



Training Proposal for:
California Box Company
Agreement Number: ET16-0181

Panel Meeting of: September 25, 2015

ETP Regional Office: North Hollywood

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PROJECT PROFILE

| | | | |
|---|---|---------------------|---|
| Contract Attributes: | Retrainee Priority Rate HUA | Industry Sector(s): | Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | Los Angeles, San Bernardino | 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: 202 | U.S.:202 | Worldwide: 202 |
| <u>Turnover Rate:</u> | 16% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | 8% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$182,880 | | \$0 | \$0 | | \$182,880 |

| | | |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$189,124 |
|-----------------------|------------------------------------|-----------|

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 | Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills | 61 | 8-200 | 0 | \$1,440 | \$15.07 |
| | | | | Weighted Avg: 80 | | | |
| 2 | Retrainee Priority Rate HUA | Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills | 66 | 8-200 | 0 | \$1,440 | \$11.98 |
| | | | | Weighted Avg: 80 | | | |

Minimum Wage by County: Job Number 1: \$15.07 per hour for San Bernardino County.

Job Number 2: \$13.31 per hour for Los Angeles County (Santa Fe Springs facilities/HUA).

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 \$3.87 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

| Occupation Titles | Wage Range | Estimated # of Trainees |
|--|------------|-------------------------|
| Job Number 1: Rancho Cucamonga Facility | | |
| Machine Operators | | 22 |
| Machine Assistants | | 19 |
| Supervisors | | 8 |
| Designers | | 2 |
| Mechanics | | 3 |
| Customer Service | | 5 |
| Production Control | | 2 |
| Job Number 2: Santa Fe Springs Facilities (HUA) | | |
| Machine Operators | | 28 |
| Machine Assistants | | 19 |
| Supervisors | | 6 |
| Designers | | 4 |
| Mechanics | | 2 |
| Customer Service | | 5 |
| Production Control | | 2 |

INTRODUCTION

California Box Company (CBC) (www.calbox.com), founded in 1994, manufactures and distributes customized corrugated boxes and sheets. The Company also fabricates corrugated pop-up and counter displays. Its customer base includes packaging contractors, distributors, jobbers, box plants, and other sheet plants.

CBC plans to use ETP funds to train its employees and also those of two closely-affiliated companies also doing business in California: CB Sheets, Inc. and California Box Company II. All companies are located in Santa Fe Springs and Rancho Cucamonga where training will take place. The contract will be structured as a Group of Employers. CBC will act as the lead employer holding the ETP Agreement.

PROJECT DETAILS

The proposed training will assist in skills and professional development to remain competitive. CBC plans to institute a continuous improvement strategy to advance production efficiencies, improve product quality, and reduce waste. Training will also focus on recently purchased, state-of-the-art technology which includes printers, software and machinery. The Company invested \$2 million on new equipment to increase sales and support business.

Training Plan

This is CBC's second ETP Agreement. Training in this Agreement will not duplicate ETP training provided to trainees in the first Agreement. Training for all three facilities in the first Agreement was minimal (\$38,304) and focused on training for new equipment and preventive maintenance on existing equipment. Training in this Agreement will focus on the \$2,000,000 in new equipment that were installed earlier this year, as well as on establishing new procedures as part of an ISO program to help standardize and document processes in order to increase service and sales.

Business Skills (10%): Training will be provided to Supervisors, Designers, Customer Service and Production Control Staff. Trainees will receive effective communication skills and sales and customer service techniques to improve communication within the organization, reduce order rework, and increase customer satisfaction.

Computer Skills (20%): Training will be provided to all occupations. All workers will receive training on new software, database systems, computer programs and MS Office. Training will help upgrade employee skillsets and facilitate the transfer of computerized data.

Continuous Improvement (10%): Training will be provided to all occupations. Training will focus on internal business systems and functionality. The goal is to create a more efficient business environment, improve quality and delivery times, and reduce waste.

Hazardous Materials (5%): Training will be provided to Supervisors and Mechanics. Workers will receive Hazardous Waste and Communication and Emergency Response Team Training. Training will lead to heightened awareness and responses to on-the-job incidents and will result in improved preparation in the event of a hazardous situation.

Manufacturing Skills (55%): Training will be provided to be Machine Operators, Machine Assistants, Supervisors, Mechanics, Production Control and Designers. These trainees will learn production and operating techniques to improve product quality, reduce delivery times, and increase operating efficiency. Trainees will also be cross-trained on equipment, equipment

set-up and change overs, shop math and preventive maintenance. This will improve lead times and efficiencies and prevent machine failures.

Temporary to Permanent

Based on production demand, CBC may hire temporary employees to fill production and administrative positions. These trainees qualify under Panel guidelines for “temporary to permanent” employment. CBC will retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after CBC has hired them. Until then, the Company will not receive progress payments.

Commitment to Training

CBC represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. Currently the Company provides new hire orientation, sexual harassment prevention, basic computer and some manufacturing skills.

➤ Training Infrastructure

The Company has a detailed training plan focused on new equipment and Lean Manufacturing processes. Upper management supports the planned training and is involved in the implementation process.

High Unemployment Area

Twenty-Five of the trainees in Job Number 2 work in the Santa Fe Springs facilities in Los Angeles County, a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%.

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. CBC is asking for a wage modification for trainees in Job Number 2, from \$15.97 to \$11.98.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned | |
|---------------|---------------------------------------|-----------------------|-----------------|----------------|-------|
| | | | | \$ | % |
| ET14-0223 | Santa Fe Springs and Rancho Cucamonga | 11/16/2013–11/15/2015 | \$38,304 | \$35,116 | (92%) |

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:

BUSINESS SKILLS

- Communications
- Customer Service
- Sales Skills
- Interpersonal Skills
- Administrative Support Training
- Finance & Accounting
- Human Resources

CONTINUOUS IMPROVEMENT

- Team Building
- Leadership for Frontline Workers
- Lean Manufacturing
- Root Cause Analysis
- Project and Time Management
- Process Improvement

MANUFACTURING SKILLS

- Production Equipment Knowledge/Operation
- Machine Operator Cross-Training
- Equipment Troubleshooting
- Preventative Maintenance
- Machine Set-Up and Change Over
- Ink Training
- Shop Math
- Blue Print Reading

COMPUTER SKILLS

- Microsoft Office Applications
- Word, Excel, Outlook, Power Point and Access
- Design Software Applications

HAZARDOUS MATERIALS

- Hazardous Waste and Communications
- Emergency Response
- Chemical Exposures

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