

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
Caseworx, Inc.**

Small Business

ET17-0111

Approval Date: June 21, 2016

ETP Regional Office: North Hollywood **Analyst:** E. Fuzesi

CONTRACTOR

- Type of Industry: Manufacturing
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 42
 - Worldwide: 42
 - Number to be trained: 29
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 5%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$33,930
- In-Kind Contribution: \$37,192

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 SB <100 Priority Rate	Business Skills, Computer Skills, Continuous Imp., Mfg Skills	25	8-60	0	\$1,170	\$15.60*
				Weighted Avg: 45			
2	Retrainee SB <100 Priority Rate Job Creation Initiative	Business Skills, Computer Skills, Continuous Imp., Mfg Skills	4	8-60	0	\$1,170	\$14.00*
				Weighted Avg: 45			

*It will be made a condition of contract that these trainees 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: \$26 SB Priority
- County(ies): San Bernardino
- Occupations to be Trained: Production Staff, Administration Staff, Owner, Supervisor/Manager
- Union Representation: Yes
 No
- Health Benefits: Job #1 only: \$1.60 per hour

SUBCONTRACTORS

- Development Services: Training Funding Source (TFS) in Seal Beach assisted with development for a flat fee of \$1,500.
- Administrative Services: TFS will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1992 and located in Redlands, Caseworx, Inc. (Caseworx) is an original equipment cabinet manufacturer serving contractors and brokers nationwide. The Company’s products include fixed and movable custom cabinetry such as lockers, desks, and kitchen cabinets. Customers include hospitals, schools, laboratory/research facilities, health clubs, and private residences. Caseworx also provides product research of new materials such as high gloss acrylic, deep embossed wood grain melamine panels; and hardware such as lighted wardrobe poles and pivoting door hinges.

Need for Training

This will be Caseworx's second proposal in the last five years. In the previous proposal, Caseworx focused on basic Business Skills to improve teamwork and Manufacturing Skills to introduce Lean Manufacturing concepts. Lean Manufacturing helped standardize processes, organize work areas, and clean up the production environment. As a result of the training, Caseworx was able to produce higher quality products, which in turn, increased business demand.

In this project, Caseworx will move on to more advanced Continuous Improvement and Lean Manufacturing, incorporating one-piece flow into every process. The Company will not duplicate training from previous proposals. Training will help the Company achieve true just-in-time manufacturing, eliminate batching (making items in batches) and decrease the number of defects.

Additionally, Caseworx will need to address changes in the industry. Key changes include emerging materials and finishes available to architects and designers for use in cabinet projects (such as high gloss and super matte UV coated melamine panels) and Fenix NTM® (Nanotech Matt) laminate. These materials require training in a variety of areas, which include new machinery technology and pre-milling functions and processing.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly hired employees will be subject to a lower post-retention wage.

Caseworx is expanding existing business capacity by hiring employees to work on the emerging new materials and new products discussed above.

The Company has committed to hiring four new production employees (Job Number 2). To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to approval or during the term of contract. Trainees will be hired into "net new jobs" as a condition of contract.

Temporary to Permanent Hiring

Caseworx intends to train four Job Creation workers (Job Number 2) under Panel guidelines for the "Temporary-to-Permanent" program. The Company will retain these employees on a temporary basis with the intention of hiring them into full-time, permanent positions after training. According to Caseworx the average time for "converting" temporary workers into full-time permanent employment is 3 months. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums 90 days after they are hired into full-time permanent employment by Caseworx.

Under Panel guidelines for the Temporary to Permanent program, these trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). Moreover, they cannot be enrolled as trainees until after they have been hired by Caseworx into full-time, permanent employment. Until they are so hired, retention and post-retention wage requirements cannot be satisfied and the Company will not receive progress payments.

Training Plan

Business Skills (20%) – Training will be offered to all occupations. Training will improve teamwork and increase employee involvement in manufacturing processes. The goal is to shift much of the problem-solving and decision-making to the employees involved in the day-to-day operations.

Computer Skills (20%) – Training will be offered to all occupations. Instruction on various software solution products will provide workers with tools to improve accuracy in using the shop floor scheduling systems and real-time monitor displays.

Continuous Improvement (30%) – Training will be offered to all occupations to help employees embrace the company culture of Lean principles, process improvement, and quality improvement in frontline operations.

Manufacturing Skills (30%) – Training will be offered to all occupations to increase the level of expertise on the shop floor and among the design staff to attain the highest quality possible. Transitioning to the one-piece flow will involve removing excess part conveyors, reducing work in process between machines, and moving parts more quickly through production. Trainees will learn to quickly assemble parts with very minimal change-over time.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET15-0452	Redlands	05/09/2015- 05/08/2016	\$23,400	TBD

ETP is in the process of closing out the contract. Caseworks invoiced for a total of 900 training hours for 22 trainees, sufficient to support earnings of \$23,400 (100% of Approved Amount).

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

8-60 Trainees may receive any of the following:

BUSINESS SKILLS

- Active Listening
- Adaptability/Flexibility
- Business Development
- Communication
- Critical Thinking
- Customer Relations
- Goal Setting
- Judgment and Decision-making
- Leadership
- Meetings Management
- Problem Solving
- Product Knowledge
- Project Management
- Public Speaking
- Teamwork
- Time Management

COMPUTER SKILLS

- Aletha Job Management & Scheduling
- Keytrix Fabrication
- Microsoft Office (Excel)
- Microvellum

CONTINUOUS IMPROVEMENT

- 5S
- Lean Manufacturing
- Process Improvement
- Productivity Improvement
- Quality Improvement

MANUFACTURING SKILLS

- Altendorf Saw Operation
- Belfab Dust Extraction program
- Blueprint Reading
- Brandt Airtech Laser Edgeband
- Equipment Operation, Maintenance & Troubleshooting
- Hofer Clamp Operations
- Inspection Techniques
- Komatsu/Clark Pick and Place Machine
- Material Requirements Planning
- One-Piece Flow

- Preventative Maintenance
- Programmable Conformat Doweling Machine
- Zebra Label Printer

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.