



Training Proposal for:
Armstrong World Industries, Inc.
Agreement Number: ET15-0244

Panel Meeting of: July 25, 2014

ETP Regional Office: North Hollywood

Analyst: J. Romero

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 115	U.S.: 7,000	Worldwide: 8,800
<u>Turnover Rate:</u>	7%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$207,000		\$0	\$0		\$207,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$277,955
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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	Computer Skills; Cont. Imp., Management Skills; Manufacturing Skills	115	8 - 200	0	\$1,800	\$16.04
				Weighted Avg: 100			

Minimum Wage by County: \$16.04 per hour for Los Angeles 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 Maybe

Up to \$0.27 cents per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		100
Engineer		3
Administration		2
Supervisor		5
Manager		5

INTRODUCTION

Founded in 1938 in South Gate, Armstrong World Industries, Inc. (Armstrong) (www.armstrong.com) is a worldwide manufacturer of commercial and residential building supplies with locations in and outside of the United States. The Company is headquartered in Pennsylvania with one location in California. Armstrong also has locations throughout the U.S and worldwide. The Company produces floor coverings; acoustical ceilings and grid systems; and wood cabinets; which are distributed to various home centers that include Home Depot, Lowe's, specialty retailers, and other local flooring stores.

Armstrong is upgrading their production line using automated control of various systems and processes. This will affect overall manufacturing and distribution. Training is needed for the employees in the new equipment and processes.

PROJECT DETAILS

This is Armstrong's second ETP Agreement. This first proposal focused on Continuous Improvement to increase efficiencies. After performing a training needs assessment in connection with the planned product line automation and systems upgrade, Armstrong found the need for skills development mainly in areas of Computer Skills and Manufacturing Skills.

This training proposal will focus on the proper utilization of the new computer system, Vision System. In addition, all occupations will be trained in the new processes related to manufacturing and distribution, both of which are impacted by the implementation of automation improvement. All training will be provided at the Armstrong facility in South Gate.

Training Plan

Management Skills (10%): Training will be offered to Managers and Supervisors. Trainees will develop skills designed to support the workforce's ability to perform their jobs as the company begins lean implementation strategy.

Computer Skills (30%): Training will be offered to all occupations. Trainees will learn how to use and navigate the recently installed upgrades on its Vision System software. Training will also include software screens, functions and proper utilization for maximum benefit.

Manufacturing Skills (30%): Training will be offered to Production Staff in skills and knowledge in the Company's manufacturing process to ensure product quality, and implement best practices in product manufacturing.

Continuous Improvement (30%): Training will be offered to all occupations in key methods and practices used in a Continuous Improvement work environment. This will allow the Company to focus efforts in better customer service and product quality.

Commitment to Training

Armstrong has an annual training budget of \$200,000 for job specific training such as general orientation training, computer-based training and on-the-job training. Safety training is provided in accordance with all pertinent requirements under state and federal law. Training will be delivered by a combination of in-house staff and trainers by outside vendors. The Company will perform its own administration.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Armstrong under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0230	Los Angeles	12/31/11 – 12/30/13	\$168,912	\$163,676 (97%)

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

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

8 - 200

Trainees may receive any of the following:

MANUFACTURING SKILLS

- Manufacturing Process
- Maintenance
- Equipment Operation

CONTINUOUS IMPROVEMENT

- Armstrong Process Improvement
- Kaizen Process: Full Kaizen, Point Kaizen, Just Do-It
- Kaizen Team Building
- Lean Leadership
- Lean Sigma Process Improvement
- Lean Training
 - 5 S (Housekeeping)
 - Standardized Work
 - Waste Elimination
 - Set-Up Reduction
 - Root Cause Analysis (5 Whys, A3)
 - Total Productive Maintenance
 - Pull System
 - 2P/3P – Process and Product Flow Improvement
 - Six Sigma

COMPUTER SKILLS

- eTime
- Vision System
- Systems Applications and Products
- Advanced Microsoft Office (Word, Excel, Access)
- MiniTab Statistical Software

MANAGEMENT SKILLS (Managers & Supervisors only)

- Coaching for Front Line Supervisors
- Maintenance Skills Trade Training

Safety Training cannot exceed 10% of total training hours per-trainee

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