



**Retrainee – Job Creation
Training Proposal for:
Empire Transportation, Inc.
Agreement Number: ET15-0419**

Approval Date: April 14, 2015

ETP Regional Office: North Hollywood

Analyst: J. Romero

PROJECT PROFILE

| | | | |
|--|---|---------------------|--|
| Contract Attributes: | SET HUA Retrainee Job Creation Initiative | Industry Sector(s): | Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served: | Los Angeles, Riverside | Repeat Contractor: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Union(s): | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No CA Teamsters Local 911 and Teamsters Union Local No. 63 | | |
| Number of Employees in: | CA: 350 | U.S.: 350 | Worldwide: 350 |
| Turnover Rate: | 8% | | |
| Managers/Supervisors: (% of total trainees) | 0% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|-------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$99,725 | | \$0 | \$0 | | \$99,725 |

| | | |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$102,000 |
|-----------------------|------------------------------------|-----------|

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 HUA | Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, HazMat, PL - Commercial Skills | 135 | 8- 200 | 0 | \$585 | \$15.07 |
| | | | | Weighted Avg: 39 | | | |
| 2 | Retrainee SET HUA | Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, HazMat, PL - Commercial Skills | 30 | 8-200 | 0 | \$585 | \$11.30 |
| | | | | Weighted Avg: 39 | | | |
| 3 | Retrainee Job Creation Initiative SET | Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, HazMat, PL - Commercial Skills | 5 | 8-200 | 0 | \$640 | \$12.33 |
| | | | | Weighted Avg: 32 | | | |

Minimum Wage by County: The Statewide Average wage for SET is \$27.40. However, SET/HUA Standard Wage is \$15.07 per hour for Riverside County in Job 1; SET/HUA Reduced Standard Wage is \$11.30 per hour for Riverside in Job 2. For Job Creation in Job 3: \$13.31 per hour for Los Angeles and \$12.33 for Riverside 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

Health benefits of up to \$3.25 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 | | |
| Administrative Staff | | 6 |
| Customer Service Staff | | 15 |
| Driver | | 88 |
| Manager/Supervisor | | 13 |
| Mechanic | | 3 |
| Technical Support Staff | | 10 |

| Wage Range by Occupation | | |
|---------------------------------|------------|-------------------------|
| Occupation Titles | Wage Range | Estimated # of Trainees |
| Job Number 2 | | |
| Administrative Staff | | 4 |
| Customer Service Staff | | 5 |
| Driver | | 12 |
| Manager/Supervisor | | 2 |
| Mechanic | | 2 |
| Technical Support Staff | | 5 |

| Wage Range by Occupation | | |
|---------------------------------|------------|-------------------------|
| Occupation Titles | Wage Range | Estimated # of Trainees |
| Job Number 3 | | |
| Administrative Staff | | 1 |
| Customer Service Staff | | 1 |
| Driver | | 1 |
| Mechanic | | 1 |
| Technical Support Staff | | 1 |

INTRODUCTION

Founded in 1970, Empire Transportation, Inc. (Empire), (www.empiretransportation.com) provides quality transportation services in Southern California. The Company is headquartered in Bellflower (Los Angeles County) and operates a branch facility in Perris (Riverside County). Empire provides employer shuttles, non-emergency medical transport, demand responsive transportation, campus shuttles, municipal transits, special event and charter transportation. Their customer base includes Kaiser Permanente, Disneyland Resort, Southern California Edison, Los Angeles Dodgers Stadium and city government (local public entities).

The Company currently provides 150,000 “transfers” per month, meaning how often a passenger boards and exits one of their transportation modes. The Company expects to grow to 180,000 transfers per month in the next 24 months which requires training for their new and existing employees on routes, technology and customer service techniques. With this expectation, Empire plans to hire an additional 40 employees during this period. Training will be provided at the work sites in Bellflower and Perris.

The Company is eligible to be funded under the Special Employment Training provisions. Empire’s Drivers, Mechanics and Technical Support Staff belong to Teamsters Local Number 63 and Teamsters Local Number 911 and have provided letters in support of the proposed ETP-funded training.

PROJECT DETAILS

Commitment to Training

Empire reserves an annual budget of \$20,000 for training which includes mandatory training, employee orientation, OSHA mandated training, sexual harassment prevention and first aid training. Empire represents, that ETP funds will not displace the Company's existing financial commitment to training. Empire represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Empire is ready to start training upon approval. Training will be provided at Empire's facilities in Bellflower and Perris by a combination of in-house staff and trainers by outside vendors.

Frontline Worker

Empire uses several job classifications with Manager or Supervisor in the title. However, the Company has confirmed that these employees actively manage teams and projects, provide training, and spend more than 50% of their time performing frontline work. These individuals do not hire, fire, or make company policy. Therefore based on the nature and scope of their job duties, these trainees meet the Panel's definition of frontline workers. As frontline workers, these trainees qualify for SET funding and are not included in the percentage of managers and supervisors identified on Page 1 of this proposal.

Productive Laboratory

In a Productive Laboratory (PL) setting, trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum and with no more than one trainee per instructor. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Empire plans to provide a small portion of PL training in Commercial Skills, specifically machine/equipment operation and material and technical-tools handling. The Company is proposing to deliver up to 15 hours of PL training to Drivers. Training equipment will include mobile data management and vehicle tracking information. PL training will be conducted at a 1:1 trainer-to-trainee ratio.

Retrainee - Job Creation

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. In this case, the lower wage is \$12.33 per hour (equivalent to the New Hire wage for Riverside County).

In this proposal, Empire has committed to hiring five new employees, in Job Number 3. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

SET/HUA - Wage Modification

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

However, the trainees in Job Number 1 and Job Number 2, and most of the trainees in Job Number 3, work in Perris, which has unemployment exceeding the state average by at least 25%. As such, this location qualifies as a High Unemployment Area (HUA). The Panel may modify the SET wage requirement for training in an HUA, moving from the statewide wage which is \$27.40 per hour, to the ETP Minimum Wage which is \$15.07 for retraining in Riverside County. Empire is requesting this modification for the 135 trainees in Job Number 1.

In addition, the Panel may modify the wage requirement for training in an HUA to 25% below the ETP Minimum Wage, if post-retention wages exceed the state-of training wages. Empire is requesting this further modification for the 30 trainees in Job Number 2, bringing the wage to \$11.30 per hour. The Company is not asking for an HUA wage modification for the 5 trainees in Job Number 3, because they already qualify for the Job Creation incentive wage which is \$12.33 in Riverside and Los Angeles Counties.

Training Plan

With this ETP proposed training, it will allow Empire to establish a new training culture and implement a training program that will involve all employees. The training will help the Company to provide structured and formal training that will improve employee performance, customer service and sales.

➤ Training Infrastructure

Empire is ready to start training upon approval. They have qualified trainers to provide training and a training plan in place. In addition, Empire will have an administrative coordinator to track all class rosters who will work closely with National Training Company, Inc. (NTCI), the company retained to assist with development and administration of this ETP project.

Business Skills (25%): This training will be offered to Administrative Staff, Customer Service Staff, Drivers, Manager/Supervisors, Mechanics and Technical Support. Trainees will be given techniques to better meet customer expectations, resolving complaints, identify problems and propose solutions that will exceed customer expectations. Customer satisfaction will translate to increase in demand in company services.

Commercial Skills (15%): This training will be offered to Drivers, Managers/Supervisors, Mechanics and Technical Support Staff. Trainees will learn correct procedures in operating vehicles and using Compressed Natural Gas equipment. Skills acquired will reduce fueling errors and will result in a reduction in operating cost.

Computer Skills (25%): This training will be offered to Administrative Staff, Customer Service Staff, Drivers, Managers/Supervisors and Technical Support Staff. Trainees will have computerized access to track route and passenger information and will have more capability to respond and provide service using detailed information about travel time, destinations and route information for customers.

Continuous Improvement (15%): This training will be offered to Administrative Staff, Customer Service Staff, Managers/Supervisors, Mechanics and Technical Support Staff. Training will

focus on teambuilding, problem solving and resolution which will improve rider ratings in the transportation system.

Hazardous Materials (5%): This training will be offered to Drivers, Managers/Supervisors and Mechanics. Trainees will learn how to report and handle hazardous materials such as hazardous fuels which will decrease company liability and increase profits.

PL – Commercial Skills (15%): This training will be provided to Drivers. They will learn route management, Route Match software, mobile data management, vehicle tracking, communicating with dispatch, emergency response capabilities, and fueling systems. The skills gained from training will allow drivers to perform their responsibilities more efficiently, improve overall customer service and will decrease cost on vehicle operation.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Empire retained NTCI in Irvine to assist with development of this proposal for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

Empire also retained NTCI to perform administrative services in connection with this proposal 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:

BUSINESS SKILLS

- Accounting Skills
- Business Writing
- Communication Skills
- Customer Focused Service
- Customer Service
- Dealing With Difficult People
- Designing Routes
- Meeting Customer Expectations
- Operating Procedures
- Peer Coaching
- Reducing Negativity in the Workplace
- Resolving Complaints
- Route Management
- Transit Asset Management

COMMERCIAL SKILLS

- Best Practices
- Commercial Vehicle Maintenance and Repair
- Fueling Compressed Natural Gas Equipment
- Equipment Operation
- Mobility Management

COMPUTER SKILLS

- Internal Computer Applications
- Microsoft Office (Intermediate and Advanced)
- Outlook (Intermediate and Advanced)
- Reservation Systems
- Tablets

CONTINUOUS IMPROVEMENT

- Critical Thinking Skills
- Leadership Skills
- Problem Solving and Resolution
- Standard Work
- Team Building Skills

HAZARDOUS MATERIAL SKILLS

- Hazard Communication
- Hazardous Materials
- Hazardous Waste
- HAZMAT Requirements
- Emergency Response Team Training
- HAZMAT Training

Productive Lab (1:1 Ratio)

0 -15

Trainees may receive any of the following:

PRODUCTIVE LAB – COMMERCIAL SKILLS

- Dispatch-Driver Communications
- Emergency Response Capabilities
- Fueling Equipment
- Mobile Data Management
- RouteMatch
- Route Management
- Vehicle Tracking

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

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