



**Panel Amendment #2 Proposal for:
James R. Glidewell, Dental Ceramics, Inc.
Agreement Number: ET15-0308**

Amendment Effective Date: October 29, 2015

Panel Meeting of: January 22, 2016

ETP Regional Office: San Diego **Analyst:** K. Campion

CURRENT PROJECT PROFILE

Contract Type:	Priority/Retrainee Job Creation	Industry Sector(s):	Manufacturing
Counties Served:	Orange, Riverside, San Diego	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Current Contract Term:	November 24, 2014 to November 23, 2016	Substantial Contribution:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CURRENT FUNDING

Current Funding
\$424,800

AMENDMENT FUNDING

Requested Funding	Total Funding
+\$252,000	\$676,800

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	Priority/Retrainee Job Creation	Mfg. Skills, Cont. Imp., Computer Skills	180	8 - 200	0	\$3,400	\$12.19
				Weighted Avg: 170			

Minimum Wage by County: Job Number 1 (Job Creation): \$13.32 per hour for Orange County; \$13.00 per hour for San Diego County, \$12.19 per hour for Riverside County (priority industry)

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

Up to \$2.78 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Job Number 1	
Dental Technician	

INTRODUCTION

Headquartered in Newport Beach, James R. Glidewell, Dental Ceramics, Inc. (Glidewell) is a dental ceramics manufacturer (www.glidewelldental.com). The Company specializes in the design and manufacture of crown and bridges, dental ceramics, removable dentures, dental implants, snore guards, mouth guards and prosthetic components, and full-cast restorations. Glidewell's newest creation, BruxZir®, a new material used to create crowns, bridges, screw-retained implant crowns, inlays or onlay with no porcelain overlay, is currently the Company's fastest-growing product in its history.

This project was approved at the November 2014 Panel meeting and training commenced on 11/24/14. Glidewell's new products are, in part, the reason for the rapid growth of the Company; which has increased its overall headcount over 300 workers in the last 12 months. Newly hired Dental Technicians are hired with little or no experience, and thus, need several weeks of class and lab training before moving to the manufacturing/production line.

AMENDMENT DETAILS

The Contractor reports that during the development of the Agreement in the summer of 2014, the Company estimated that each newly hired trainee would receive approximately 200 hours of training. However, Glidewell submitted a conservative estimate of 100 average training hours in order to reduce the proposal to be in line with the ETP funding caps of the 2014/15 fiscal year (Single Employer max cap of \$425K). The Company was advised by ETP staff it could return to the Panel to request additional funding for the Job Creation trainees once performance was demonstrated.

Glidewell states that its experience in the past 12 months has demonstrated that new hires routinely exceed 100 hours of training per person and may receive in excess of 200 hours.

Consequently, Glidewell seeks to increase the average training hours per trainee from 100 to 170 hours for its Job Creation Retrainees (Job Number 1) to align with actual new hire training needs. No change is sought for Job Number 2 (incumbent).

In this Amendment, the Company requests additional funding for the existing newly hired trainees to continue to provide its workers with necessary dental technician training (class/lab) on the key elements of producing dental appliances. Glidewell has tracked allowable Job Number 1 training hours equal to 100% of the available funding for Job Number 1. Approximately 100 newly hired trainees remain active in Manufacturing Skills training. Consequently, with eight months remaining in the training period (8/23/16), there are insufficient funds available in Job Number 1 for ETP to meet the current training demand.

This Amendment is for additional Phase I funding (increased weighted average training hours) of *existing* planned trainees. The Amendment effective date is 10/29/15; the date of the last Monitoring Visit and the date that the Contractor first discussed with ETP Staff that it would be submitting a Revision request to ETP. The Amendment request was subsequently submitted on 11/25/15.

By this Amendment:

- The Agreement amount will increase by \$252,000, from \$424,800 to \$676,800;
- The weighted average training hours in Job Number 1 will increase by 70, from 100 to 170 hours per person; and
- The average cost per trainee in Job Number 1 will increase by \$1,400, from \$2,000 to \$3,400.

SUMMARY OF PRIOR MODS/AMDS

- Modification No. 1 added one training topic under Manufacturing Skills.

RECOMMENDATION

Staff recommends approval of this Amendment.

CURRENT CONTRACT PERFORMANCE

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

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET15-0308	\$424,800	11/24/14 – 11/23/16	341	150	70

Based on ETP Online Systems to date, 29,354 reimbursable hours have been tracked for potential earnings of \$385,776 (91% of approved amount) after 12 months of training. The Contractor has exceeded the allowable training hours in Job Number 1.