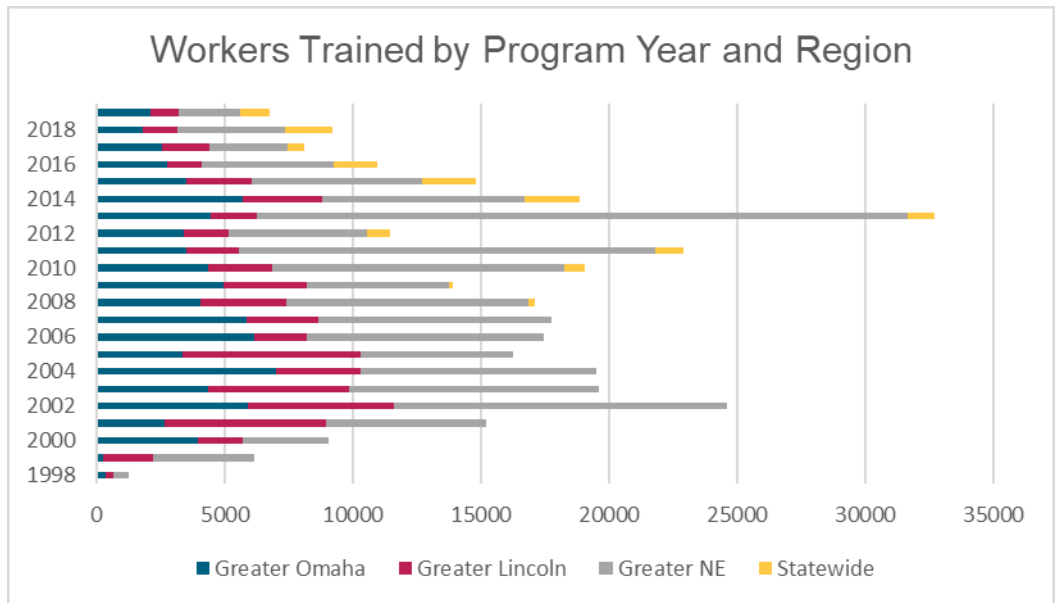
**Total number of employees trained\*\* – reported by regions of the state (estimates as some grants remain open); employees covered by health care; and companies reporting wage increases:**

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

**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.

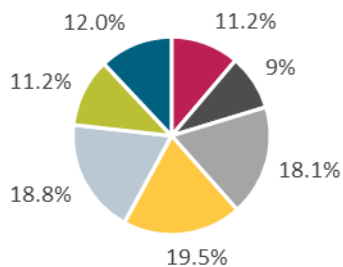
\*Until 2008, statewide grants were placed in the region of the lead company.

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



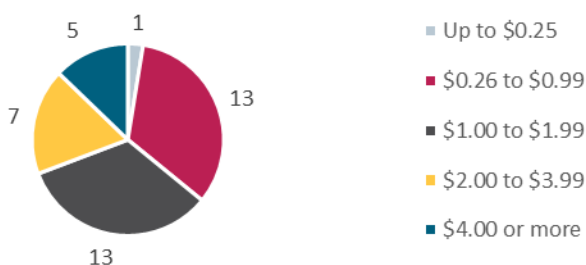
### Percentage of Employees Covered by Employers Offering Health Insurance

- 100%
- 90 to 99%
- 80 to 89%
- 70 to 79%
- 60 to 69%
- 50 to 59%
- Under 50%



**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%).

### 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	
<i>Plus: Estimated June 2019 Suit Interest</i>	140,061.97	Average of previous 3 months
<i>Plus: Estimated June 2019 NTSC Investment Interest</i>	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 SUIIT deposits based on current SUIIT 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 SUIIT Tax	31,764.37	For FFY18 SUIIT 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

Beginning Balance as of July 1, 2019	\$3,862,340.37	(A)
Estimated Annual Expenses	(3,197,830.72)	(C)
Estimated Interest transferred from SUIT	1,617,988.79	See Note (1)
Estimated Ending Balance	<u>\$2,282,498.44</u>	
Estimated Average Balance	<u>\$3,072,419.41</u>	
Estimated Annual Interest from NTSC	\$74,066.51	\$3,072,419.41 X 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	<u>66,142.72</u>	
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	<u>1,605,420.31</u>	

\* 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

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## 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  
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**John Bourne**  
**Employee's Representative**  
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402-943-6324

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**Nebraska Community College Association**  
Executive Director  
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Fax 402-471-4726

**Jacquie Slagle**  
**Public Representative**  
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308-237-2292

**Worker Training Program Office**  
**Steve Porr, Program Coordinator**  
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Fax 402-471-2022



# NEBRASKA

DEPARTMENT OF LABOR

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