



**Training Proposal for:  
California Manufacturers & Technology Association  
Agreement Number: ET12-0294**

Panel Meeting of: **January 27, 2012**

ETP Regional Office: **Sacramento**

Analyst: K. Muraki

**PROJECT PROFILE**

Contract Attributes: Priority Retrainee  
SB <100

Industry Sector(s): Manufacturing

Counties Served: Statewide

Repeat Contractor:  Yes  No

Union(s):  Yes  No  
United Steelworkers, District 12  
AFL-CIO-CIC; Operating  
Engineers Local Union No. 3;  
UFCW – Wine, Distillery & Allied  
Workers, Local 186D

Priority Industry:  Yes  No

Turnover Rate %	Manager/ Supervisor %
≤20%	≤20%

**FUNDING DETAIL**

Program Costs	Support Costs	Total ETP Funding
\$724,000	\$48,350	\$749,650

In-Kind Contribution
\$760,000

**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/ Retrainee	Business Skills, Computer Skills, Continuous Improvement, Management Skills, Manufacturing Skills	250	24-200	0	\$1,251	\$14.39
				Weighted Avg: 65			
2	Priority/ Retrainee - Substantial Contribution 30%	Business Skills, Computer Skills, Continuous Improvement, Management Skills, Manufacturing Skills	100	24-200	0	\$673	\$14.39
				Weighted Avg: 50			
3	Priority/ Retrainee - Small Business	Business Skills, Computer Skills, Continuous Improvement, Management Skills, Manufacturing Skills	350	8-80	6-30	\$1,056	\$14.39
				Weighted Avg: 38			

**Minimum Wage by County:** \$14.39 in Stanislaus, Tulare and Merced counties; \$15.26 in Sacramento County; \$15.68 in Orange County; \$15.70 in Alameda, Contra Costa and Santa Clara counties.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Participating employers may use employer paid health benefits up to \$2.50 per hour to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Support	
Customer Service Staff	
Sales Staff	
Manufacturing Production Staff	
Technicians	
Maintenance Worker	

Engineers	
Analysts	
Manager/Supervisor	

## **INTRODUCTION**

In this proposal, California Manufacturers and Technology Association (CMTA) seeks funding for retraining as outlined below:

This will be CMTA's tenth ETP-funded project. CMTA is a trade association representing manufacturers, as well as some service businesses in the state. Headquartered in Sacramento, CMTA has worked closely with its member companies and ETP to implement successful training programs for over 18 years. Services provided to members include ETP administration, marketing, training assessment, skill gap analysis, and recommended training providers. Membership consists of large companies and over four hundred small and medium sized manufacturing and technology-based companies.

CMTA is dedicated to promoting the economic vitality of the state through its efforts to preserve the competitiveness of manufacturers. It is actively involved in workforce issues at the policy and company level and is an advocate for training programs and policies that help manufacturers achieve higher performance.

CMTA reports that due to the economic downturn many manufacturing companies have changed the way they do business. Companies are developing new approaches to produce products, and develop new product lines for niche markets, which in turn can lead to expansion of the production line and additional jobs.

In addition, CMTA has partnered with the National Association of Manufacturers to assist workers with skills certifications aligned to manufacturer's needs. The goals of the Skills Certification System are to standardized competencies and basic skills, and provide employers with skilled workers, and provide a base for new production and growth opportunities. CMTA will launch this new certification program with the Bay Area Manufacturing Renaissance to develop a skilled workforce and improve manufacturing in the region.

CMTA is eligible to contract with ETP under Title 22, California Code of Regulations (CCR), Section 4400(j)(3) as a group of employers. Participating employers will satisfy the Panel's out-of-state competition standards as manufacturers under Title 22, CCR, Section 4416(i).

Some trainees are represented by United Steelworkers, District 12, AFL-CIO-CLC or by Operating Engineers Local Union No. 3 and UFCW – Wine, Distillery & Allied Workers, Local 186D.

CMTA is aware that training shall not begin until the letters of support from Operating Engineers Local Union No. 3 and UFCW – Wine, Distillery & allied Workers, Local 186D are submitted to ETP.

## **PROJECT DETAILS**

CMTA is proposing retraining in **Business, Computer, Continuous Improvement, Management, and Manufacturing Skills** to manufacturing companies statewide.

CMTA training will focus in the following areas: Lean manufacturing courses to increase productivity, decrease waste, and remain competitive; new technology and processes; effective communication with customers and internal team members; and new skills certification training to develop standardized competencies and basic skills.

Training is scheduled to begin in late January 2012 with approximately 150 trainees. Proposed training will include an additional 100 trainees in March and 20 trainees in April to launch the new National Institute for Metalworking Skills training. Training will be conducted at employer worksite (80%) and center-based (20%).

### **Curriculum Development**

CMTA works with employers to assess training needs and identify skill gaps. Companies have a wide variety of training needs and each company has developed a customized curriculum to improve production capacity and operational efficiency. CMTA also conducts course evaluations with participants to gauge if the training closed the skills gaps.

### **Commitment to Training**

CMTA represents that ETP funds will not displace the existing financial commitment to training of participating employers. CMTA anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

CMTA represents that safety training is, and will continue to be, provided by the participating employers in accordance with all pertinent requirements under state and federal law. Additional training provided by employers includes basic job duties, employee diversity, supervisory law, and interviewing skills on a company wide basis.

### **High Unemployment Area**

One hundred fifty trainees in Job Number 1 and seventy trainees in Job Number 3 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by 15%, under the Panel's standards at Title 22, CCR, Section 4429(b). The determination of HUA status is based on unemployment data from the Labor Market Information Division of the Employment Development Department. The participating employers located in Stanislaus, Tulare and Merced counties qualify for HUA status under these standards.

CMTA is not requesting a wage or retention modification for these trainees.

### **Marketing, Recruitment, and Support Costs**

CMTA has an extensive database of businesses that are current and potential members, and suppliers. Additionally, other companies are identified through the marketing activities, which include: newsletters; trade shows; telemarketing; direct mailing; and in-person company visits. Interested employers request additional information and CMTA contacts each potential employer to begin the training recruitment process.

At the start of the recruitment process, CMTA personnel meet with company managers to understand current business drivers and challenges, and the steps they are taking to confront these challenges. Staff identifies new technologies and processes implemented to improve profitability and efficiency, and the training needed as a result of the changes. Employers and

trainees complete a training needs assessment to identify training needs and ensure a customized curriculum.

Representatives assert that support costs will cover the cost of returning to the participating employer site to determine training needs, assess skill gaps, conduct meetings, review contracts, and implement a training plan.

ETP recommends 8% support costs of the approved amount.

### **Substantial Contribution**

Dry Creek Corporation, dba E & J Gallo is a repeat contractor with payment earned in excess of \$250,000 at the Modesto facility within the past five years. Accordingly, reimbursement for trainees at the E & J Gallo Modesto facility in Job Number 2 will be reduced by 30% to reflect the company's \$22,700 Substantial Contribution to the cost of training.

### **Trainer Qualifications**

CMTA has partnered with two training subcontractors to deliver their Lean, Six Sigma, Quality, and Business Communication Skills training.

Laney College will provide training in the new NIMS, Machine Skills, Shop Math, Skills Certification System to provide trainees standardized manufacturing competencies and basic skills. Training will be overseen by the Machine Technology Department Chair.

### **Training Hours Limitation**

Retraining hours for Small Businesses are capped at 60 per-trainee. However, CMTA is asking for a modification of the cap to 80 for small business trainees. With an opportunity to train for 21 months rather than the limited 9-month training term of a small business contract, trainees will have the opportunity for additional training hours.

Employees will average 40 hours of training to increase skills necessary to be more effective on the job. Some small business employees require up to 80 hours of training in order to effectively implement ISO, Lean training, and Manufacturing Skills training. Most trainees will not exceed 50 hours of training. CMTA estimates that only 50 employees will need to exceed 60 hours of training.

### **Active Alternative Funded Contract**

CMTA currently has one alternative funded active contract with ETP.

Contract ET10-0804 is funded through AB 118, running from 06/28/10 to 06/27/12. Of an estimated 305 trainees, 140 have been enrolled and 117 have received the minimum hours of training. CMTA has \$281,357 earned in process, which equates to 50% of contracted funding. CMTA representatives' state that they continue to market to companies that are converting vehicle fleets from gas or diesel to natural gas.

## **RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal.

**ACTIVE PROJECTS**

The following table summarizes performance by CMTA under an active ETP Agreement (core program funding):

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET11-0219	\$399,431	04/04/11-04/03/13	501	112	112

Training is provided statewide. To date, there is a total of 10,319 potentially eligible hours currently recorded in the ETP Online Class/Lab Tracking System which if payable would amount to approximately 60% of training funds. CMTA anticipates earning all contracted funds within the contract term.

**PRIOR PROJECTS**

The following table summarizes performance by CMTA under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET10-0208	Statewide	10/05/09-10/04/11	\$366,082	\$365,903 (99%)
ET08-0193	Statewide	11/01/07 – 10/31/09	\$4,952,951	\$2,073,105 (42%)*

ET08-0193 - Due to the closure of the NUMMI facility a significant amount of training hours were disallowed.

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

Custom Corporate Communications of Redondo Beach has been retained to provide Business Skills, Computer Skills and Continuous Improvement Skills training for the cost of \$175,000.

Get Kaizened of San Ramon has been retained to provide training in Continuous Improvement Skills training for a cost of \$50,000.

Laney College of Oakland has been retained to provide training Manufacturing Skills training for the cost of \$50,000.

Other trainers will be identified for ETP record-keeping purposes, as they are retained by CMTA.

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

24 – 200 Job Numbers 1-2

8-80 Job Number 3

Trainees may receive any of the following:

### **BUSINESS SKILLS**

- Business Communication Skills
- Business Fundamentals
- Cost Control
- Customer Service
- Financial Analysis
- Interpersonal Skills
- International Shipping
- Marketing and Customer Focus
- Negotiating
- Planning and Organization Skills
- Presentation Skills
- Product Knowledge
- Project Management
- Relationship Building through Sales & Service
- Sales Strategies
- Supply Chain Management
- Time Management Skills
- Writing Skills

### **COMPUTER SKILLS**

- Advanced Microsoft Office
- Enterprise Resource Planning Software
- Database Management Training
- Accounting Software
- Custom Programming
- Computer Skills for Equipment Maintenance CAD/CAM

### **CONTINUOUS IMPROVEMENT**

- Benchmarking
- Building Successful Teams
- Total Quality Management
- Interpreting and Analyzing Data
- ISO Training
- Leadership Skills for Front-Line Workers
- Lean Manufacturing
- Kaizen Methodology
- Performance Management
- Problem Solving
- Root Cause Analysis

- Six-Sigma
- Statistical Process Control
- Team Problem Solving
- Train-the-Trainer

### **MANAGEMENT SKILLS (Management Trainees Only)**

- Leadership Skills
- Managing Change

### **MANUFACTURING SKILLS**

- Assembly Procedures
- APICS (Advancing Productivity, Innovation, and Competitive Success)
- Blueprint Reading
- Certificate of Completion in Aerospace Fastener Manufacturing
- Numerical Control Operator Certificate of Achievement
- Cross-Training in Equipment/Production
- Electronics Training
- Engine Maintenance
- Equipment Operations
- Forklift Training
- Good Manufacturing Practices (GMP)
- Hydraulics Training
- Industrial Math
- Job Instruction/Analyzing Jobs for Efficiency
- Maintenance Procedures
- Motor Controls
- Power Trains
- Production Operations
- Programmable Logic Controllers (PLC)
- Pneumatics
- Shop Math
- Warehousing Operations & Distribution

### **MANUFACTURING SKILLS –New initiative in Bay Area**

- American Welding Society Certified Welder
- Certified Manufacturing Engineer
- Certified Manufacturing Technologist
- Certified Quality Engineer
- CNC Operator Certificate
- Numerical Control Operator Certificate of Achievement
- Maintenance Procedures
- Machine Technology 205
- Machine Technology 210
- Machine Technology 220

- Machine Technology 230
- Machine Technology 20
- Machine Technology 30
- Machine Technology 31
- National Institute for Metalworking Skills (NIMS) Certification training
- Welding

Safety Training is capped at 10% of a trainee's total training hours

### **CBT Hours**

6-30 Job Number 3

Trainees may receive any of the following:

#### **MANUFACTURING SKILLS**

- Level One, First Operator Certificate (6 hrs)
- Level Two, First Press, Prepress and/or Implementation Specialist Training (12 hrs)
- Level Three, First Press, Prepress and /or Implementation Specialist Training (12 hrs)

CBT is capped at 50% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 200 total training hours per trainee for Job Numbers 1-2 trainees regardless of the method of delivery method. Reimbursement for retraining is capped at 80 total training hours per trainee for Job Number 3 trainees regardless of the method of delivery method. CBT is capped at 50% of total training hours, per trainee.

**Participating Employers in Retrainee  
Multiple Employer Contracts**

Contractor's Name: CMTA

CCG No.: ET12-0294

Reference No: 12-0066

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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Amonix

Address: 1709 Apollo Court

City, State, Zip: Seal Beach, CA 90740

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 218

Total # of full-time company employees in California: 212

Company: Bay Area Compliance Laboratories Corporation

Address: 1274 Anvillwood Avenue

City, State, Zip: Sunnyvale, CA 94089

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained under this Agreement: 25

Total # of full-time company employees worldwide: 32

Total # of full-time company employees in California: 32

Company: Bishop Wisecarver Corporation

Address: 2104 Martin Way

City, State, Zip: Pittsburg, CA 94565

Collective Bargaining Agreement(s): United Steel Workers, District 12

Estimated # of employees to be retrained under this Agreement: 35

Total # of full-time company employees worldwide: 51

Total # of full-time company employees in California: 47

Company: Calcon Systems, Inc.

Address: 12919 Alcosta Blvd.

City, State, Zip: San Ramon, CA 94583

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained under this Agreement: 17

Total # of full-time company employees worldwide: 20

Total # of full-time company employees in California: 20

**Participating Employers in Retrainee  
Multiple Employer Contracts**

Contractor's Name: CMTA

CCG No.: ET12-0294

Reference No: 12-0066

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Company: Dry Creek Corporation dba E & J Gallo

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Address: 600 Yosemite Blvd.

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City, State, Zip: Modesto, CA 95354

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Collective Bargaining Agreement(s): Operating Engineers Local 3 and UFCW – Wine, Distillery & Allied Workers, Local 186D

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Estimated # of employees to be retrained under this Agreement: 100

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Total # of full-time company employees worldwide: 6400

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Total # of full-time company employees in California: 3000

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Company: Emerald Packaging

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Address: 33050 Western Avenue

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City, State, Zip: Union City, CA 94587

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 125

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Total # of full-time company employees worldwide: 203

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Total # of full-time company employees in California: 201

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Company: Meridian Systems

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Address: 1720 Prairie City Road, Suite 120

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City, State, Zip: Folsom, CA 95630

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 50

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Total # of full-time company employees worldwide: 158

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Total # of full-time company employees in California: 62

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Company: NanoSys Inc.

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Address: 2625 Hanover Street

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City, State, Zip: Palo Alto, CA 94304

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 50

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Total # of full-time company employees worldwide: 100

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Total # of full-time company employees in California: 100

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Company: Pacific Ethanol

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**Participating Employers in Retrainee  
Multiple Employer Contracts**

Contractor's Name: CMTA

CCG No.: ET12-0294

Reference No: 12-0066

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Address: 400 Capitol Mall, Suite 2060

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City, State, Zip: Sacramento, CA 95814

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 50

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Total # of full-time company employees worldwide: 150

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Total # of full-time company employees in California: 75

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Company: Scholle Packaging

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Address: 2500 Cooper Avenue

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City, State, Zip: Merced, CA 95348

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 150

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Total # of full-time company employees worldwide: 2000

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Total # of full-time company employees in California: 282

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Company: Terminal Manufacturing

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Address: 707 Gilman Street

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City, State, Zip: Berkeley, CA 94710

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 10

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Total # of full-time company employees worldwide: 25

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Total # of full-time company employees in California: 25

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Company: US Tower Corporation

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Address: 1099 W. Ropes Avenue

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City, State, Zip: Woodlake, CA 93286

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Collective Bargaining Agreement(s): None

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Estimated # of employees to be retrained under this Agreement: 70

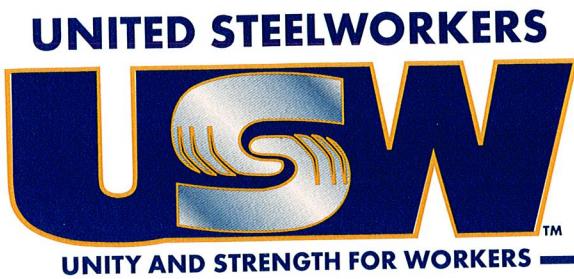
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Total # of full-time company employees worldwide: 118

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Total # of full-time company employees in California: 85

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## District 12

**Robert LaVenture**  
District Director

**Chris Youngmark**  
Assistant to the Director

**Rick Latham**  
Sub - District Director

September 30, 2011

Mr. Brian McMahon  
Executive Director  
Employment Training Panel  
1100 J Street, 4<sup>th</sup> Floor  
Sacramento, CA 95814

Dear Mr. McMahon,

I am writing on behalf of the United Steelworkers, District 12, AFL-CIO-CLC. We have no problem with the proposed training funded in part by the Employment Training Panel. This training will be covered by Bishop-Wisecarver Corporation. The proposed training will assist new hired and current union members in developing new technical and job skills such as computer training, international shipping, Syspro, Surfcam, and understanding technical drawings.

Sincerely,

Daniel Gutierrez  
Staff Representative  
United Steelworkers, District 12, AFL-CIO-CLC  
1820 Galindo St., Suite 240  
Concord, CA 94520  
(925) 798-7050