

DELEGATION ORDER



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

Agreement Number: ET16-0421

Approval Date: March 23, 2016

ETP Regional Office: North Hollywood

Analyst: M. Paccereilli

PROJECT PROFILE

| | | | |
|---|---|---------------------|---|
| Contract Attributes: | Retrainee Priority Rate Job Creation Initiative HUA | Industry Sector(s): | Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | Los Angeles, San Bernardino, Kern, and Fresno | 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: 167 | U.S.: 168 | Worldwide: 168 |
| <u>Turnover Rate:</u> | 10% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | 20% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$99,400 | | \$0 | \$0 | | \$99,400 |

| | | |
|------------------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$121,076 |
|------------------------------|------------------------------------|-----------|

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; Adv. Technology; Cont. Improv.; Mgt. Skills | 86 | 8-200 | 0 | \$648 | \$16.48 |
| | | | | Weighted Avg: 36 | | | |
| 2 | Retrainee Priority Rate Job Creation Initiative | Business Skills, Computer Skills; Adv. Technology; Cont. Improv.; Mgt. Skills | 18 | 8-200 | 0 | \$800 | \$13.73 |
| | | | | Weighted Avg: 40 | | | |
| 3 | Retrainee Priority Rate HUA | Business Skills, Computer Skills; Adv. Technology; Cont. Improv.; Mgt. Skills | 39 | 8-200 | 0 | \$648 | * \$11.70 |
| | | | | Weighted Avg: 36 | | | |
| 4 | Retrainee Priority Rate Job Creation Initiative HUA | Business Skills, Computer Skills; Adv. Technology; Cont. Improv.; Mgt. Skills | 5 | 8-200 | 0 | \$800 | * \$10.00 |
| | | | | Weighted Avg: 40 | | | |

* It will be made a condition of contract that the trainees in these Job Numbers 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.

Minimum Wage by County: *Job Number 1:* \$16.48 in Los Angeles County; *Job Number 2:* \$13.73 in Los Angeles County; *Job Number 3:* \$12.36 in Los Angeles County and \$11.70 in Bakersfield, Fresno, and San Bernardino Counties; *Job Number 4:* \$10.30 in Los Angeles County and \$9.58 in Bakersfield, Fresno, and San Bernardino Counties

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

Job Number 1: Up to \$4.84 may be used to mee the Post-Retention Wage.

Job Number 2: Up to \$2.09 per hour may be used to meet the Post-Retention Wage

Job Number 3: Up to \$2.09 per hour may be used to meet the Post-Retention Wage in Los Angeles County and \$1.70 for all other counties

Job Number 4: Up to \$0.30 per hour may be used to meet the Post-Retention Wage in Los Angeles County. No health benefits will be used for all other counties.

Job Numbers 1 & 2 Wage Range by Occupation

| Occupation Titles | Wage Range | Estimated # of Trainees |
|-------------------|------------|-------------------------|
| Accounting Staff | | 2 |

| | | |
|--|--|----|
| Ad Control | | 1 |
| Creative Marketing Staff | | 1 |
| Digital Products Staff | | 10 |
| Editorial Staff | | 5 |
| Marketing/Events Staff | | 8 |
| MIS Administration Staff | | 1 |
| Production Staff | | 5 |
| Sales Local Commercial Staff I (Job 1) | | 15 |
| Sales Local Commercial Staff I (Job 2) | | 25 |
| Sales Local Commercial Staff II | | 11 |
| Manager/Supervisor | | 20 |

| Job 3 & 4 Wage Range by Occupation | | |
|---|------------|-------------------------|
| Occupation Titles | Wage Range | Estimated # of Trainees |
| Administration Staff | | 2 |
| Distribution Staff | | 12 |
| Sales Classified Staff | | 14 |
| Sales Local Commercial Staff | | 6 |
| Manager/Supervisor | | 10 |

INTRODUCTION

Founded in 1988, El Clasificado (www.elclasificado.com / echispanicmedia.com) is a Spanish-language print and online publication distributed free of charge to the public. It has since grown into a multimedia publication and advertising solutions company.

Headquartered in Norwalk, El Clasificado also has offices in Los Angeles, Commerce, San Bernardino, Bakersfield, and Fresno. It has rebranded its company as EC Hispanic Media, and has developed a more robust product portfolio that local and national advertisers can use to reach the Hispanic community.

The Company's print publications include *El Clasificado* (Spanish Language classifieds publication), *EC Classifieds* (English-language classifieds publication), *El Punto* (Spanish language editorial-based magazine), and *Quinceañera.com* (magazine published in conjunction with the events).

To remain competitive in the declining print publication industry, the product portfolio was broadened to add online and mobile solutions. This includes: *Al Borde* (Latin Alternative platform); *Twyzle* (Self-serve website creation platform); *MasClientes for website design*, hosting and custom domain, directory management, and related services.

With its rapid online growth, El Clasificado must invest in advanced software such as Social Media Optimization, Google Analytics, Web Content Management, and Customer Relationship Management systems. The Company also upgraded to a web-based accounting system and project management tool designed to bring products to market faster. These technology advancements require substantial employee training. In addition, El Clasificado plans to provide thorough Management Skills training, as needed to lead staff during times of rapid growth and market change.

El Clasificado is eligible as a single employer for standard retraining and priority-industry funding under the out-of-state competition provisions as a print manufacturer.

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.

El Clasificado has committed to hiring 23 new employees in Administration, Distribution, Sales, and Management in Job Number 2 and 4 to facilitate ongoing efforts to expand existing capacity at its Norwalk facility and regional sales offices. The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

PROJECT DETAILS

Training Plan

This will be the second ETP Agreement between El Clasificado and ETP within the last five years. The Company has added three more locations since the last project. This proposal will focus on training its existing workforce, integrating new employees, and implementing advanced media technology to enhance product quality and overall efficiency.

Business Skills (26%) – This training will be provided to all trainees focusing on customer retention, managing change, and sales techniques.

Computer Skills (8%) – This training will be provided to all trainees to help them become more proficient in the use of innovative business solutions technology in the areas of computerized accounting, integrated sales and marketing, and project management.

Continuous Improvement (44%) – This training will be provided to all trainees designed to maximize worker efficiency through proven problem solving and team building concepts, leadership principles, and time management techniques.

Management Skills (16%) – This training will provide Managers and Supervisors with the leadership, motivation, project management, and communication skills necessary to become more effective leaders in the Company’s high-performance workplace.

Advanced Technology (6%) – This training will be provided to Digital Products and Management Information Systems (MIS) Administration Staff. This training will help these trainees develop the knowledge and skills to administer current web and mobile technologies. Trainees will also improve proficiency in coding for mobile compliant websites and social applications with an emphasis on Search Engine Optimization best practices. AT will be delivered in highly technical learning environments, including special curricula, instructors and training labs. The costs for delivering AT training range from \$500 to \$1,000 per day, plus hardware and software. The trainer-to-trainee ratio for AT training is 1:10 to allow for in-depth coverage and personal attention from the instructor.

High Unemployment Area

All trainees in Job Numbers 3 and 4 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Panel may modify the ETP

Minimum Wage by up to 25% if post retention wages exceed the start of training wages. The Company's locations in Commerce, Bakersfield, Fresno, and San Bernardino qualify for HUA status under these standards.

➤ Wage Modification

El Clasificado requests the HUA hourly wage modifications for Job Number 3 from \$16.48 to \$12.36 for Los Angeles County and from \$15.60 to \$11.70 for Bakersfield, Fresno and San Bernardino Counties; and Job Number 4 from \$13.73 to \$10.30 for Los Angeles County and from \$12.77 to \$10.00 for Bakersfield, Fresno and San Bernardino Counties. These wages are consistent with the ETP Minimum Wage for CY 2016.

Commitment to Training

ETP funds will not displace the existing financial commitment to training. In support of continuous employee development, The Company's current training budget is approximately \$136,500 and covers new-hire orientation, web-based Customer Relationship Management System, conferences, and other job-specific courses in a classroom or on-the-job training setting.

Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Impact/Outcome

The proposed ETP-funded training will enable El Clasificado to remain competitive in an industry with rapid and continuous changes in demands and processes. The overall goal is to provide employee training that will yield a higher quality, more cost effective product from its growing grounds to consumers.

➤ Training Infrastructure

El Clasificado's Senior Manager of Recruiting and Talent will oversee the internal project administration. The Company will also dedicate two staff members to administer the project to ensure that the training documentation adheres to ETP requirements. Training will take place at all El Clasificado's locations in California and will be delivered by a combination of in-house subject matter experts and experienced outside training vendors.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

PRIOR PROJECTS

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

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned \$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET14-0119 | Los Angeles | 10/07/13 – 10/06/15 | \$95,520 | \$85,515 (90%) |

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

8-200 Trainees may receive any of the following:

BUSINESS SKILLS

- Selling Multi-Platform Products
- Selling Special Publications
- Selling Events
- Selling Online Microsites
- Consultative Sales Process
- Managing Change
- Customer Retention
- Internet Marketing
- Interviewing Skills
- Managing a High Performance Workplace

COMPUTER SKILLS

- Accounting System
- Integrated Sales/Marketing Software
- Project Management Software
- Graphic Design
- Database Management
- Customer Relationship Management (CRM)
- Microsoft Office suite (Excel, Word, PowerPoint, Outlook)

CONTINUOUS IMPROVEMENT

- Leadership Skills for Frontline Workers
- Time Management Skills
- Team Building Skills
- Problem-Solving Skills
- Communication Skills
- Change Management
- Project Management
- Budgeting and Planning
- Productivity monitoring and management
- Managing a High Performance Workplace

ADVANCED TECHNOLOGY

(Limited to Digital Products & MIS Admin. Staff Only)

- Search Engine Optimization (SEO)
- Social Media Optimization (SMO)
- HTML, CSS
- Digital Analytics
- WordPress

- Joomla
- Web Content Management (WCM)
- Interactive Web Page Design
- Mobile Apps

MANAGEMENT SKILLS

(Limited to Managers and Supervisors only)

- Basic/Advanced Supervisory and Management Skills
- Coaching/Motivating Employees
- Conflict Management for Managers
- Leadership for Managers

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