

DELAWARE ECONOMIC DEVELOPMENT OFFICE
WORKFORCE DEVELOPMENT

-

ANNUAL REPORT

FISCAL YEAR 2011



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Workforce Director's Summary

FY 2010 brought many new challenges to Workforce Development Division of Delaware Economic Development Office (DEDO), resulting from the state of the economy and the high unemployment rate. We responded to these challenges by leveraging and diversifying our grant resources to reap the greatest return for Delaware.

We increased our Blue Collar grant awards by 66% in comparison to FY2009, awarding grants to 44 privately held companies.

Funds awarded totaled \$1,526,533.61 with a company match ratio of 2.75 to 1
Of the total companies served 49.9% were small business with less than 100 employees
We trained 2,051 employees

In addition to serving our privately held companies, we extended the Governor's Education Grant on two levels.

- First, we extended the participating educational institutions to include the Adult Education Division. By including the Vo-Tech Adult Ed, non-credit programs we provided the opportunity for someone seeking to learn a new skill or gain certification credentials in a relatively short period of time.
- Secondly, we implemented a new scholarship geared toward the unemployed population who lost their job but do not qualify for any federal training assistance through the department of labor. A potential candidate may have been unsuccessful in obtaining employment within their current career field and wants to learn a new skill. Qualified individuals will receive assistance up to \$2,000 per year for training costs associated with learning a new marketable skill.

Both the Governor's Education Grant for Working Adults and for Unemployed Workers assisted a total of 145 students with the average grant award of \$1,197. Course study ranged from Table Game, to Nursing, to Pharmacy Technician just to name a few.

State employees also receive grants for their Professional Development and Management Certificate Programs.

I encourage you to take the time to review our Annual Report which provides details and showcases many of the special project initiatives implemented in FY 2010.

Sincerely,

Sonia Aguilar, Workforce Director



The mission of the Workforce Development Team is to ensure the availability of a skilled, multi-level workforce for new and existing Delaware businesses. We do this by assisting employers in obtaining, upgrading and retaining valued workers, and by helping Delawareans gain the education and training required to get and keep quality jobs and steady employment.

The Delaware Economic Development Office's Workforce works with Delaware's industries and individual companies to determine opportunities to increase the productivity and performance of their workforce. Workforce representatives can assist companies in outlining training goals, providing valuable training information and resources, and in developing skilled training programs to meet their specific needs. The programs are all directed toward business retention and expansion through the development of a skilled workforce.

Workforce representatives are skilled toward leveraging resources and maximizing the return on investment. Several business partnerships have been formed that resulted in shared training programs, thereby leveraging state training funding along with identifying specific business retention and expansion needs for a particular industry. These partnerships consist of Delaware Poultry Industry Partnership (DPIP), Delaware's Aviation Industry, Delaware Bankers Association, and Associated Builders & Contractors (ABC).

In addition to direct workforce training benefits, DEDO's Workforce Center of Excellence also helps companies recruit and retain valued employees. The Workforce Center of Excellence can connect employers with potential employees and other job recruitment resources. Our services to our clients range from funding Blue Collar Grants for customized training needs to recruiting assistance by bringing together employers and job seekers, joining like industries together to develop educational programs that support business retention and expansion along with establishing a qualified skilled workforce. We also partner with community organizations such as the Dover Public Library to identify and develop new programs that leverage other training professional's resources such as the Society of Human Resource Management (SHRM) volunteers to prepare individuals seeking employment. Our office also has created and implemented several pre-employment programs. The Workforce Center of Excellence strives to stay in the forefront of the business community, ready to assist companies, large or small, meet their business needs now and in the future.



Funding Sources

Below is a brief explanation of the funding sources used in operating our program activities.

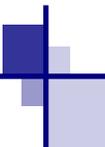
Blue Collar Training Fund is created by a .15% assessment on the unemployment insurance tax paid on the first \$10,500 of employee wages. DEDO receives 25% of the training receipts generated by this assessment to provide customized training to employees of Delaware businesses for skill development in conjunction with business retention and expansion.

Governor's Workforce Development Grant program, created with Blue Collar funds to be administered by the Delaware Higher Education Commission, provides tuition assistance to working adults attending higher education courses on a part-time basis by contributing 65% of their tuition.

State Employee Training program blue collar training funds are also used to support career ladder training programs for state employees. The program is administered by Office of Human Resource Management.

Workplace Literacy funds enable us to provide basic skills training for incumbent workers.

Welfare to Work funds are used for the purpose of outreach to the business community, aimed at increasing the general knowledge of the business community of the Temporary Assistance for Needy Families Program.



Fiscal Year 2011 Summary

Forty five (45) custom training contracts totaling over \$1.2 million were active and managed by the Workforce Development Center, representing partially completed contracts carried over from FY 2010 and new contracts written in FY 2011. This activity does not include the Governor's Workforce Development Grant program or the State Employees training program.

- Forty five (45) contracts were completed totaling \$1,255,427.57 with a match of \$2,669,331.27 contributed by the employers
- Forty two (42) unique companies served
- 1,429 training participants
- 26 companies were first time applicants (*first time applicant is defined as a company that has not received funding within the last 5 years.*)
 - New Castle County—18
 - Kent—4
 - Sussex—4
- 25 companies were small businesses (*less than 100 employees*)

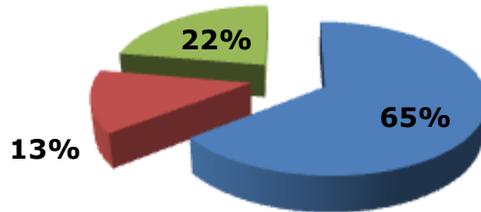


There were 38 contracts that were signed in fiscal year 2011.

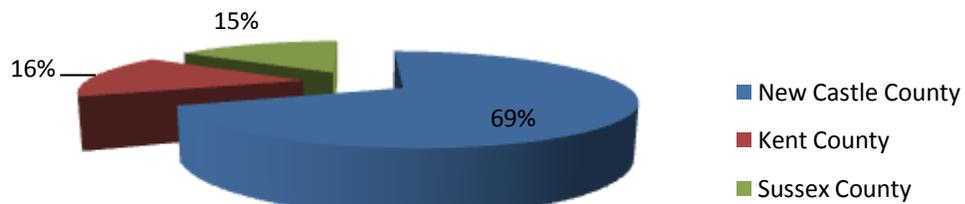
- 38 contracts were signed in FY 2011 compared to 44 contracts signed in FY 2010, representing an 14% decrease
- Funds awarded total over \$1.1 million
- 19 were first time applicants (within 5 years)
- 19 were small businesses (less than 100 employees)
- 20 were in New Castle County
- 6 were in Kent County
- 12 were in Sussex County

County Distribution of Projects FY11

■ New Castle County ■ Kent County ■ Sussex County

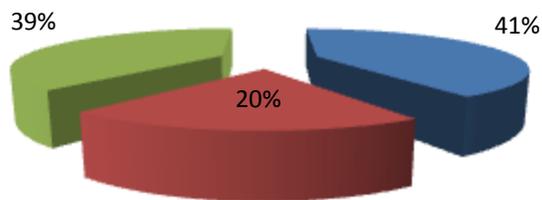


First Time Users FY 11

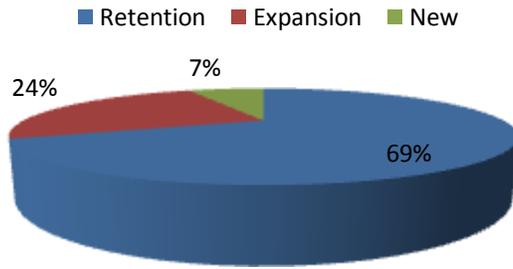


Companies served by size FY11

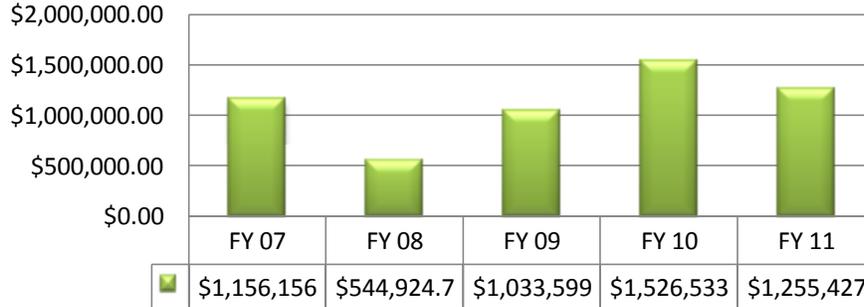
■ Small (1-50 employees) ■ Mid (51-99 employees) ■ Large (100+ employees)



Status of Companies Served FY11



Blue Collar Funding Levels



**SUMMARY OF DELAWARE WORKFORCE DEVELOPMENT PROJECTS
FY 2011**

Applicant's Name	Program	Participants	Amount Paid	Company Match	County
A & H Metals	Lean Training	25	\$ 39,303.00	\$ 41,446.38	New Castle
ABHA Architects	REVIT Training	7	\$ 4,050.00	\$ 4,262.00	New Castle
Allen Family Foods	SISTEM	68	\$ 61,396.00	\$ 82,996.00	Sussex
Analtech, Inc.	Lean Manufacturing	12	\$ 22,527.00	\$ 49,310.00	New Castle
Anton Associates CS-Tourism	Pre-Employment CS-Tourism	92	\$ 20,256.82	Pre Employment	New Castle
Anton Associates-CS Training	Pre-Employment Training	20	\$ 8,920.00	Pre Employment	Sussex
Astra Zeneca Pharmaceutical	Lean and Operations Excellence	64	\$ 47,403.90	\$ 389,920.44	New Castle
Atlantic Aluminum Products, Inc.	Lean Manufacturing	31	\$ 51,100.00	\$ 107,159.28	Sussex
Atlantis Industries	Six Sigma	2		\$ 6,947.90	Sussex
B & W Tek	Six Sigma	7	\$ 9,670.50	\$ 17,900.00	New Castle
Bancroft Construction	LEED AP Training	11	\$ 2,133.70	\$ 4,400.00	New Castle
Beebe Medical Center	Spanish for Healthcare Professionals	22	\$ 4,577.27	\$ 6,032.86	Sussex
CIGNA International Services	IT Technology & Finance	31	\$ 36,321.50	\$ 55,546.00	New Castle
Corporate Interiors	Six Sigma	4	\$ 2,763.00	\$ 8,583.00	New Castle
Crystal Holdings, Inc.	Your Role in Green	44	\$ 13,156.00	\$ 20,824.00	New Castle
Crystal Holdings, Inc.	LEED Certification	7	\$ 2,963.00	\$ 7,020.00	New Castle
Crystal Steel Fabricators	Lean Manufacturing	60	\$ 48,528.00	\$ 187,724.12	Sussex
Dassault Falcon Jet	Service Drives Sales II & Human Factors Recurrent II	109	\$ 46,769.27	\$ 63,238.00	New Castle
Delaware Park	Table Games Training	40	\$ 80,666.08	\$ 163,929.00	New Castle
Doctors Pathology, P.A.	New Hire Training	4	\$ 10,000.00	\$ 41,908.00	Kent
Eastern Industrial Servics, Inc.	Lean Manufacturing	23	\$ 27,958.50	\$ 31,250.00	New Castle
Elliott Greenleaf & Siedzikowski, P.C.	Six Sigma Training	11	\$ 23,346.00	\$ 83,910.00	New Castle
Evraz Claymont Steel	Principles of Lean & VSM	175	\$ 88,989.20	\$ 200,026.36	New Castle
Evraz Claymont Steel	Six Sigma	3	\$ 1,381.50	\$ 7,410.00	New Castle
Foxfire Printing & Packaging	Xerox Digital Training	2	\$ 3,150.00	\$ 4,683.20	New Castle
Furlow Associates	3D MEP Software	13	\$ 18,979.06	\$ 23,923.14	New Castle
Graver Technologies	Lean Manufacturing Training	14	\$ 33,634.21	\$ 43,672.80	New Castle
Harrington Raceway & Casino	Table Games Training	50	\$ 48,388.48	\$ 197,550.40	Kent
Hertrich's of Milford, Inc.	Service Dept. Training	118	\$ 50,211.44	\$ 145,034.88	Kent
Hirsh Industries Inc.	Industrial Maintenance Training	7	\$ 10,734.00	\$ 63,598.00	Kent
Kraft Foods Global, Inc.	New Hire OJT	35	\$ 87,500.00	\$ 163,472.00	Kent
M Cubed Technologies	Six Sigma	1	\$ 1,381.50	\$ 2,042.00	New Castle

**SUMMARY OF DELAWARE WORKFORCE DEVELOPMENT PROJECTS
FY 2011 CONTINUED**

Applicant's Name	Program	Participants	Amount Paid	Company Match	County
Miken Builders, Inc.	Building Information Modeling	17	\$ 13,100.00	\$ 15,670.26	Sussex
MX Physical Therapy	Six Sigma	1	\$ 1,381.50	\$ 4,400.00	New Castle
NCO Financials Systems, Inc.	Accounts Receivable Mgmt.	5	\$ 2,688.00	\$ 3,331.20	New Castle
New Process Fibre	Lean Manufacturing	46	\$ 56,632.50	\$ 66,003.14	Sussex
Provide LLC dba Modern Mail	Direct Marketing Institute Training	11	\$ 27,500.00	\$ 35,428.00	New Castle
SevOne, Inc.	various IT Training and Sales Training	49	\$ 77,730.79	\$ 123,959.44	New Castle
Simm Associates	Entry Level Mgmt	10	\$ 4,650.00	\$ 4,733.00	New Castle
SPI Pharma, Inc.	Lean Manufacturing Training	54	\$ 38,565.00	\$ 63,830.28	Sussex
Strategic Diagnostics	ISO Training	20	\$ 12,829.50	\$ 17,661.14	New Castle
Summit Aviation, Inc.	Eclipse EA500 Jet	3	\$ 15,000.00	\$ 25,580.00	New Castle
Sussex Tech	Pre-Employment Training	45	\$ 17,552.33	Pre employment	Sussex
Testing Machines, Inc.	Business Operating Systems	32	\$ 22,652.00	\$ 53,063.05	New Castle
	TOTALS	1,405	\$ 1,198,440.55	\$ 2,639,379.27	

Governor's Education Grants

DEDO has provided up to \$100,000 per grant program of Blue Collar funding for the Governor's Education Grant Program. Delaware Higher Education Commission (DHEC) administers the programs that awards grant of up to \$2,000 per participants per year. Grant recipients are required to attend an approved Delaware educational institution and agree to release grades and academic progress to DHEC.

The Governor's Education Grant for Working Adults is designed to assist working adult students who meet the enrollment, employment, and income eligibility requirements below. To qualify, applicant must be:

- 18 or older
- A high school graduate or GED recipient
- A resident of Delaware and a U.S. citizen or eligible non-citizen

The Governor's Education Grant for Unemployed Workers is designed to assist those individuals who have lost their jobs due to the current economic climate and have been unsuccessful in obtaining employment within their current career field/occupation. It helps qualified individuals with training costs associated with learning a new skill or upgrading their current one. In order to qualify, applicant must be:

- 18 or older
- A high school graduate or GED recipient
- A resident of Delaware and a U.S. citizen or eligible non-citizen
- Registered with the Department of Labor –Division of Employment and Training (DET)
- Recommended by a DET Career Counselor
- Ineligible for Department of Labor's Dislocated Worker Training Program
- A high school graduate or GED recipient

Educational institutions participating in the grant program are:

Delaware College of Art and Design
Delaware State University
Delaware Technical and Community College (all campuses)
Goldey-Beacom College
New Castle County Adult Education
Polytech Adult Education
Sussex Tech Adult Education
University of Delaware-Professional and Continuing Studies (non credit certificates only)
Wilmington College (all campuses)

Summary for the Governor's Education FY 11

47 grants awarded totaling \$58,982.85 average award per participant was \$1,254.95

- 36 Governor's Education Grant for Working Adults totaling \$41,429.15
- 11 Governor's Education Grant for Unemployed Workers totaling \$17,553.70

Other projects that Workforce Development was involved in during FY 10...

Pre-Employment Collections Training –

Collections Committee: 8 members

Simm Associates, Hospital Billing & Collection Services, Access Group, Del One, Phillips & Cohen, DFCU, Barclay Card, Sallie Mae

Projects completed: Recruited 4 new Collections companies

Participants:

Applicants – 230; recruited and pre-screened at DOL Fox Valley, Career Team, DVR, DOL Dover (Overall 9 people assisted in the recruitment process)

Training participants accepted: 80

Overall graduates: 61

Overall offered employment: 42/**69%**

Overall offered employment by committee: 35/**57%**

Overall retention rate: 33/**78%**

High retention rate for Sallie Mae & Barclay Card

Job Center –

- An example of collaborating with community organizations and Delaware business professionals to assist the unemployed and underemployed in receiving the knowledge they need to be successful in their search for employment.
- The Division of Libraries has applied for grant funds in order to enhance technology in all Libraries. They have used the Job Center model created in collaboration with DEDO and Dover Public Library for a statewide Job Center program.
- **Participants:**
170 since Oct. 15th (42 days overall); everyone has left the Job Center with a resume, job lead, e-mail account, most have applied for at least one job while at the job center.
5 of the 170 have become employed.
- **Volunteers:**
Over 25 volunteers were recruited; majority of volunteers have a HR background and range from being a branch manager of a local bank to VP of HR for a large DE business. 14 of the volunteers are baby boomers.

TANF Committee -

An example of collaboration with fellow state agencies and Delaware employers to educate businesses on the benefits of hiring a TANF recipient and to advise on the allocation of job training and placement funds for implementation of the State's transition-to-work efforts.

Projects completed: Finalization of Soft Skills overviews, finalization of TANF brochure, recruited 4 new members to the Committee (1 of the 4 have volunteered to be the next chairperson).

Training providers:

- Anton Associates
- DEMEP
- Associated Builders and Contractors of Delaware
- Polytech Adult Education
- Delaware Technical Community College
- Microdesk, Inc.
- Delaware Valley Green Building Council
- Sussex Tech Adult Education
- Oracle University
- Smart Transformations & Airworthiness Standards Institute
- Marian L. Powers HT (ASCP)
- Xerox Corporation
- AutoCAD MEP Solutions
- Jeff Cowan's Pro Talk, Inc.
- DMA Certified Marketing Professionals
- eLearning Development & Global Knowledge
- Global Jet Services, Inc.
- KnowledgeZone

PROFILE OF PARTICIPANTS

JULY 1, 2010 - JUNE 30, 2011

The following demographic information is supplied by participants of the Blue Collar custom training program. Participation is on a voluntary basis. In some cases, participants chose not to complete the survey; in others, they did not complete the entire questionnaire. The results below reflect information gleaned from 84% of the program participants this year.

SEX	AGE	RACE/ETHNIC GROUP
Female: 24%	16-20: 1%	American Indian: .4%
Male: 76%	21-30: 22%	Asian/Pacific Islander : 3.2%
No Response: 0 %	31-55: 65%	Black: 18%
	56-65+: 11%	Hispanic: 5%
	No Response: 1%	White: 69%
		No Response: 4.4%

DISABILITY	VETERAN	MARITAL STATUS
Yes: 1%	Yes: 13%	Married: 53%
No: 97%	No: 81%	Single: 33%
No Response: 2%	No Response: 6%	Single Parent: 6%
		Other: 4%
		No Response: 4%

RESIDENCE	LIMITED ENGLISH	RECIPIENT OF PUBLIC ASSISTANCE WITHIN LAST 90 DAYS
DE: 74%	Yes: 9%	Unemployment Ins.: 3.2%
MD: 9%	No: 83%	SSI .4%
PA: 12%	No Response: 8%	TANF: 1.3%
NJ: 3%		Food Stamps: 4.2%
Other: 2%		No Response: 90.9%
No Response: 0%		

EMPLOYMENT STATUS 90 DAYS PRIOR TO TRAINING PROGRAM	AVERAGE SALARY OF TOTAL PARTICIPANTS
Unemployed: 6%	\$20.01/hour
Employed Part Time: 2%	
Employed by This Employer: 81%	
Employed by Other Employer . 4%	
No Response: 7%	

EDUCATION LEVEL	
Did Not Complete High School: 4 %	2-Year College Degree: 9%
High School or Equivalent: 30%	4-Year College Degree: 17%
Post-High School/Training Program: 12%	Additional Degrees: 4%
No Response: 3%	Some College: 21%

Satisfaction Survey

Satisfaction Survey Results- The following data is based on surveys received from 31 companies during the time period of July 1, 2010 – June 30, 2011. This survey replaces the letter of satisfaction that was previously requested of all companies at the completion of their training.

The Course:

The customized curriculum was on target with my stated goals, objectives and desired outcome.

Strongly Disagree ____ Disagree 1 Agree 11 Strongly Agree 19

The employees have a clear vision of what is expected of them resulting from this training.

Strongly Disagree ____ Disagree 2 Agree 11 Strongly Agree 18

Communication:

The Trainer maintained good communication with the Project Manager during the course of the training.

Strongly Disagree ____ Disagree 1 Agree 11 Strongly Agree 20

All materials related to the training (participants surveys, test score, assessment, etc.) were given to the Project Manager upon completion of the training.

Strongly Disagree ____ Disagree 1 Agree 14 Strongly Agree 16

The Instructor:

The Instructor presented the material clearly and at an appropriate level (spoke clearly, was knowledgeable of subject matter, etc.) while promoting participant discussion and involvement.

Strongly Disagree ____ Disagree ____ Agree 9 Strongly Agree 22

The Instructor kept discussions and activities on track.

Strongly Disagree ____ Disagree ____ Agree 9 Strongly Agree 22

Grant Process:

The grant process was understandable and user friendly.

Strongly Disagree ____ Disagree ____ Agree 17 Strongly Agree 17

The Workforce Development Center representative was accessible and maintained good follow through to ensure that our needs were met in a timely and efficient manner during the complete grant process.

Strongly Disagree ____ Disagree ____ Agree 10 Strongly Agree 21

We would use this grant again in the future and would recommend it to our colleagues or contacts within our industry.

Strongly Disagree ____ Disagree ____ Agree 7 Strongly Agree 24

The Delaware Economic Development Office (DEDO) website was helpful and easy to navigate and understand.

Strongly Disagree ____ Disagree ____ Agree 19 Strongly Agree 10



**Eastern Industrial Services,
Inc..**

Located in New Castle County

- Over 25 years in business
- 93 employees
- Number trained: 21
- Date initiated: 8/1/09
- Date completed 1/30/10

Eastern Industrial Services, Inc.

Eastern Industrial Services, Inc. (EISI) offers multi-disciplinary industrial services to all market sectors, assuring that safety, quality, and reliability are a priority in every job.

In September 2010, EISI embarked on a multi component Lean Manufacturing training program conducted by the DEMEP to train 21 employees. The program began in late September 2010 and concluded in March 2011 and consisted of training in Principles of Lean, Value Stream Mapping and a 5S Visual Workplace Organization Kaizen Event.

During the six month follow up it was noted that all employees trained are still with the organization and EISI has gained quantitative improvements from the training. Gross revenues have increased by 10% and net revenue saw an increase of 3.5%. EISI also saw improvements in work flow and organization and improved department integration.



CLAYMONT STEEL
A DIVISION OF EVRAZ INC. NA

Evraz Claymont Steel

Evraz is a mini-mill focused on custom discrete plate. They have the flexibility and expertise to offer small order quantities, short lead times, and non-standard dimensions.

Evraz Claymont Steel

Located in New Castle County

- 22 years in business
- 336 employees
- Number trained: 169
- Date initiated: 4/1/10
- Date Completed: 10/31/10

Evraz began a Lean Manufacturing training program with DEMEP to train 169 employees in April 2010. The training program included ISO standards training, Principles of Lean and a 5S Visual Workplace Organization and Standardization Kaizen Event.

As result of the training, Evraz was able to reduce cycle times for releasing plates for shipment from 4.2 days to 2.8 days. They have also experienced improved inventory control of Melt Shop alloys and fluxes and have improved inventory control in the Custom Products Department. Evraz also improved their safety performance, increased business levels and improved their performance during their ISO audit.



SPI Pharma

SPI Pharma is a leading supplier to the pharmaceutical, nutraceutical, and animal health markets worldwide. The site in Lewes, Delaware is the only cGMP seawater based magnesium hydroxide manufacturer in the world. Lewes manufactures a full range of aluminum and magnesium hydroxides and has experienced significant growth with Coblend, a fully formulated, pumpable, suspension system. Coblend provides savings through simpler material handling, reduced cycle time, increased productivity and lower analytical costs. The site is also the only producer of high solids, 45%, magnesium paste. A pilot facility at the site enables SPI to respond rapidly to customer requests for new products and to customize systems tailored to customers' needs.

SPI Pharma
Located in Sussex County

- 43 years in business
- 68 employees
- Number trained: 54
- Date initiated: 8/30/10
- Date Completed: 3/15/11

In August of 2010, SPI Pharma began a multi faceted Lean Manufacturing program that included several 5S Kaizen events and a Total Productive Maintenance program. SPI Pharma trained a total of 56 employees during these sessions.

As a result of the training, they saw reductions in maintenance expenses and a large reduction in customer complaints. Complaints were reduced by 16%; the prior average was 3.1 and after training it was reduced to 2.6.

SPI Pharma not only saw quantitative results in maintenance and customer service but they saw improvements with department relationships and felt that the training helped put the employees together and created a true team workplace.



Kraft Foods Global, Inc.

Located in Kent County

- 46 years in business in Dover
- 581 employees
- Number trained: 37
- Date initiated: 5/15/10
- Date Completed: 10/8/10

Kraft Foods Global Inc.

The Dover facility currently manufactures various food and beverage products such as Stove Top stuffing mix, Shake 'n Bake products, Jell-O desserts, and Kool-Aid. The plant currently employs over 500 employees.

In May 2010 began an extensive On-The-Job training program for 35 new employees and was conducted by a several in house trainers. The employees were trained in various aspects including many safety and quality tasks.

As a result of the training, there was an output increase of 2% on the sticks line and a reduction of 2% on overtime.

In the 6 month follow up, Kraft stated, " Our workforce is more flexible and better prepared to improve the key metrics of increased outputs, reduced quality defects and an improved safety incident rate. In addition to the expected results we were able to qualify more trainers, which will aid us in future training."