



**Training Proposal for:
Beutler Corporation
Agreement Number: ET10-0265**

Panel Meeting of: **October 23, 2009**

ETP Regional Office: **Sacramento**

Analyst: K. Muraki

PROJECT PROFILE

Contract Type: Priority/Retrainee
HUA - Retrainee

Industry Sector(s): Manufacturing

Counties Served: Sacramento

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 322

No. Employees Worldwide: 327

Turnover Rate	Manager/ Supervisor
8%	15%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$100,800	\$0	\$100,800

In-Kind Contribution
\$104,300

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Commercial Skills Manufacturing Skills Computer Skills Business Skills	94	24 - 150	0	\$630	\$13.69
				Weighted Avg: 35			
2	HUA/Priority/Retrainee	Commercial Skills Manufacturing Skills Computer Skills Business Skills	66	24 - 150	0	\$630	\$10.99 *
				Weighted Avg: 35			

Minimum Wage by County: \$13.69 ETP minimum wage and \$10.99 HUA wage in Sacramento County

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

\$2.70 per hour may be used to meet the Post-Retention Wage for Job Number 1 trainees

Wage Range by Occupation	
Occupation Title	Wage Range
Manufacturing Staff *	
Field Installers *	
Customer Service *	
Accounting Staff *	
Estimating Staff *	
Field Supervisors	
Field/Corporate Managers	
Service Technicians	

* Occupation included in Job Number 2

INTRODUCTION

In this proposal, Beutler Corporation (Beutler) seeks funding for retraining as outlined below:

Founded in 1947, Beutler is a HVAC contracting, engineering, and sheet metal fabricating company. The company provides renovation and new construction services for residential and commercial customers in addition to structured wiring, security systems, home theaters, central vacuums, warranty maintenance, residential replacement and service, commercial replacement or upgrade with FlashCool, Title-24 energy consulting, plumbing, electrical, fire protection, and solar photovoltaic.

According to Beutler representatives, the company obtains products that promote energy efficiency and environmental responsibility for structures that vary from high-rise office buildings to single homes.

Beutler has developed a Consolitrade business model that combines HVAC, plumbing, low-voltage wiring, solar photovoltaic, and electrical work skill sets. The model allows tasks that were previously completed sequentially, to be completed simultaneously. In turn this speeds project completion, reduces conflict between different trades, improves quality, reduces cost, and allows for easier integration of sustainable technologies.

The company also manufactures efficiency improvement devices for its residential and commercial clients, such as, FlashCool, a patent pending flash evaporative pre-cooler device; a Zoned Thermal Equalizer; a High Efficiency Duct System; Smart Vent, a patented product that brings fresh filtered air into the home while reducing air conditioning costs and improving indoor air quality; and AquaChill, a Water Cooled Evaporative Air Conditioner.

According to company representatives, Beutler has received two American Recovery and Reinvestment Act (ARRA) grants through the local Workforce Investment Board (WIB) for new hire supervisory personnel associated with the FlashCool and Consolitrades projects. The grant funding for the FlashCool project is \$351,987 and \$222,700 for the Consolitrades project. The rigorous curricula developed for these programs will provide the basis for training the company is seeking for its incumbent workforce with ETP funding. While the WIB funds are focused on the training of new employees, the ETP funds will be used solely on incumbent employees.

Beutler is eligible for standard retraining under the Out-of-State Competition Provisions outlined under Title 22, California Code of Regulations, Section 4416(d)(1,2) for the design, manufacturing, and installation of custom and retail residential and commercial HVAC systems and units.

Although Beutler has several locations within California and Nevada, training will only occur at the company headquarters at McClellan Park in North Highlands.

PROJECT DETAILS

According to company representatives, FlashCool and Consolitrades are new business areas for Beutler, thereby necessitating the need for training. Commercial skills and manufacturing skills training is needed by incumbent workers to allow them to learn the essential skills necessary to be effective team members in these areas. The company also seeks to round out the capabilities of its employees in business and computer skills. These skills include sales training, introduction to project management, or intermediate-advanced level training on Microsoft Office applications.

Commercial Skills training will involve all occupations for Consolitrades—HVAC, Plumbing, Electrical, Solar, Overall—Integration. The FlashCool field installation process is also included.

Manufacturing Skills training will involve all occupations for FlashCool Green Energy Manufacturer and FlashCool Green Energy installer.

Business Skills will include Service Technician Sales Training, Customer Service Training, Project Management, Superintendent's Leadership Role, and Documentation and Record Keeping at the Jobsite.

Computer Skills training will include intermediate and advanced Windows XP, PowerPoint, Excel, and Word.

Green Business Operations

According to Beutler representatives, its employees design, manufacture, install, and service a patent pending flash evaporative pre-cooler device known as FlashCool. Representatives state that this device reduces incoming ambient air temperature to the heat exchanger, thereby increasing capacity and efficiency while reducing peak electrical demand. Primarily a commercial/industrial/institutional device, it can be applied equally well to air cooled chillers, process coolers, HVAC condensers, and industrial/agricultural process coolers. Beutler representatives state that FlashCool technology was developed and is currently manufactured in-house. Although FlashCool's initial nine installations have already occurred, sales of additional units have already occurred; therefore, training for the design, sale, manufacturing, installation, and maintenance of this device is needed to meet demand.

Commitment to Training

According to company representatives, Beutler believes training is the foundation of superior service and has led the company to create its own training center at the Sacramento plant. Beutler is the only unilateral single employer that offers a three-year state-certified apprenticeship program in California. The apprentice training curriculum includes all aspects of HVAC design, installation, and maintenance for residential and commercial applications; sheet-metal design, layout, and fabrication. Consolitrades training includes, but is not limited to, basic training in the areas of plumbing, electrical, and solar.

Beutler has expended considerable resources in developing its Consolitrades business methodology. Successful training for this business model will develop new energy efficiency technologies to new residential construction in a faster, more consistent, and lower costs than current methods allow.

Beutler representatives state that ETP funds will not displace its existing financial commitment to training. Indeed, Beutler anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Beutler representatives state that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

High Unemployment Area

The 66 trainees in Job Number 2 work in a High Unemployment Area (HUA); North Highlands, a city within Sacramento County. This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, California Code of Regulations, Section [4429\(b\)](#).) These trainees qualify for the ETP HUA Minimum Wage rather than the statewide average hourly wage.

➤ Wage Modification

For these trainees, the Panel may reduce the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages by at least 7%. (Title 22, California Code of Regulations, Section [4429\(c\)](#).) Beutler is requesting a modification to the ETP Minimum Wage

from \$13.69 per hour to \$10.99 per hour for trainees in Job Number 2. Company representatives state the trainees will earn a post-retention wage of \$10.99 per hour.

Work Sharing

According to company representatives, Beutler currently participates in the Employment Development Department (EDD) Work Sharing Program. The company has participated in this program for the past three years. Work Share is a program available to employers who reduce employee wages and hours as an alternative to layoffs. Trainees who participate in Work Sharing qualify for a retention period of 500 hours in 180 days.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the request by Beutler for a wage modification in a high unemployment area of the state.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

24 – 150

Commercial Skills

- FlashCool Field Installations
- Consolitrades – HVAC Integration
- Consolitrades – Plumbing Integration
- Consolitrades – Electrical Integration
- Consolitrades – Solar Integration
- Consolitrades – Overall Integration

Manufacturing Skills

- FlashCool Green Energy Manufacturer Training
- FlashCool Green Energy Installer Training

Business Skills

- Service Technician Sales Training
- Customer Service Training
- Project Management
- Superintendent's Leadership Role
- Documentation and Record Keeping at the Jobsite

Computer Skills (Intermediate/Advanced)

- Windows XP
- PowerPoint 2007
- Excel 2007
- Word 2007

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of delivery method.