



**Training Proposal for:**

**Hi-Temp Insulation, Inc.**

**Agreement Number: ET16-0432**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** L. Vuong

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Aerospace and Defense  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Ventura	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: 450	U.S.: 450	Worldwide: 450
<u>Turnover Rate:</u>	6%		
<u>Managers/Supervisors:</u> (% of total trainees)	15%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$153,792		\$23,229 15%	\$0		\$130,563

In-Kind Contribution:	100% of Total ETP Funding Required	\$172,727
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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	Business Skills, Computer Skills, Cont. Improv., Haz. Mat., Literacy Skills, Mfg. Skills	267	8-200	0	* \$489	\$15.60
				Weighted Avg: 32			

\* Reflects Substantial Contribution

**Minimum Wage by County:** \$15.60 per hour for Ventura 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 \$2.24 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff Level 1		100
Production Staff Level 2		58
Quality Assurance Level 1		7
Quality Assurance Level 2		4
Administrative Staff Level 1		20
Administrative Staff Level 2		10
Manager/Supervisor Level 1		31
Manager/Supervisor Level 2		10
Maintenance Staff Level 1		20
Maintenance Staff Level 2		7

**INTRODUCTION**

Founded in 1964 and located in Camarillo, Hi-Temp Insulation, Inc. (Hi-Temp) ([www.hi-tempinsulation.com](http://www.hi-tempinsulation.com)), is a manufacturer of acoustic and thermal insulation products for the Aircraft, Missile and Aerospace industries. The Company specializes in metal foil, soft goods and sewn insulation designs. Its products include molded fiberglass and duct insulation, metal foil blanket insulation, thrust reverser blankets, multi-layered insulation blankets, soft flex blankets and other sewn and quilted products for protection from extreme temperatures. With over 50 years of extensive experience in providing solutions for solving thermal and acoustic problems, Hi-Temp has become a major sub-contractor for critical industry programs such as the Space Shuttle, Boeing and Airbus commercial aircraft, Atlas and Delta Rockets, F-16, F-18, F-22 and JSF Fighter Jets.

The Company has several challenges that drive the need for training: new business, increased customer demands, keeping up with technological advances, and filling behind retired workers by providing additional skills to the incumbent workforce.

Hi-Temp was recently awarded new contracts to build highly rated platforms for 737 and 787 aircraft which included new equipment, robotics and manufacturing processes. As business grows and technology advances, the Company is constantly striving to improve its products and services to meet its customers' expectations and demands. With this new product line and business upgrades, Hi-Temp anticipates a 10% increase in sales and shipment each year.

This is Hi-Temp's 3rd ETP Agreement, the 2<sup>nd</sup> within the past five years. Under its first Agreement, the Company focused on improving fabrication techniques and manufacturing practices. The Company's second Agreement was designed to enhance product innovation and a continuation of upgrading manufacturing practices. This proposal will concentrate on new products, new equipment operation, advanced computer software, and new skill sets for workers in all departments.

Hi-Temp is eligible for standard retraining under the out-of-state competition provisions for industrially-classified manufacturers retraining current employees. The proposal will target 267 workers at its Camarillo facility, and all training will be held in Camarillo.

## **PROJECT DETAILS**

Hi-Temp is operating in the highly competitive aerospace industry. Maintaining the technical expertise of its workforce provides competitive advantages in contract bidding and acquiring new business. It's goal is to provide workers with the necessary technical skills required to meet industry standards, provide quality products and become more process efficient. Hi-Temp will need to train its workforce to use, operate, maintain and support new equipment and technology. In addition, Hi-Temp has invested approximate \$1 million in new equipment, such as laser cutting and welding machines and robots.

### **Training Plan**

To support its current business needs, the Company has developed a company-wide training program focused on new product knowledge; customer specifications; process improvements related to productivity and quality control; and adaptation to new technologies and systems. ETP funding will support Hi-Temp in successfully upgrading worker skills, increasing production efficiencies and effectively managing overall business growth.

Classroom/Laboratory and Videoconference training will be provided as follows:

**Business Skills (20%):** This training will be offered to all occupations in problem solving, communication, time management and goal setting. Training will provide workers with the necessary skills to increase knowledge and perform their jobs more effectively.

**Computer Skills (10%):** This training will be offered to all occupations and will provide workers with highly technical skills to effectively utilize the Company's hardware and software programs.

**Continuous Improvement (25%):** This training will be offered to all occupations to improve quality products and services and focus on project management and developing training skills.

**Hazardous Materials (5%):** This training will be offered to all occupations. Trainees will learn proper techniques, knowledge and communication on handling hazardous materials.

**Literacy Skills (10%):** This training will be offered to Production Staff and Maintenance Staff to help improve written and verbal communication skills and increase their speaking, listening and comprehension skills in the workplace.

**Manufacturing Skills (30%):** This training will be offered to Production Staff, Quality Assurance Staff, Managers/Supervisors and Maintenance Staff. Trainees will gain the skills and knowledge to operate equipment and assembly methods and procedures to ensure product quality, best manufacturing practices and overall operations to meet growing customer demand.

### **Commitment to Training**

Hi-Temp has an annual training budget of approximately \$1 million. The Company's current training consists of new products, job specific skills, cross training, new employee orientation, safety training and basic job functions training. Most training is delivered via class/lab and on-the-job training. ETP funding will allow Hi-Temp to supplement its current training efforts in order to keep up with customer demands, technological advances and business growth. ETP funds will enable the Company to provide more training and retain a strong workforce.

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

Training is scheduled to begin May 1, 2016, and will be delivered on-site by in-house staff and outside training vendors if needed. Hi-Temp has designated a Training Manager and a Human Resource Staff to oversee ETP training and project administration.

### **Substantial Contribution**

Hi-Temp is a repeat contractor with payment earned in excess of \$250,000 at the Camarillo facility within the past five years. (See Prior Project Table.) Accordingly, reimbursement for trainees will be reduced by 15% to reflect the Company's \$23,229 Substantial Contribution to the cost of training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by Hi-Temp under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0429	Camarillo	06/23/12 – 06/22/14	\$287,562	\$276,139 (96%)
ET10-0151	Camarillo	10/05/09 – 10/04/11	\$74,736	\$74,736 (100%)

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Problem Solving
- Customer Service
- Communication Skills
- Time Management and Organization
- Delegating
- Goal Setting
- US Customs Compliance Essentials
- US Export Controls Essentials
- Appropriate internet and Email Use

**COMPUTER SKILLS**

- Mapics
- Webdocs
- FormDocs
- Microsoft Office – Intermediate and Advanced Levels
- Visual Planning – Master Scheduler (VPI)

**CONTINUOUS IMPROVEMENT**

- Kaizen Training
- 5S Modules
- Process Improvement
- Quick & Easy Kaizens
- Value Stream Mapping
- Master Trainer Training (Train the Trainer)
- One Piece Flow
- Auditing
- AS9100 AS9100
- International Traffic and Arms (ITAR)
- Managing Change
- Effective Communication Skills
- Managing Projects
- Management and Leadership Skills
- Critical Thinking Skills

**HAZARDOUS MATERIALS**

- Hazard Communication Policy and Procedure
- Globally Harmonized System for Hazard Communication

**LITERACY SKILLS**

- Vocational English as a Second Language
- Basic Workplace Terminology
- Written Communications
- Understanding Manuals and Reports
- Locating Information on Charts and Graphs

**MANUFACTURING SKILLS**

- Equipment Operation
- Assembly Procedures
- Manufacturing Practices
- Parts & Products Manufacturing
- Coaching Skills
- Inventory Control
- Collaboration Skills
- Blueprint Reading
- Preventative Maintenance

Literacy Training cannot exceed 45% of total training hours per-trainee  
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.