



RETRAINEE - JOB CREATION

Training Proposal for:

L&S Framing, Inc.

Agreement Number: ET16-0472

Panel Meeting of: May 26, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Placer	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: 250	U.S.:250	Worldwide: 250
<u>Turnover Rate:</u>	5%		
<u>Managers/Supervisors:</u> (% of total trainees)	13%		

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$179,320</td></tr> </table>	Program Costs	\$179,320	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table>	(Substantial Contribution)	(High Earner Reduction)	\$0	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$179,320</td></tr> </table>	Total ETP Funding	\$179,320
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In-Kind Contribution:	100% of Total ETP Funding Required	\$250,000
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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	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, OSHA 10/30, Literacy Skills, Advanced Tech, PL-Comm Skills	90	8-200	0	\$1,548	\$15.60
				Weighted Avg: 86			
2	Retrainee Priority Rate Job Creation Initiative	Business Skills, Commercial Skills, Continuous Impr, OSHA 10, Literacy Skills, PL-Comm Skills	20	8-200	0	\$2,000	\$12.77*
				Weighted Avg: 100			

*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 (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Number 1: \$15.60 per hour for Placer County; Job Number 2: \$12.77 per hour for Placer 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Field Staff		50
Managers		20
Administrative Staff		5
Foremen		15
Job Number 2		
Field Staff		20

INTRODUCTION

Founded in 2011, L&S Framing, Inc. (L&S) is a rough framing contractor providing framing services nation-wide to single-family home builders. L&S also pre-fabricates frames and walls at its own wall-yard location and ships these pre-fabricated products directly to customer job sites. Clients include private builders Shea Homes and Lennar Corporation. Training will be delivered at both the Rocklin and Lincoln locations.

PROJECT DETAILS

To increase business, L&S will be offering truss fabrication, a new service that will require the Company to purchase \$500,000 of new equipment, including Automated Component Saws, Truss Framing Tables and Plate Roller Presses, to be installed in October 2016 (training not included in price). The equipment will allow the Company to manufacture trusses at their Lincoln facility and then distribute and install throughout the state. Training will involve processes and procedures for the equipment to ensure proper use and maintenance.

Additionally, L&S is committed to creating promotional opportunities for their labor force and has created a training plan focused on increasing skill sets and creating a positive working environment to encourage retention and promotion. Training in Leadership, Communication and Decision Making will give trainees transferable skills while promoting the Company's culture.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

L&S is increasing existing business capacity by adding truss fabrication services. This new service has required L&S to purchase new equipment and hire 20 employees (Job Number 2) to manage the increased workload. These trainees must be hired within the three-month period prior to Panel approval or during the term of the Contract. These trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Business Skills (10%): Training will be provided to Administrative Staff, Foremen and Managers to enhance customer satisfaction and increase efficiencies. Courses will include teambuilding, internal systems processes and customer service skills. These courses will increase trainee skill sets to increase promotional opportunities within.

Literacy Skills (2%): Training will be provided to individuals from all occupations. These individuals, including some Managers, need this training to satisfactorily perform their work duties. Hours are capped at 45% of a trainee's total training hours. Training will include English as Second Language (ESL), Vocational ESL, reading, and writing.

Commercial Skills (41%): Training will be offered to Field Staff, Foremen, and Managers to increase construction knowledge and efficiency. Training will also cover the new equipment that will be installed. Topics will include framing procedures, installation procedures and product identification.

Computer Skills (10%): Training will be provided to Administrative Staff, Foremen, and Managers on QuickBooks and MS Office Suite to increase efficiency in producing and tracking inventory.

Continuous Improvement (32%): Training will be provided to all occupations to enhance company culture and internal processes. Courses will include scheduling, problem solving, and process workflow procedures.

Certified Safety Training (3%)

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 and 30 hours for frontline supervisors. The coursework is geared to construction work and 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. OSHA 10/30 will be offered to all occupations.

Advanced Technology (AT) (2%)

Six Managers (Job Number 1) will receive up to 20 hours of Computer-Assisted Drafting (CAD) technology training to update skills. The trainer-to-trainee ratio will not exceed 1:6 to allow in-depth coverage and personal attention from the instructor. All trainees will have CAD experience and work in CAD design. Due to the complicated nature of the course curriculum, the use of high-end equipment and software, and the high cost of experienced trainers, AT will be reimbursed at a high rate (\$26 per hour for priority industries).

Productive Laboratory

L&S will train 50 Field Staff on framing and installation procedures and truss fabrication. This training will be at a much slower pace than regular field construction and the product will have significantly higher defects as trainees learn and gain proficiency. Training will be conducted by a subject matter expert at the Lincoln facility and at job sites. The trainer will attest to the trainee's competency once training is completed.

Trainees will be under constant supervision and trainers will be dedicated to only training. L&S is requesting a 1:3 trainer-to-trainee ratio to simulate work conditions since employees will be working in small groups on the job. PL training will be capped at 34 hours per trainee.

Commitment to Training

L&S has an annual training budget of \$250,000 per year. Training includes new hire orientation, staff development, job specific training and safety training.

ETP funds will not displace the Company's 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

L&S has a detailed training plan and two staff members dedicated to monitoring this project. In addition, L&S has contracted with Propel Consulting Group to help with administration. L&S will use internal trainers who are subject matter experts in the construction industry.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

L&S retained Propel Consulting Group of El Dorado Hills to assist with development of this proposal for a fee of \$13,449.

ADMINISTRATIVE SERVICES

L&S also retained Propel Consulting Group to perform administrative services in connection with this proposal for a fee not to exceed 7.5% of payment earned.

TRAINING VENDORS

N/A

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

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Accounts Receivable
- Accounts Payable
- Accounting Processes
- Teambuilding
- Internal Systems Processes
- Customer Service
- Communication Skills
- Leadership
- Project Management
- Budgeting

COMPUTER SKILLS

- MS Office Suite (Intermediate/Advanced only)
- QuickBooks
- CAD
- Timberline
- On Center

CONTINUOUS IMPROVEMENT

- Quality Control
- Scheduling
- Problem Solving
- Decision Making
- Process Improvement Procedures
- Process Workflow Procedures
- Material Safety Data Sheet (MSDS)
- Globally Harmonized System (GHS)

COMMERCIAL SKILLS

- Framing Procedures
- Installation Procedures
- Tool operation
- Forklift Operation
- Product Identification
- Site Set-Up/Clean-Up
- Truss Fabrication

OSHA 10/30 (OSHA Certified Instructor)

- OSHA 10 (Must complete full 10-hour course)
- OSHA 30 (Must complete full 30-hour course)

LITERACY SKILLS

- Written
- Verbal

Productive Lab Hours

0-34

COMMERCIAL SKILLS (Trainer-to-trainee ratio 1:3)

- Framing Procedures
- Installation Procedures
- Tool operation
- Truss Fabrication
- Floor & Roof Systems
- Wall & Home Layout

AT Hours

0-20

ADVANCED TECHNOLOGY (Trainer-to-trainee ratio 1:6)

- Computer-Assisted Drafting

Literacy Training cannot exceed 45% of total training hours per-trainee
Safety Training will be limited to 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. PL is capped at 34 hours per-trainee. AT is capped at 20 hour per-trainee.