



RETRAINEE - JOB CREATION

Training Proposal for:

Certified Aviation Services

Agreement Number: ET16-0411

Panel Meeting of: March 25, 2016

ETP Regional Office: North Hollywood

Analyst: E. Wadzinski

PROJECT PROFILE

Contract Attributes:	SET Retrainee Job Creation Initiative Priority Rate	Industry Sector(s):	Services Aerospace and Defense Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, San Francisco, San Diego, San Bernardino	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 125	U.S.: 240	Worldwide: 240
<u>Turnover Rate:</u>	16%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$492,000		\$0	\$0		\$492,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$1,350,000
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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 SET Priority Rate	Commercial Skills, Advanced Technology	95	8-200	0	\$3,600	\$26.00
				Weighted Avg: 200			
2	Retrainee SET Priority Rate Veterans	Commercial Skills, Advanced Technology	15	8-200	0	\$4,400	\$26.00
				Weighted Avg: 200			
3	Retrainee SET Job Creation Initiative	Commercial Skills, Advanced Technology	10	8-200	0	\$4,000	\$26.00
				Weighted Avg: 200			
4	Retrainee SET Job Creation Initiative Veterans	Commercial Skills, Advanced Technology	10	8-200	0	\$4,400	\$26.00
				Weighted Avg: 200			

Minimum Wage by County: ETP SET (Priority Industry) Statewide hourly wage of \$21.28.
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
 Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1 (SET/RETRAINEE)		
A&P Mechanics		92
Frontline Supervisors/Managers		3
JOB NUMBER 2 (SET/RETRAINEE/VETERANS)		
A&P Mechanics		11
Frontline Supervisors/Managers		4
JOB NUMBER 3 (SET/JOB CREATION)		
A&P Mechanics		10
JOB NUMBER 4 (SET/JOB CREATION/VETERANS)		
A&P Mechanics		10

INTRODUCTION

Founded in 1990, Certified Aviation Services (CAS) (www.certifiedaviation.com) is a subsidiary of Aero-Mark, LLC. CAS is a leading provider of maintenance, repair and overhaul services that include airport line-maintenance for fleet operators around the world. CAS offers a wide range of aircraft and component services that provide customers innovative, cost-effective solutions.

The Company's work is regulated by the Federal Aviation Administration (FAA). CAS is licensed by the FAA as a Repair Station and European Aviation Safety Agency (14 CFR Section 145.6093). CAS also holds specialty licenses for aircraft registered in Europe and Bermuda. CAS needs to train Airframe & Power Plant (A&P) Mechanics for proficiency on a variety of aircraft.

PROJECT DETAILS

A&P Mechanics must be certified by the FAA, through a rigorous process. Applicants must pass a series of oral, practical and written tests (the oral and practical tests cover 43 technical subjects). Applicants must be approved by an FAA inspector based on proof of experience, before taking the written examination.

CAS provides additional training for A&P Mechanics based on customer requirements specific to the different types of aircraft being serviced. The customers are commercial passenger, cargo and private air carriers including: American Airlines, Hawaiian, United, Jet Blue, China Eastern, China Cargo, Air Canada, Air Bus, Boeing, Southwest, Spirit, WestJet, Virgin America, Virgin Airlines, Lufthansa and more.

According to CAS, the A&P Mechanics must be adequately trained to service at least four different types of aircraft on any given eight-hour shift, in order to be productive. CAS has immediate demand to work on the following 13 different types of aircraft: Boeing 737's, 747's, 757's, 767's, 777's and 787's; Air Bus A-319's, A-320's, A321's, A-330's, A-340's, A-380's and McDonnell Douglas MD-80.

The Company's goal is to deliver between 800 and 1,000 hours of training to each newly-hired A&P Mechanic in their first 6 to 8 months, of which ETP would fund 200 hours (Job Numbers 3&4). Incumbent workers, including frontline supervisors, will also receive 200 hours of training each, to broaden their range of productivity (Job Numbers 1&2).

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. However, CAS is not asking for a reduced wage, as all trainees in this proposal will meet the standard ETP Minimum Wage for a Special Employment Training (SET) project.

CAS plans to create 40 new positions in California within the next 18 months. In this proposal however, CAS is including a conservative number of 20 new positions under ETP's Job Creation program (Job Numbers 3&4). These new jobs will be for A&P Mechanics, Supervisors and Managers at the Los Angeles, Ontario, San Bernardino, San Diego and San Francisco facilities. The date-of-hire for all Job Creation trainees must be within the three-month period prior to approval, or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

Veterans Program

CAS is committed to hiring and retraining Veterans. This effort is supported by ETP through a higher reimbursement rate and other training incentives, under the Veterans Program.

Veterans are good candidates for the A&P Mechanics occupation as they are already trained on how to follow policy and procedure, and many are mechanically inclined.

The Company is working with the Santa Ana Veterans Authority and other government agency sources to recruit candidates with aircraft repair experience in the military. CAS will train 15 incumbent-worker Veterans (Job Number 2), along with 10 newly-hired Veterans (Job Number 4). The same rules regarding the Job Creation date-of-hire applies, as stated above.

Training Plan

Commercial Skills (10%) – Training will be offered to A&P Mechanics and Frontline Supervisors and Managers. This training is designed for professionals in the aviation maintenance and repair industry. These technical courses include General Aviation training, Overall Test – Competency for each type of aircraft, Human Factors training, Respirator and confined space training, FAA required class, Lightning strike awareness training, ETOPS training (Extended Twin Engine Performance Standards), RVSM training (Reduced Vertical Separation Minimums), LMP training (Lower Minimum Program), 1st Stage Fan Blade Inspection and Repair training, Thrust Reversal Lockout training, Emergency Evacuation System training and Oxygen Bottle Servicing training.

Advanced Technology (90%) – Training at the Advanced Technology (AT) level will be offered to A&P Mechanics and Frontline Supervisors and Managers. This training is designed exclusively for highly-technical professionals in the aviation maintenance industry. AT training flight Simulators for each type of aircraft in areas such as: Air Conditioning, Auto Flight, Communication System, Electrical Power System, Fire Protection, Flight Control System, Fuel System training, Hydraulic System, Anti-Ice System, and Instruments.

The proposed AT training is far more costly to deliver than Commercial Skills training. Eleven flight simulators are required to provide training at the cost of \$4 to \$7 million per simulator under CAS rents the equipment at the cost of \$7,500 per-trainee, for a 3-day class. These costs do not include training instructor. Additional equipment costs include iPad mini-tablets with preloaded Flight Simulator programming.

Due to these added costs, CAS is requesting reimbursement at the AT as identified in the curriculum. Staff recommends the AT rate for said courses. The 1:10 trainer-to-trainee ratio will be maintained for AT training to allow for in-depth coverage of complex course material and personal attention from the instructor.

Commitment to Training

ETP funds will not displace existing financial commitments to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. The Company spends an estimated \$365,000 a year on training.

➤ Training Infrastructure

CAS is ready to start training upon approval of this proposal using qualified in-house trainers. If the need arises, the Company may utilize training vendor services which would be determined based on need. CAS has contracted with California Training Coalition to provide administrative

support and recordkeeping throughout the term of this ETP agreement. The Company's in-house Director of Training will be responsible for overseeing administration and training delivery.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

California Training Coalition in Upland is providing assistance with the development of this proposal at no cost.

ADMINISTRATIVE SERVICES

California Training Coalition will also perform administrative services for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

COMMERCIAL SKILLS

- General Aviation training
- Brake Ridder training
- Overall Test – Competency for Each Type of Aircraft
- Human Factors training
- Caustic Materials – Security Training
- Human Factors training
- Respirator and Confined Space Training
- FAA Required class – EWIS training (Electrical Wiring Interconnect System)
- Lightning Strike Awareness Training
- Oxygen Bottle Servicing training

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

ADVANCED TECHNOLOGY (ratio 1:10)

- Simulator Aviation training
- Air Conditioning Training for Each Type of Aircraft
- Auto Flight Training for Each Type of Aircraft
- Communication System Training for Each Type of Aircraft
- Electrical Power System Training for Each Type of Aircraft
- Fire Protection Training for Each Type of Aircraft
- Flight Control System Training for Each Type of Aircraft
- Fuel System Training for Each Type of Aircraft
- ETOPS Training (Extended Twin Engine Performance Standards)
- RVSM Training (Reduced Vertical Separation Minimums)
- LMP Training (Lower Minimum Program)
- 1st Stage Fan Blade Inspection and Repair Training
- B717 Thrust Reversal Lockout Training
- B717/B767 Emergency Evacuation System training
- Hydraulic System Training for Each Type of Aircraft
- Anti-Ice System Training for Each Type of Aircraft
- Instruments Training for Each Type of Aircraft
- Landing Gear Training for Each Type of Aircraft
- Lighting Systems Training for Each Type of Aircraft
- Navigation System Training for Each Type of Aircraft
- Oxygen System Training for Each Type of Aircraft
- Oxygen Generator Replacement Safety Training
- Pneumatic System Training for Each Type of Aircraft
- Water & Waste System Training for Each Type of Aircraft
- Fuel Entering System Training for Each Type of Aircraft
- Airborne APU System Training for Each Type of Aircraft
- Doors/Windows Training for Each Type of Aircraft
- Power Plants training, CFM56-5/V-2500 RR/Trent 800/GE CF-6/P&W 4000 GE90 Etc.

- Advanced Avionics Training
- Rigging Training All Types
- SFAR 88 (fuel tank integrity safety)
- Fuel Tank Inerting Safety
- Bore Scope Inspection Training
- IDG Servicing Training (Engine generator service)

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