



RETRAINEE - JOB CREATION

Training Proposal for:

LiDestri Foods, Inc.

Agreement Number: ET17-0162

Panel Meeting of: July 22, 2016

ETP Regional Office: Sacramento

Analyst: D. Jordan

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Priority Rate HUA Veterans	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Fresno	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: 198	U.S.:2000	Worldwide: 2000
Turnover Rate:	4%		
Managers/Supervisors: (% of total trainees)	0%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$231,160		\$0	\$0		\$231,160

In-Kind Contribution:	100% of Total ETP Funding Required	\$250,550
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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, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills, OSHA 10/30	158	8-200	0	\$1,080	\$11.70
				Weighted Avg: 60			
2	Job Creation Priority Rate HUA	Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills, OSHA 10/30	38	8-200	0	\$1,500	\$11.45
				Weighted Avg: 75			
3	Veterans Priority Rate	Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills, OSHA 10/30	2	8-200	0	\$1,760	\$15.60
				Weighted Avg: 80			

*It will be made a condition of contract that trainees 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: Fresno County: Job Number 1: \$11.70 per hour; Job Number 2: \$10.00 per hour; Job Number 3 \$15.60 per hour

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 \$0.75 per hour may be used to meet the Post-Retention Wage for Job Numbers 1-3.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Assistant		4
Control Technician		9
CIP II G		1
Facilities Support		2
Forklift Operator		36
Inventory Control Specialist		2
Machine Operator		64
Mechanic Electrician		11

Production Support		24
Purchase Inventory Control		1
Record Reviewer		2
Ship Rec Coordinator		2
Tool Crib Attendant		1
Job Number 2		
Forklift Operator		6
Machine Operator		19
Mechanic Electricians		5
Control Technician		5
Production Support		3
Job Number 3		
Forklift Operator		1
Mechanic Electrician		1

INTRODUCTION

Founded in 1981 and headquartered in Fairport, New York, LiDestri Foods, Inc. (LiDestri) (www.lidestrifoodanddrink.com) specializes in manufacturing and processing of beverages and tomato-based products (sauces, dips, BBQ sauces, and salsas). LiDestri also manufactures products for private labels. Private-label customers include Newman's Own and Wegmans. Training will take place at the Company's facility in Fresno.

PROJECT DETAILS

LiDestri will be training on upgraded equipment in particular, to replace old cream tanks. The new cream tanks will ensure that delivery tankers are received completely and that liquids are not allowed detention time or temperature deviations. Additionally, the Company is upgrading computer systems: Upstream, Downstream Impact and Manufacturing Execution System Application software. These upgrades will improve processes and help trainees be more productive.

Six Sigma training is also being implemented for all frontline trainees. (LiDestri has already implemented Six Sigma training with the management team.) Trainees will receive basic level of the Six Sigma Methodologies that will include upgraded problem solving skills. Training is designed to expand employee skills enabling them to adapt to changing business requirements, improve product quality, and gain transferable skills.

Retrainee - Job Creation

The Panel is offering 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.

LiDestri has seen an increase in its customer base and demand for products produced at its Fresno facility. In response, the Company will be adding a third shift. The Company has committed to hiring 38 new employees (Job Number 2).

LiDestri 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.

Training Plan

Business Skills (11%): Training will be offered to all occupations on Oracle, team building and communication to provide high-quality customer care.

Computer Skills (15%): Training will be offered to all occupations. Employees will require training to properly utilize new software and systems. Training will improve processes and productivity.

Manufacturing Skills (24%): Training will be offered to all occupations except Administration Staff. Employees will gain the skills and knowledge to operate and maintain production equipment, ensure product quality, and implement best practices. Training will reduce production downtime, which will increase production.

Continuous Improvement (27%): Training will be offered to all occupations to implement best practices and quality management. Employees will receive training on Six Sigma white belt training to increase efficiencies. Training will also increase individual skills while promoting teamwork.

Hazardous Materials (5%): Training will be offered to all occupations. Staff will learn the proper procedures for identifying, handling, storing and transporting hazardous materials.

Productive Lab – (Manufacturing Skills)

Productive Laboratory (PL) trainees may produce goods for profit as part of training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

PL will be offered to all occupations except Administrative Staff. PL will allow employees to perform their duties efficiently while being able to take on additional duties of surrounding machines, if needed. This has been proven to increase efficiencies by lowering any downtime. Production Staff will also receive hands-on training that is specific to the operation and maintenance of new equipment.

The instructor will be present at all times. Production is expected to be slowed during PL as the trainer will be stopping production to coach and mentor the trainee. Also, the equipment will be operating at a slower speed until proficiency is gained. Once the trainee is performing work satisfactorily over several runs, the trainer will deem the trainee as proficient. Trainees may receive up to 40 hours and the trainer-to-trainee ratio will not exceed 1:1.

Certified Safety Training

1. 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 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. All trainees except Administrative Staff will receive this training.

Commitment to Training

LiDestri's annual training budget per facility is approximately \$150,000 and includes safety, food safety, and employee improvement. LiDestri represents that ETP funds will not displace the existing financial commitment to training. The Company is committed to improving efficiencies and knowledge of all team members, which will allow the Company to keep up with demand. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

LiDestri will administer the ETP project in-house. The Company has designated the Continuous Improvement Manager and three receptionists to schedule, collect, and submit training rosters into the ETP systems.

Impact/Outcome

ETP funding will substantially contribute to LiDestri's ability to increase their manufacturing skills and help maintain product quality. In addition, funding will allow the Company to implement extensive training for newly hired and incumbent trainees on new equipment.

High Unemployment Area

The 198 trainees in Job Number 1-3 work in Fresno County, a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. 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.

➤ Wage Modification

LiDestri is requesting a wage modification of up to 25% (to \$11.70 per hour) for Administrative Assistants, Facilities Support, Machine Operators, and Production Support occupations in Job Number 1 and up to 11% (to \$11.45 per hour) for Production Support in Job Number 2.

Veterans Program

The Panel has established a higher reimbursement rate and other incentives for training California Veterans. LiDestri is a proud supporter of Veterans and does outreach for recruitment. The Company does not currently utilize a Veterans program but may do so in the future.

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:

- Team Building
- Communication
- Oracle

COMPUTER SKILLS:

- Manufacturing Execution System Application
- Upstream Impact
- Downstream Impact
- Overall Equipment Effectiveness

CONTINUOUS IMPROVEMENT:

- Six Sigma
- Kaizen Events
- Value Stream
- Step Up
- Train the Trainer

HAZARDOUS MATERIALS:

- HAZCOM
- CORE Safety

OSHA 10/30 (OSHA Certified Instructor)

- OSHA 10 (requires completion of the full 10-hour course)
- OSHA 30 (requires completion of the full 30-hour course)

MANUFACTURING SKILLS

- Production Principles
 - Standard Operation Procedures
- Quality Assurance
 - Hazard Analysis Critical Control Points
 - Food Safety
 - Policies
- Food Defense
- Man vs Machine
- Allen Bradley

PL Hours

0-40

MANUFACTURING SKILLS (1:1 ratio)

- Total Productive Maintenance

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 40 total hours per trainee.