



**Amendment Proposal #2 for:  
Employers Group  
Agreement Number: ET16-0113**

**Amendment Effective Date:** September 23, 2016

**Panel Meeting of:** September 23, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereilli

**CURRENT PROJECT PROFILE**

Contract Type:	Retrainee Priority Rate SB<100 HUA	Industry Sector(s):	Manufacturing Engineering Services Technology/Other Transportation/Logistics
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Counties Served:	Statewide	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Current Contract Term: August 4, 2015 to August 3, 2017	Substantial Contribution:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**CURRENT FUNDING**

Current Funding	In-Kind Contribution
\$535,552	\$296,160

**AMENDMENT FUNDING**

Requested Funding	Support Costs	Amendment Funding	In-Kind Contribution
+\$262,340	+\$16,078	+\$278,418	+\$163,715

<b>Total Funding</b>
\$779,450

**AMENDMENT 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	Continuous Impr., Mfg. Skills; Business Skills; Computer Skills; Literacy Skills	50	8-200	0-40	<b>\$1,443</b>	\$15.07
		Weighted Avg: <b>90</b>					
2	Retrainee Priority Rate	Continuous Impr., Mfg. Skills; Business Skills; Computer Skills; Literacy Skills	380	8-200	0-40	<b>\$924</b>	\$15.07
		Weighted Avg: <b>48</b>					
3	Retrainee SB<100	Continuous Impr., Mfg. Skills; Business Skills; Computer Skills; Literacy Skills	25	8-200	0-40	\$800	\$15.07
		Weighted Avg: 34					
4	Retrainee Priority Rate SB<100	Continuous Impr., Mfg. Skills; Business Skills; Computer Skills; Literacy Skills	196	8-200	0-40	<b>\$2,030</b>	\$15.07
		Weighted Avg: <b>73</b>					
5	Retrainee HUA Priority Rate	Continuous Impr., Mfg. Skills; Business Skills; Computer Skills; Literacy Skills	20	8-200	0-40	\$808	*\$11.30
		Weighted Avg: 42					

\*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.

**Minimum Hourly Wage by County:** Job Numbers 1-4: \$16.44 for Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties; 15.97 for Los Angeles County; \$16.02 for Orange County; \$15.93 for San Diego County; \$15.75 for Sacramento County, \$15.56 for Alpine County and \$15.07 for all other counties. Job Number 5: \$12.33 for Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties; \$11.98 for Los Angeles County; \$12.02 for Orange County; \$15.93 for San Diego County; \$11.95 for Sacramento County, \$11.67 for Alpine County and \$11.30 for all other 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

Participating employers may use health benefits to meet the Post-Retention Wage.

Job Numbers 1-4 Wage Range by Occupation	
Occupation Titles	Wage Range
Administrative / Support Staff	
Customer Service Staff I	
Engineer/Designer	
Finance/Accounting	
Inspector/Quality	
Lead	
Machine Operator/CNC Specialist	
Manufacturing Production Staff	
Material Handler/Operator	
Project Manager	
Technician	
Warehouse/Logistics	
Supervisor	
Manager	
Owner / Director ( <i>For Small Business Only</i> )	

Job Number 5 Wage Range by Occupation	
Occupation Titles	Wage Range
Machine Operator	
Manufacturing Production Staff	
Lead	
Technician	
Warehouse / Logistics	
Supervisor	

## **INTRODUCTION**

Founded in 1896, Employers Group is a non-profit trade association dedicated to Human Resources (HR) management. It offers several programs and services for its members including: telephone support and public workshops for HR professionals; consulting services on affirmative action planning and employee relations; surveys on compensation and benefits trends; and training in compliance, leadership, quality, productivity enhancement, and Lean Manufacturing.

Employers Group's funding is derived from membership and employer services. Members represent every industry from Fortune 500 companies to start-up ventures, the majority of members having 10 to 200 employees. Participating employers include manufacturing, engineering, technology, transportation, and headquarters operations to a multitude of other service-related businesses.

## **AMENDMENT DETAILS**

Employers Group reports a demand for additional training from many employers currently participating in Job Numbers 1, 2 and 4. These employers are currently struggling to keep up with technology and their competitors. These employers need additional hours for existing trainees in Continuous Improvement, Computer Skills, Business Skills, and Manufacturing Skills. These employers have gone through soft skills-related training and are now moving into lean-related training topics and/or specific manufacturing training topics for larger segments of their employees.

Employers Group believes they can meet this demand if funding is increased by \$262,340. This reflects a higher “weighted average” of training hours in three Job Numbers as follows:

- Job Number 1 - 40 hours (from 50 to 90)
- Job Number 2 - 6 hours (from 42 to 48)
- Job Number 4 - 45 hours (from 28 to 73)

The remaining Job Numbers in this Agreement will be unchanged. There will be no change to the average number of trainees, curriculum or trainee wages. Employers Group has demonstrated employer demand to support the requested increased funding. The effective date of amendment will be upon approval by the Panel at this meeting of September 23, 2016. There is sufficient time remaining in the term of Agreement for the additional hours to be delivered, and for retention to be completed.

In summary, this Amendment will:

- Increase the Agreement amount by \$278,418 (from \$501,032 to \$779,450);
- Increase the support cost by \$16,078 (from \$34,520 to \$50,598);
- Increase the in-kind contribution by \$163,715 (from \$296,160 to \$459,875)
- Increase the average cost per trainee as follows:
  - ✓ Job Number 1 - \$641 (from \$802 to \$1,443)
  - ✓ Job Number 2 - \$116 (from \$808 to \$924)
  - ✓ Job Number 4 - \$1,252 (from \$778 to \$2,030)

## **RECOMMENDATION**

Staff recommends approval of this Amendment.

## **SUMMARIZE PRIOR MODS/AMENDS**

- Modification 1 – Moved funds/trainees from Job Number 4 to 3.

## **CURRENT CONTRACT PERFORMANCE**

The following table summarizes performance by Employers Group under the current ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET16-0113	\$535,788	08/04/15 – 08/03/17	669	315	315

Based on the ETP Online Systems, 20,330 hours have been tracked sufficient to support earnings of \$415,039 (77%). The Contractor projects final earnings of 100% based on training in progress and committed as of October 2016.