



Training Proposal for:

Gallo Cattle Company, LP dba Joseph Gallo Farms

Agreement Number: ET17-0236

Panel Meeting of: September 23, 2016

ETP Regional Office: Sacramento

Analyst: D. Jordan

PROJECT PROFILE

Contract Attributes:	Priority Retrainee HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Merced	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: 416	U.S.: 416	Worldwide: 416
Turnover Rate:	10%		
Managers/Supervisors: (% of total trainees)	11%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$749,520		\$0	\$0		\$749,520

In-Kind Contribution:	100% of Total ETP Funding Required	\$790,000
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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 Priority Rate	Computer Skills, Cont. Imp., HazMat, Mfg. Skills	347	8 - 200	0	\$2,160	\$15.60
				Weighted Avg: 120			

It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: \$15.60 per hour for Merced 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

Up to \$3.60 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Administration Staff		57
Lab Staff		32
Maintenance Staff		28
Packaging Staff		85
Production Staff		76
Warehouse Staff		32
Managers/Supervisors		37

INTRODUCTION

Founded in 1980 and located in Atwater, Gallo Cattle Company, LP dba Joseph Gallo Farms (Gallo Farms) (www.josephfarms.com) is a natural cheese manufacturer. They are one of the first cheese plants built in California, have their own milking herd, and grow their own feed, giving them control over their product. Customers include grocery stores, food service distributors, large retail chains nationwide and Mexico.

PROJECT DETAILS

In 2013, the Company began implementing new standards to help improve employee skills, from an employee handbook to becoming Safe Quality Food certified. These standards help employees and the facility become more efficient. This structured training plan will allow Gallo Farms to gain a viable advantage on their competition by increasing worker skills. ETP-funded training will include computer software, communication, time management, leadership, and

problem solving skills to help with the growth and development of the Company. Training will also assist Gallo Farms employees to understand operational workflow, automated processes and accountability for efficient operations. Gallo Farms training will allow trainees to advance within the company. Training will take place at their Atwater location.

Training Plan

Training will be delivered by in-house subject matter experts via class/lab in the following:

Computer Skills (40%): Training will be offered to all occupations. Staff will receive training to improve competencies in software used daily. Training topics include Intermediate and Advanced Microsoft Office and Docuware.

Manufacturing Skills (25%): Training will be offered to all occupations, except Administration Staff. Training will focus on production equipment control and maintenance. Staff will also receive training on how to work effectively in workgroups, farming and warehousing principles.

Continuous Improvement (25%): Training will be offered to all occupations. Training will focus on staff leadership, accountability and quality control skills.

Hazardous Materials (10%): Training will be offered to all occupations except the Administration staff. Training will focus on Hazwoper Material Planning but it will not require a certification.

High Unemployment Area

All trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Merced County qualifies for HUA status under these standards. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. However, Gallo Farms is not asking for a wage modification.

Commitment to Training

Gallo Farms annual training budget is approximately \$100,000 for safety, food safety and employee improvement. The Company is committed to improving facility efficiencies and knowledge for all team members. Gallo Farms represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Gallo Farms has a structured training plan in place and training is ongoing. The HR Department will oversee project administration with an administrator assigned to handle training rosters and tracking performance. BLI Co. will assist with the administration of the contract, including uploading training hours.

Impact/Outcome

ETP funding will help Gallo Farms increase its workforce's manufacturing skills. Gallo Farms will be able to implement extensive training that they would not be able to deliver on their own. The Company hopes to gain a competitive advantage by increasing its employee's skills.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

BLI Co. in Salida assisted with development for a flat fee of \$8,000.

ADMINISTRATIVE SERVICES

BLI Co. will also perform administrative services for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

N/A

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

8-200 Trainees may receive any of the following:

COMPUTER SKILLS

- Microsoft Office Suite (Intermediate/Advanced)
- Time & Attendance
- Human Resource Information Systems
- Share Point – Document Share (Cloud/Microsoft Platform)
- JET Reporting
- Docuware
- Material Resource Planning

CONTINUOUS IMPROVEMENT

- Quality Control
- Leadership Skills
- Change Management
- Communications
- Time Management
- Lean Manufacturing
- Problem Solving
- Employee Performance
- Productivity Improvement

HAZARDOUS MATERIALS

- Hazwoper Material Planning

MANUFACTURING SKILLS

- Operating Industrial Lifts
- Operating Standards
- Cheese Making System
- Whey Processing

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

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