



**Retrainee - Job Creation
Training Proposal for:**

A.C. Filger Mfg. Corp. dba Filger Manufacturing

Small Business

ET16-0391

Approval Date: March 1, 2016

ETP Regional Office: San Diego

Analyst: K. Campion

CONTRACTOR

- Type of Industry: Manufacturing

- Priority Industry: Yes No

- Number of Full-Time Employees
 - California: 20
 - Worldwide: 20
 - Number to be trained: 22
 - Owner Yes No

- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 12%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$22,100
- In-Kind Contribution: \$18,774

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	Retrainee Priority Rate	Mfg. Skills, Cont. Imp., Computer Skills, PL-Mfg. Skills	20	8 - 60	0	\$988	\$16.51
				Weighted Avg: 38			
2	Retrainee Priority Rate Job Creation Initiative	Mfg. Skills, Cont. Imp., Computer Skills, PL-Mfg. Skills	2	8 - 60	0	\$1,170	*\$13.76
				Weighted Avg: 45			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Production Staff, Purchasing & Admin. Staff, Supervisor/Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$2.76 per hour Job #2: \$0.89 per hour

SUBCONTRACTORS

- Development Services: Assured Incentives Group (AIG) in San Clemente assisted with development for a flat fee of \$1,850.
- Administrative Services: AIG will also provide project administration services for an amount not to exceed 8% of earned funds.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1973 and located in San Clemente, A.C. Filger Mfg. Corp. dba Filger Manufacturing (Filger) is a high-precision, high-tolerance CNC machine and assembled components manufacturer (www.filger.com). This small business specializes in creating parts for the aerospace, semi-conductor, and medical industries, for clients across North America.

In order to remain competitive and manage its projected growth, Filger must upgrade worker skills to reduce costs, maintain quality, and improve output. Further, Filger must manage costs while still producing AS9100 caliber quality products. The Company must have top-quality results with low defects, on-time delivery, and the ability to produce more high-tech products. To achieve these goals, Filger has determined that formal training is critical to expand worker capabilities on each facility machine. This will allow the Company to do more high-tech work.

Additionally, Filger is in the process of implementing a new Enterprise Resource Planning (ERP) system to help automate everything from purchasing to creating work orders and shipping labels. Trainees need to be able to navigate the new system and training is necessary.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired workers under Small Business will be subject to a lower post-retention wage. Retrainee Job Creation trainees (Job Number 2) must be hired into “net new jobs” as a condition of contract.

In this proposal, Filger reports that its largest customer has requested the Company increase its capacity to accommodate new orders for 2016 (\$500k - \$700k in new business). The orders will be staged according to Company capacity. To accommodate these new orders and properly manage new growth, Filger estimates that it will need two to four additional Production Staff in 2016 (two are included in this proposal). The date-of-hire for Job Number 2 trainees will be within the three-month period before contract approval or within the term-of-contract.

Training Plan

The proposed training plan was designed to help the Company lay a foundation for its projected growth. Training will also help Filger increase operation efficiency and weekly output.

Manufacturing Skills – Training will be provided to Production Staff. Trainees will upgrade skills and contributions across various control stations on the shop floor. This training will increase capabilities, throughput, cost savings and reduce cycle-time.

Continuous Improvement – Training will be provided to all occupations. Machine Operators (Production Staff) will receive ISO/Quality training for proper implementation, testing and inspection of products. Other workers will receive training to fully understand ISO principles and how to effectively track raw materials or parts through the manufacturing process and ensure accuracy of materials, sourcing or pricing.

Computer Skills – Training will be provided to Admin Staff, Supervisor/Managers and Owners. Trainees will learn how to navigate the Company’s new ERP system. Some trainees will receive MS Office Application skills based on job functions.

Productive Laboratory

The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of training, in the courses identified under the Curriculum.

To ensure trainees reach optimal skills levels to select materials, set-up machines, operate, troubleshoot, and manage the job, PL training on CNC Machines will provide the requisite hands-on training to meet quality and standards and customer requirements. PL-Manufacturing skills training will be delivered to Production Staff, both incumbent and newly-hired.

PL training will compliment Class/Lab training. Trainers will work directly with trainees in a 1:1 trainer-to-trainee ratio setting. The trainer’s time will be dedicated to training delivery during all hours of training. Production Staff may receive up to 24 hours of PL training.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 60

Trainees may receive any of the following:

MANUFACTURING SKILLS

- Metal Prep/Stripping
- Machine-Specific Set-Up & Change-Over
- Final Assembly Techniques
- Milling/CNC Screw Machining
- Saw & Drill Operations

CONTINUOUS IMPROVEMENT

- Quality Management Procedures/ISO
- Internal Auditor Lean Skills
- Production Operations/Workflow
- Process Control/Improvement
- Team Dynamics
- Communication & Customer Service Skills

COMPUTER SKILLS

- ERP Usage & Best Practices
- MS Office Application Skills

Productive Lab

0 – 24

MANUFACTURING SKILLS (Ratio 1:1)

- Standard Milling Techniques
- CNC Screw Machine Operations
- Conventional Lathes Manufacturing
- Precision Grinding

<p>Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL is capped at 24 hours per-trainee.</p>
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