



Workforce Development Training Fund 2018 Annual Report

Idaho Workforce Development Council
State of Idaho
Brad Little, Governor

In late 2017, Governor C.L. “Butch” Otter issued an executive order to move the Idaho Workforce Development Council to the Executive Office of the Governor following recommendations from the Workforce Development Task Force. At that time, the Council was re-comprised to increase the role of industry in addressing workforce challenges facing all of Idaho’s employers. The legislature codified changes to the structure of the Council under House Bill 432 and shifted responsibility of the Workforce Development Training Fund (a dedicated fund generated by a 3% offset of unemployment insurance taxes) to the Council. The charge given to the Council by the Governor and legislature is to champion the development and implementation of a statewide, strategic workforce development plan that meets industries’ needs today and tomorrow. The Council now serves as a coordinating body across state agencies, education, and economic development partners in order to address one of the most critical issues threatening the continued growth of Idaho’s economy – developing a skilled workforce that meets the needs of Idaho’s employers.

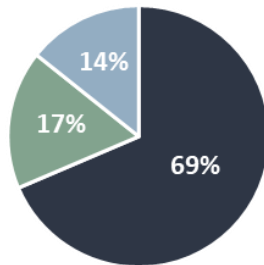
One of the key achievements of the Council this past year is conducting a complete review and update to the policies of the Workforce Development Training Fund. The goals for the training fund are:

1. Increase the economic mobility of Idahoans through training that leads to wage gains and retention.
2. Provide timely assistance to businesses while shifting focus to broader talent pipeline development strategies that serve multiple employers.
3. Support growth of the economy by assisting employers with job creation and integration of technology, specifically through the development of skills in their existing and/or new employees.
4. Provide a return on investment to Idahoans as evidenced by increased wages, job creation, capital investment, retention of Idaho’s workforce, credential attainment and/or customer satisfaction (employer and trainee).
5. Promote innovation in talent development.
6. Encourage replication of best practices in talent pipeline development.

The following charts reflect the Council’s priority to shift focus from helping employers one-at-a-time to broader sector strategies. From the inception of the Industry Sector Grant program in 2014 to the end of 2017, 14% of the grants awarded were sector grants. In this past calendar year, the Council has increased that to 29% of the grants awarded while focusing on supporting efforts throughout the entire state.

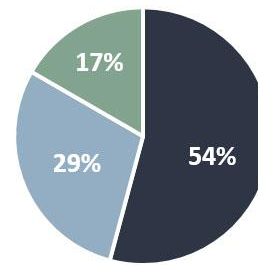
Introduction (cont.)

Number of Grants by Type Calendar Year 2014-2017



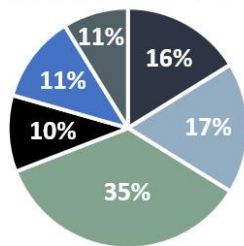
- Employer Grant - 48
- Innovation Grant - 12
- Industry Sector - 10

Number of Grants by Type Calendar Year 2018



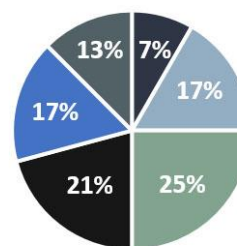
- Employer Grant - 13
- Industry Sector - 7
- Innovation Grant - 4

Number of Grants by Region Calendar Year 2014-2017



- 1- North - 11
- 2- North Central - 12
- 3- Southwest - 24
- 4- South Central - 7
- 5- South East - 8
- 6- East - 6

Number of Grants by Region Calendar Year 2018



- 1- North - 2
- 2- North Central - 4
- 3- Southwest - 6
- 4- South Central - 5
- 5- South East - 4
- 6- East - 3

The Council has also started funding Outreach Projects to meet the responsibility of increasing public awareness of, and access to, career education and training opportunities, as added to the eligible uses of the Workforce Development Training Fund in House Bill 432. Future reports will include metrics and success stories on the use of the fund for these efforts to better connect education to careers.

Workforce Development Training Fund

YEARLY FINANCIAL SUMMARY for FY2017 & FY2018 (UNAUDITED)

	<u>ACTUAL FY2017</u> <u>7/1/16 - 6/30/17</u>	<u>ACTUAL FY2018</u> <u>7/1/17 - 6/30/18</u>
Beginning Cash Balance	\$13,070,130	\$13,656,183
Revenue		
Collections*	\$5,111,328	\$7,162,073
Interest	\$118,322	\$252,542
Total Revenue	<u>\$5,229,650</u>	<u>\$7,414,615</u>
Expenditures		
WDTF Grants	\$3,849,810	\$2,338,801
Administrative Expenses	\$793,787	\$922,510
Total Expenses	<u>\$4,643,597</u>	<u>\$3,261,311</u>
Ending Cash Balance	\$13,656,183	\$17,809,487
Outstanding Grant Obligations	\$6,201,946	\$4,858,815
Ending Unobligated Balance	<u>\$7,454,237</u>	<u>\$12,950,672</u>

*Includes a \$2.5m general fund transfer into the Workforce Development Training Fund in FY18 to offset the impact of the unemployment insurance tax rate reduction passed in 2018.

Workforce Development Training Fund

JANUARY 1, 2018 THROUGH DEC. 31, 2018

Employer Grants

Direct grants provided to new and expanding business with an emphasis on transferrable skills and structured training programs.

	COMPLETED	ACTIVE*
Total Contracts-----	8	17
Amount Awarded-----	\$4,704,841	\$8,336,614
Total Expended-----	\$4,331,272	\$1,323,805
Average Hourly Wage-----	\$17.46	\$20.83
Number of Trainees -----	1,607	5,152
Average Cost per Trainee -----	\$2,695	\$1,618

Industry Sector Grants

Education institutions partner with three or more industry partners who provide a cash match and/or in-kind resources.

	COMPLETED	ACTIVE*
Total Contracts-----	1	7
Total Awarded-----	\$244,341	\$1,602,433
Total Expended-----	\$175,733	\$269,587
Average Hourly Wage-----	\$16.00	\$16.16
Number of Trainees-----	30	838
Average Cost per Trainee-----	\$5,858	\$1,912

Innovation Grants (formerly Micro-Grants)

Community consortiums of business, education and other partners to solve workforce issues.

	COMPLETED	ACTIVE*
Total Contracts-----	2	4
Total Awarded-----	\$40,800	\$67,899
Total Expended-----	\$40,629	\$23,135
Average Hourly Wage-----	\$15.74	\$15.10
Number of Trainees-----	84	100
Average Cost per Trainee-----	\$484	\$679

*Information provided for active grants show planned wages, trainees and cost per trainee.

Award Highlights

The fund, established in 1996, is one of the state’s most powerful workforce development tools available to support new and existing businesses as they seek to relocate or expand.

Highlights from just a few of the companies and organizations that have been boosted through the program illustrate not just the economic impact of the program, but also the human factor.

Region 1 - Northern Idaho

North Idaho College, Health Career Pathway Solutions (Coeur d’Alene) – industry sector grant

Period of Performance: July 1, 2018, through June 30, 2020

Total Dollars Awarded: \$207,590.19

Estimated Number of People Trained: 54

Estimated Post-Training Wages: \$12.74/hour to \$14.55/hour



North Idaho College

North Idaho College received a \$207,590.19 Workforce Development Training Fund grant to support training more than 50 health care professionals through a partnership of six healthcare organizations - Kaniksu Health Services, Kootenai Health, Heritage Health, North Idaho Advanced Care Hospital, Northwest Specialty Hospital and the Rehabilitation Hospital of the Northwest. Funds are being used to train incumbent certified nurse assistants (CNAs), advancing them to medical assistants (MAs) and patient care technicians, positions in high-demand.

The grant project will also provide open enrollment in the Medical Assistant program for up to 21 individuals.

The MA training uses an apprenticeship model, allowing incumbent workers to “earn and learn” as they work towards certification and higher wages without having to quit working. Training includes a combination of classroom time and on-the-job training.

Award Highlights - (cont).



A total of 10 training sessions over the two-year length of the grant will include the medical assistant, patient care technician I and patient care technician II, and all who complete the training earn a certification. All classroom work takes place at NIC.

Participants can expect wage increases after earning certifications of approximately \$2 per hour plus benefits.

Employment for medical assistants in North Idaho is projected to grow 23.5% between 2016 and 2026, according to the Idaho Department of Labor. Healthcare support occupations are expected to increase 23.2% between 2016 and 2026, making them one of the fastest growing occupational groups in the country.

Region 2 - North Central Idaho

Clearwater County Economic Development (Orofino) – innovation grant

Period of Performance: June 1, 2018 to May 31, 2019

Total Dollars Awarded: \$7,418.25

Estimated Number of People Trained: 30

Estimated Post-Training Wages: \$7.50 to \$15/hour



Clearwater County Economic Development is using a \$7,418 Workforce Development Training Fund innovation grant to provide basic employee skills training for individuals participating in Clearwater County's Problem Solving Court.

Problem Solving Courts, a judicial branch of the Idaho Supreme Court, divert non-violent, substance abusing offenders from prison and jail into treatment. This project involves training individuals for employment who have an agreement with the court system to make positive changes in their lives and behavioral patterns.



Training will focus on basic math, Microsoft Word and Excel courses through an online, self-paced curriculum. Each participant will be able to obtain certifications and participate in a workplace excellence workshop series, which emphasizes soft skills to expand individual capacity and employability characteristics.

Participants also will have the opportunity to obtain a C-STOP certification (Contractors Safety and Orientation Program), which is a nationally recognized workplace safety curriculum that meets U.S.

Award Highlights - (cont).

Occupational Safety and Health Administration standards. Following training, workers can expect to find jobs earning wages up to \$15 per hour.

Clearwater County Economic Development is matching the grant with \$7,418 of in-kind support.

This project will become another incentive for court participants to enter into gainful employment. According to [Idaho Problem Solving Courts website](#), “a decade of research indicates that Drug Courts reduce crime by lowering re-arrest and conviction rates, improving substance abuse treatment outcomes and reuniting families and also produce measurable cost benefits.”

Region 3: Southwestern Idaho

Associated General Contractors of America Inc., Idaho Branch (Boise) — industry sector grant

Period of Performance: Oct. 1, 2018 to July 31, 2020

Total Dollars Awarded: \$250,000

Estimated Number of People Trained: 180

Estimated Post-Training Wages: \$13.92/hour



Idaho’s construction industry is booming, but finding workers with the skills and knowledge to fill the positions required to keep up with demand has been challenging.

That was the impetus for the Idaho Chapter of the Associated General Contractors of America to apply for a Workforce Development Training Fund industry sector grant to fund employer-driven solutions. The Idaho AGC is working with community partners and six colleges to provide a series of nine, four-week long courses in construction training designed to recruit unskilled and/or underemployed individuals to the industry.

For several months Idaho had the fastest rate of growth in construction, but the industry couldn’t find applicants for the jobs, said Wayne Hammon, CEO of Idaho AGC. Using a pre-employment training model, similar to one used in Denver, Hammon and his organization decided to apply for the grant to implement that same training model across Idaho.

AGC wants to introduce the basics of construction to people who may never have considered working in the construction industry. The group intends the basic skills training program to encourage people that there are not only job opportunities, but also careers for them in industry.

Award Highlights - (cont).

Over the 24-month span of the grant, AGC plans to train 180 individuals in the four-week courses. Week one is construction basics and career options. Week two is construction math and job types. Week three is building techniques and job types. Week four covers professional development such as developing resumes, practicing interview skills, launching a job search and culminates in a hiring fair. The courses will be offered at the College of Western Idaho, the College of Southern Idaho, the College of Eastern Idaho, North Idaho College, Lewis Clark State College and Idaho State University.



Partners helping to recruit trainees include the Idaho Department of Health and Welfare, Idaho Division of Vocational Rehabilitation, Idaho Department of Labor, Wyakin Warrior Foundation, Centennial Job Corps, AFL-CIO, Department of Veterans Affairs, International Rescue Committee, Idaho Office for Refugees and the Boise Rescue Mission.

ACG anticipates 135 individuals will find employment within 60 days of completing the training with an anticipated starting hourly wage of \$13.92 plus benefits.

Industry partners and AGC members, who have provided input to the training curriculum with the intent to hire individuals after their training is completed, include McAlvain Companies Inc.; HK Contractors Inc.; Wright Brothers, The Building Company; Extreme Excavation Inc.; ESI; and Starr Corporation.

Each of these partners are providing match for materials, student tuition and other expenses.

Region 3 – Southwestern Idaho Woodgrain Millwork Inc. - Emmett

Period of Performance: Jan. 1, 2018 to Dec. 31, 2020

Total Dollars Awarded: \$107,867

Estimated Number of People Trained: 52

Estimated Post-Training Wages: \$20.24/hour



When Fruitland-based Woodgrain Millwork Inc. purchased the Emmett sawmill, it was a commitment of expansion and change. The company invested millions to remodel and upgrade the aging facility to a state-of-the-art modern sawmill.

With such changes comes the need for workers with updated skill sets – in this case, moving from a labor-intensive, high-touch model to a knowledge-intensive, low touch one. The

Award Highlights - (cont).

Workforce Development Training Fund employer grant of \$107,867 is a critical element in providing the training required to bring the workforce up to speed with the updated mill.

Using a combination of internal training and external vendor training, the skills workers will learn range from technical specifics of how scanning and optimization works, to the advanced maintenance required of high-tech sawmilling, to continuous improvement and how to work in teams.

Train-the-trainer format using Training Within Industry (TWI) methods is the primary approach to the internal, site-specific topics. External technical training covers topics such as programmable logic controls and hydraulic training, along with industry-specific subjects such as saw filing, kiln drying and lumber quality.

Vendors providing external training include Boise State University, Tech Help, College of Western Idaho and Hew Saw US, manufacturers of sawing machines.



Woodgrain intends to train 52 workers for new permanent full-time positions at an hourly average wage of \$20.24 plus benefits.

The workers will be training for a myriad of positions, including electrician, debarker operator, controller, lead millwright, log buyer, kiln operator, heavy equipment mechanic, production manager, scaler, saw filer, sales manager, stockroom/buyer, safety/financial supervisor and many others.

Region 4 – South Central Idaho

Cassia Joint School District #151 – industry sector grant

Period of Performance: Nov. 15, 2017 to Nov. 14, 2019

Total Dollars Awarded: \$248,745

Estimated Number of People Trained: 42

Estimated Post-Training Wages: \$14/hour



The Magic Valley has seen tremendous manufacturing growth in the past several years. In particular, Minidoka and Cassia counties have experienced the expansions of McCain Foods, High Desert Milk and Fabri-Kal and all have faced a shortage of machine operators. With county unemployment rates barely above 2 percent, finding workers became a challenge.

Award Highlights - (cont).

With the help of a \$248,745 Workforce Development Training Fund industry sector grant, the three companies teamed up with the Minidoka and Cassia school districts to develop a machine operator School to Registered Apprenticeship Program - or STRAP – for junior and seniors.

The training program involves 280 hours of classroom instruction and 1,820 hours of on-the-job training. Through this “earn while you learn” model students work part time during the school year and full time in the summer. They are paid an hourly wage between \$10 and \$12 after signing a contract to ensure they attend classes and show up for work.

Topics covered in the classroom training include safety management, food safety and security, maintenance, mechanical techniques, electrical and instrumentation systems, environmental safety, continuous improvement and workplace excellence skills.



When students complete the joint classroom and on-the-job training they will graduate from the program with a nationally recognized credential from the U.S. Department of Labor.

Students who complete the STRAP program and have graduated from high school are offered full-time permanent positions, including benefits with the partner companies - McCain Foods, High Desert Milk and Fabri-Kal. The new workers can expect to earn average hourly wages of \$14.

The team has created and structured the machine operator apprenticeship program so the students of Minidoka and Cassia School Districts in each succeeding class, year after year, will be trained and have full-time employment opportunities with the industry partners, thus creating an ongoing workforce pipeline.

Region 5 – Southeastern Idaho Spudnik Equipment Company (Blackfoot) – employer grant

Period of Performance: June 1, 2017, to May 31, 2019

Total Dollars Awarded: \$158,271.25

Estimated Number of People Trained: 20 new; 250 retrained

Average Estimated Post-Training Wages: \$15.36/hour



North America’s largest potato equipment manufacturer is training 20 individuals for new, permanent full-time positions and retraining 250 current workers for its facilities in Blackfoot with the help of a \$158,271 Workforce Development Training Fund employer grant. Spudnik continues to grow each year and expects to increase the size of its workforce by 20 percent over the next five years to keep up with demand. In addition to normal growth, the

Award Highlights - (cont).

company has an aging workforce and anticipates 10 percent of its workforce will retire over the next five years, taking a lot of institutional knowledge with them when they retire.

Twenty-five individuals will be trained through registered apprenticeship programs as assemblers, machinists, welders and fabricators at starting at \$12 per hour. Wage increases are built into the programs so that workers are compensated as their skills increase.



The 250 workers are participating in retraining for those same positions as well as laser operators, nesters, manufacturing engineers, production managers, IT support specialists, maintenance technicians, mechanical, electrical and hydraulic engineers, production control specialists, engineer support specialists, service technicians and drafters. Hourly wages for incumbent workers after training will range from \$13 to \$24 plus benefits.

An extensive array of skills are included in the training, provided by several organizations and equipment manufacturers such as Underwriters Laboratories, Idaho State University, Cadex, TPCTrain CO, Bystronic, TRUMPF, Bigfoot and IFPS. A combination of classroom instruction, hands-on practice and on-the-job training will be used over the two-year length of the grant.

Region 6 – Eastern Idaho

College of Eastern Idaho (Idaho Falls) – industry sector grant

Period of Performance: Aug. 31, 2018 to Aug. 30, 2020

Total Dollars Awarded: \$250,000

Estimated Number of People Trained: 180 current; 40 new

Estimated Post-Training Wages: \$17.24/hour



The Idaho Department of Labor projects a 17.5 percent increase in welder jobs statewide between now and 2026. Many of those openings will be caused by retirements. Nationwide, the projected shortage is even higher, and southeastern Idaho wants to be ready.

The College of Eastern Idaho obtained a \$250,000 Workforce Development Training Fund industry sector grant to counter the current shortage and plan for future by training 220 welders over a two-year period.

The program was developed among a partnership of southeastern Idaho organizations that provided cash match as a shared investment in building up the area’s welder workforce.

Award Highlights - (cont).

Businesses providing the matching funds are Premier Technology, American Fabrication Inc., Cives Steel Company, Idaho Steel, Spudnik Inc. and the Idaho National Laboratory.

The six-week course takes place on Saturdays, 8 a.m. to 5 p.m., at the college's Workforce Development Department where part-time instructors teach modularized basic and advanced welding techniques. The training is based on standards established by Idaho Career & Technical Education's Idaho Welding Technology Program.



Curriculum includes a combination of classroom presentations and hands-on welding practice. In the sixth and final class, students complete a skills assessment to demonstrate competency. Students earn SkillStack welding badges based on results. Badges indicate an individual has mastered a particular skill set and increases employability.

Initially, there will be nine rounds of training year-round to meet the goal of 220 trainees. Post training, the average hourly wages students can expect will vary depending on experience with an average of \$17.24, plus benefits.

Grant Summaries



ACTIVE CONTRACTS CY2018								
Type of Grant	Company Name	Start Date	End Date	Amount Awarded	Expenditures thru 2018	Balance	# of Trainees	Average Wage
Employer	Basic American Foods	10/18/2018	1/31/2019	\$54,991	\$0.00	\$54,991	856	\$16.58
Employer	CS Beef Packers	10/1/2016	9/30/2019	\$1,099,935	\$0.00	\$1,099,935	701	\$17.28
Employer	DA Glass	7/1/2018	6/30/2020	\$110,655	\$0.00	\$110,655	55	\$14.00
Employer	Diversified Fluid	1/1/2017	12/31/2019	\$308,949	\$295,623.49	\$13,326	96	\$19.54
Employer	Fresh Air Manufacturing	1/1/2016	12/31/2019	\$80,000	\$32,633.69	\$47,366	23	\$20.87
Employer	House of Design	8/15/2017	8/14/2019	\$99,984	\$2,031.00	\$97,953	34	\$31.78
Employer	McCain	8/13/2017	8/12/2019	\$2,500,000	\$0.00	\$2,500,000	753	\$20.60
Employer	Orgill Inc.	11/1/2016	10/31/2019	\$151,032	\$19,138.10	\$131,894	167	\$16.93
Employer	Premier Technology	6/14/2018	6/13/2020	\$423,690	\$0.00	\$423,690	254	\$18.35
Employer	Semiconductor Components Ind	6/13/2017	6/12/2019	\$335,959	\$133,188.88	\$202,770	84	\$25.18
Employer	Simplot	12/1/2018	11/30/2020	\$552,438	\$0.00	\$552,438	490	\$42.17
Employer	Sorrento Lactalis	7/1/2016	1/8/2019	\$282,927	\$0.00	\$282,927	91	\$27.02
Employer	Spudnik	6/1/2017	5/31/2019	\$158,271	\$36,999.90	\$121,271	270	\$15.36
Employer	Paylocity Corp.	12/1/2015	11/30/2018	\$1,200,000	\$790,789.24	\$409,211	500	\$21.09
Employer	Unitech	4/1/2018	3/31/2020	\$822,337	\$0.00	\$822,337	421	\$14.47
Employer	Western States Equipment	6/5/2017	6/4/2019	\$48,243	\$13,400.85	\$34,842	18	\$12.00
Employer	Woodgrain Millwork	1/1/2018	12/31/2020	\$107,203	\$0.00	\$107,203	52	\$20.08
Micro	Clearwater CNA	9/17/2018	9/16/2019	\$10,481	\$0.00	\$10,481	14	\$14.00
Micro	Clearwater Problem Solving Court	6/1/2018	5/31/2019	\$7,418	\$0.00	\$7,418	30	\$17.25
Micro	Franklin County LPN	8/20/2018	8/19/2019	\$25,000	\$0.00	\$25,000	4	\$17.00
Micro	Lewiston High School Dist. #1	7/1/2017	5/31/2019	\$25,000	\$23,134.72	\$1,865	52	\$14.00
Sector	Cassia JSD #151	11/15/2017	11/14/2019	\$248,745	\$18,532.00	\$230,213	42	\$14.00
Sector	CEI Nursing	9/1/2017	8/31/2019	\$79,516	\$21,899.52	\$57,616	13	\$17.85
Sector	CEI Nuclear	8/1/2018	7/31/2020	\$84,000	\$0.00	\$84,000	160	\$13.25
Sector	CEI Welding	8/31/2018	8/30/2020	\$250,000	\$0.00	\$250,000	180	\$17.24
Sector	Idaho AGC	8/1/2018	7/31/2020	\$250,000	\$0.00	\$250,000	180	\$13.92
Sector	NIC Health Careers	6/1/2018	5/31/2020	\$207,590	\$0.00	\$207,590	49	\$14.55
Sector	NIC Wood Products	3/1/2017	2/28/2019	\$482,582	\$229,155.61	\$253,427	214	\$20.00

COMPLETED CONTRACTS CY 2018								
Type of Grant	Company Name	Start Date	End Date	Amount Awarded	Expenditures thru 12/31/18	Balance	# of Trainees	Average Wage
Employer	AMFEC Inc	4/18/2016	4/17/2018	\$197,505	\$197,505.00	\$0	54	\$20.58
Employer	Amy's Kitchen	12/1/2014	12/31/2018	\$2,000,000	\$2,000,000.00	\$0	667	\$17.00
Employer	Clif Bar & Company	9/1/2014	12/31/2018	\$2,016,000	\$2,016,000.00	\$0	252	\$21.43
Employer	Comenity Servicing	3/1/2016	2/28/2018	\$87,302	\$0.00	\$87,302	364	\$13.52
Employer	Federal Cartridge Co.	7/1/2016	6/30/2018	\$202,500	\$0.00	\$202,500	135	\$17.38
Employer	Hearthside Food Solutions	10/15/2015	10/14/2018	\$83,120	\$60,077.60	\$23,042	87	\$22.00
Employer	R.C. Bigelow	7/1/2016	6/30/2018	\$58,915	\$22,692.73	\$36,222	31	\$19.61
Employer	St. Joseph Regional Medical Center	3/1/2016	3/28/2018	\$59,500	\$34,996.28	\$24,504	17	\$25.00
Micro	ISU Construction	3/21/2018	3/30/2019	\$15,902	\$15,853.16	\$49	80	\$16.00
Micro	Oneida County LPN	8/1/2017	9/30/2018	\$24,898	\$24,775.77	\$122	4	\$10.46
Sector	University of Idaho Fire Science	5/1/2016	4/30/2018	\$244,341	\$175,733.32	\$68,608	30	\$16.00