



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Homeboy Industries**

**Agreement Number: ET16-0194**

**Panel Meeting of:** September 25, 2015

**ETP Regional Office:** North Hollywood

**Analyst:** E. Wadzinski

### PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate HUA Job Creation Initiative Ex-Offender	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	Los Angeles	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: 295	U.S.:295	Worldwide: 295	
<u>Turnover Rate:</u>	16%			
<u>Managers/Supervisors:</u> (% of total trainees)	6%			

### FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$244,640		\$0		\$0		\$244,640

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$486,000
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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 HUA	Business Skills, Commercial Skills Computer Skills, Continuous Impr, Mfg Skills, Literacy Skills, OSHA 10/30	80	8 - 200	0	\$2,448	\$11.98
				Weighted Avg: 136			
2	Job Creation Initiative Retrainee Priority Rate HUA	Business Skills, Commercial Skills Computer Skills, Continuous Impr, Mfg Skills, Literacy Skills, OSHA 10/30	20	8 - 200	0	\$2,440	\$10.00*
				Weighted Avg: 122			

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the statewide minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table.

**Minimum Wage by County:** Job Number 1: \$11.98 per hour for Los Angeles County (HUA).  
Job Number 2: \$9.98 per hour for Los Angeles County (HUA/Job Creation)

**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 \$1.98 per hour may be used to meet the Post-Retention Wage for Job Number 1.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Job #1 Estimated # of Trainees	Job #2 Estimated # of Trainees
Bakery Staff (manufacturing, production, distribution)		23	7
Café Staff (food prep, line, busser, dishwasher, server/host, barista)		21	7
Customer Service/Sales		6	1
Administration		5	1
Front of the House Workers		17	3
Supervisor		6	0
Maintenance/Facilities		2	1

## **INTRODUCTION**

Homeboy Industries ([www.homeboyindustries.org](http://www.homeboyindustries.org)) was founded by Father Gregory Boyle in 1992, to provide an alternative to the cycle of gang violence that plagues many parts of Los Angeles County. Homeboy Industries is registered to do business in the State of California as a non-profit corporation.

According to Homeboy Industries, their “social enterprise model” of recruitment, hiring and training is recognized as the largest and most successful gang intervention and re-entry program in the world. The Company has initiated various business lines for this purpose. These business lines include Homeboy Bakery, Homeboy Grocery, Homegirl Café, Homeboy Diner at City Hall, Homeboy Industries Food Truck, and Homeboy Silkscreen/Embroidery. Given the predominance of commercial baking and food production, this Company meets Panel standards for out-of-state competition as an industrially-classified manufacturer.

## **PROJECT DETAILS**

Homeboy Industries employs 250-300 previously incarcerated individuals per year, in a full-time capacity within its food and apparel business lines. They are typically employed for up to 18 months in a “job preparation” program prior to transitioning either to internal or external employment.

Training in Job Number 1 will be provided to a subset of the Company’s target population who have successfully completed the 18-month program. They have been hired into permanent, full-time positions “internally” within the Company. Turnover among these employees is generally less than 10%. Training will focus on workers in the Bakery, Café, Catering, Silkscreen or Headquarters (Front of the House). Placement will be determined by trainee assessments and evaluations. Training will occur on-site in Los Angeles and Culver City.

Training in Job Number 2 will be for entry-level employees who are still going through the job preparation program. Turnover among these employees is higher, averaging 16%. After the 18 months of preparation, the Company will help them find jobs either internally or externally. For this proposal, only the trainees who are hired internally will be included.

### **Retrainee - Job Creation**

In support of Job Creation, the Panel is offering 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 proposal, Homeboy Industries has committed to hiring 20 new employees (Job Number 2). Homeboy Industries represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into “net new jobs” as a condition of contract.

Homeboy Industries’ food manufacturing and silkscreen businesses have grown substantially over the years, and with better trained workers these enterprises have the potential to produce a higher volume of goods and generate increased revenue, allowing the company to serve more clients in its social programs (case management, mental health, education, tattoo removal, and employment services). Additionally, Homeboy Industries recently purchased a new building adjacent to its headquarters in Los Angeles.

## Training Plan

ETP training will help employees, all of whom have major barriers to employment—such as a criminal history and a lack of education—gain the skills necessary to be competitive in the mainstream job market.

**Business Skills (10%)** - Training will be provided to Supervisors, Administration, Bakery Staff, Café Staff, Maintenance/Facilities, Front-of-the-House Workers, Bakery Trainees, and Café Trainees. This training will help improve efficiency and effectiveness in specific roles, communication, interpersonal skills, and product knowledge. It will also help maintain positive relationships among staff and guests.

**Commercial Skills (10%)** - Training will be provided to all occupations to provide further knowledge on Homeboy Industries' "Products with a Purpose".

**Computer Skills (10%)** - Training will be provided to all occupations with a focus on efficiency in procedures, purchasing, sales and customer service functions.

**Continuous Improvement (15%)** - Training will be provided to all occupations to identify processes to improve quality, production performance, and distribution.

**Manufacturing Skills (20%)** - Training will be provided to Supervisors, Café and Bakery Levels 1 and 2, and Maintenance/Facilities to focus on quality assurance, equipment operations, maintenance and sanitation.

**Literacy Skills (30%)** - Training will be offered to all occupations who must overcome language barriers in the workforce to improve employee teamwork and productivity.

### Certified Safety Training

OSHA 10/30. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers (Café and Bakery Levels 1 and 2, and Maintenance/Facilities) and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

### Commitment to Training

Homeboy Industries provides new hire orientation, work readiness, basic life skills and on the job training. Homeboy Industries 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

Homeboy Industries is ready to start training upon approval. Seven incumbent employees who have experience working with the Homeboy Industries "social enterprise model" have been dedicated to administration and training. This includes the Re-Entry Service Director, Educational Service Director, Human Resources Manager, Bakery Director, Food & Beverage Operations Director and Silkscreen Director. These employees will be overseeing processes such as enrolling trainees, scheduling training, and entering information into the ETP On-Line systems.

**High Unemployment Area**

Trainees in Job Numbers 1 and 2 work in the City of Los Angeles, a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%.

The Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Homeboy Industries is asking for a wage modification for trainees in Job Number 1 (from \$15.97 to \$11.98) and Job Number 2 (from \$13.31 to \$10.00). Wages for trainees in Job Number 1 must reflect an increase from wages earned before training.

**Other Resources**

Although Homeboy Industries receives funding and other incentives from the U.S. Department of Labor's "Training to Work" program and Fund-LA:RISE (led by the City of Los Angeles WIB, with support from REDF and several local WIBs) to support their mission to provide a career path for incarcerated and gang-affiliated individuals, the Company representative states that none of their other resources will be used for the ETP training outlined in this Agreement.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**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**

- + Project Management
- + Budget and Cost Controls
- + Change Management
- + Communication Skills
- + Effective Listening Skills
- + Customer Service
- + Conflict Resolution
- + Inventory Control
- + Finance Principles
- + Sales Skills
- + Work Flow and Occupations
- + Goal Setting, Scheduling and Planning
- + Purchasing and Inventory
- + Time Management

#### **COMMERCIAL SKILLS**

- + Catering Event Production
- + Food Handling and Safety
- + Kitchen Waste Handling and Disposal
- + Work Procedures

#### **COMPUTER SKILLS**

- + Word Processing
- + Data Processing
- + Spreadsheets/Forms
- + Databases
- + Search Engines
- + Content Control, Editing
- + Sales Software POSi Touch, MICROS Square Register, POMeSys
- + E-commerce
- + Accounting Software/Quickbooks
- + ADP

#### **CONTINUOUS IMPROVEMENT**

- + Lean Manufacturing/Operations
- + Process, Plan and Cost Control
- + Coaching and Counseling
- + Problem Solving
- + Decision-Making
- + Managing Resources
- + Managing Diversity
- + Understanding Work Dynamics
- + Quality Control
- + Standard Work and Operations
- + Teambuilding/Motivating Employees
- + Frontline Leadership
- + SMART Goals

**MANUFACTURING SKILLS**

- ✦ Equipment Operation, Maintenance and Troubleshooting
- ✦ Blueprint Reading
- ✦ Shop Math
- ✦ Material Handling/Lifting Devices
- ✦ Machinery and Machine Guarding
- ✦ Toxic and Hazardous Materials
- ✦ Proper Usage of Hand Tools
- ✦ Workplace Assessment for Safety
- ✦ Basic Logistics Practices
- ✦ Sanitation
- ✦ Forklift

**OSHA 10/30** (OSHA Certified Trainer)

- ✦ OSHA 10 (Requires Completion of 10 Hours)
- ✦ OSHA 30 (Requires Completion of 30 Hours)

**LITERACY SKILLS**

- ✦ Vocational Reading, Writing, and Speaking English
- ✦ Vocational Vocabulary and Terminology

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.
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