



Training Proposal for:
Morgan Advanced Ceramics, Inc.
Agreement Number: ET17-0119

Panel Meeting of: June 24, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: L. Lai

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda and Placer	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Association of Machinists & Aerospace Workers, Lodge 1414		
Number of Employees in:	CA: 255	U.S.: 5,000	Worldwide: 13,000
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$115,200		\$0	\$0		\$115,200

In-Kind Contribution:	100% of Total ETP Funding Required	\$128,550
------------------------------	---	------------------

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, Con't Improve, Mfg. Skills, PL-Mfg. Skills	200	8 - 200	0 - 40	\$576	*\$15.60
				Weighted Avg: 32			

*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: \$17.02 for Alameda County and \$15.60 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

Up to \$2.30 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff/Warehouse Staff (Alameda County)		95
Production Staff/Warehouse Staff (Placer County)		30
Technician 1/Electrician 1/Mechanic 1		5
Technician 2/Electrician 2/Mechanic 2/Maintenance		10
Admin/Finance/Accounting		10
Support/Marketing/ ales		15
IT Staff/Engineer/Product Manager		10
Technical Director		5
Supervisor		10
Manager		10

INTRODUCTION

Morgan Advanced Ceramics, Inc. (Morgan Ceramics) is a global producer and supplier of customized high-tech ceramic components such as insulating fibers, electrical carbon transfer systems, seals and bearings, ceramic cores, piezoelectric sensors for chemical, electrical, mechanical, and vacuum applications. Its customers are in the fields of medicine, semiconductor manufacturing, and aerospace.

With facilities in Hayward and Auburn, Morgan Ceramics is a wholly owned subsidiary of Morganite Industries, Inc.

PROJECT DETAILS

To remain competitive and accommodate production demands, Morgan Ceramics must move products to market quicker. To accomplish this, the Company must increase workforce efficiencies and product quality by training Engineers to focus on developing innovative solutions and products; and by cross-training other employees in various manufacturing processes.

Training Plan

Training will be conducted at the Hayward and Auburn facilities via Class/Lab, E-Learning and Computer-Based Training (CBT) methodologies.

Business Skills (10%) training will be offered to all occupations to improve customer service, expand and manage projects efficiently, give professional presentations, build and develop strong working relationships with both internal and external customers.

Computer Skills (15%) training will be offered to all occupations to enable them to use the ERP systems and various desktop tools to respond to customers faster, increase output and accuracy of daily tasks, reduce excess inventory, and cut costs.

Continuous Improvement (40%) training will be offered to all occupations to learn best manufacturing practices, teambuilding, quality improvement techniques and processes. The goal is to reduce costs, improve efficiency and quality, and increase productivity.

Manufacturing Skills (25%) training will be offered to Electricians, Engineers, Leads, Mechanics, Production Staff, Project Manager, Technicians, and Warehouse Staff. Topics include ceramic production processes and techniques, manufacturing equipment operation and maintenance, warehouse inventory procedures, and blue print reading. Training is intended to improve workers' technical knowledge and skills to improve the manufacturing process and lower costs.

PL-Manufacturing Skills (10%): Morgan Ceramics has determined that hands-on training during production is essential and most effective through on-the-job observation and demonstration. Training will involve the hands-on use and understanding of various manufacturing equipment and computers and processes. The Company anticipates both a lower production yield and higher defect rates during PL training. An estimated 25 to 40 Production Staff, Technicians, and Mechanics may receive an average of 16 to 20 hours of PL training with a maximum of 40. Trainer-to-trainee ratio will be 1:1, and trainers will be subject matter experts, mainly supervisors and leads. This is in keeping with Panel standards for the PL delivery method.

Impact/Outcome

Training will enable the Company to have a flexible and capable workforce to design, manufacture and supply innovative products more efficiently.

Commitment to Training

The Company's annual training budget is approximately \$26,500. Ongoing training efforts include new-hire orientation, temporary worker training, compliance training, basic computer skills, mandated safety regulations, sexual harassment prevention and executive development programs.

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

The Company's HR team, partnering with Managers, will be responsible for developing and deploying the training. The Company will retain an administrative subcontractor to assist in ETP tracking activities such as enrollment, invoices, reports, modifications, roster compliance and completeness. Instruction will be delivered at the worksite by in-house staff and outside vendors, as needed.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Morgan Ceramics retained California Training Administration in Rocklin to assist with development of this proposal for a flat fee of \$2,500.

ADMINISTRATIVE SERVICES

California Training Administration will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

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

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Communications
- Business Process Improvements
- Conflict Management
- Customer Satisfaction Program
- Effective Business Presentation Skills
- Effective Meetings
- Product Sales/Marketing
- Project Management Concepts
- Strategic Planning

COMPUTER SKILLS

- Accounting systems
- Agile
- BaaN
- Computerized Scheduling
- Cost Accounting
- Engineering/Document Control
- ERP/MRP Systems
- Hayward Security Equipment
- Inventory Control
- JDE Business Software
- Material Resource Planning
- Microsoft Office (Intermediate and Advanced only)
- PowerPoint Tools
- Project Management Tools/Software
- Purchase Order Tracking
- Sales Forecasting
- Systems Integration/Configuration
- SyteLine

CONTINUOUS IMPROVEMENT

- 1st Article Approval
- AS9000 Certification/ISO9000 systems
- Cycle Time Reduction
- Design for Manufacturability
- Failure and Root Cause Analysis
- GMP - Good Manufacturing Practices
- High Performance Work Teams
- ISO 14001 Certification
- Leadership/Coaching Skills
- New Quality Processes/Quality Management
- Process Mapping & Analysis
- Product/Process Improvement
- Productivity Improvement Training
- Six Sigma Tools/Lean Practices/SPC

MANUFACTURING SKILLS

- Advanced Cleaning and Packing Process
- Air Compressor System
- Blue Print Reading
- Ceramic Production Processes
- Cross Training in Production Skills
- Equipment and Workstation Safety
- Handling Hazardous Materials
- Honing/Lapping/Glazing/Laser Cutting/Molding
- Inspection
- Lab Equipment procedures
- Manufacturing Equipment (Operation/Maintenance)
- Mechanical Assembly
- Parts Management
- Precision Machining/Welding/Soldering
- Pressing Techniques/Laser Marking
- Preventative/Predicative Maintenance
- Product Knowledge/Certification
- Quality Systems Assurance
- Rapid Prototyping/New Product Introduction (R&D)
- Reliability Processes
- Reporting
- Screening Automation Tools
- Shipping and Receiving Techniques
- Testing/Verification/Trouble Shooting
- Warehouse Inventory Procedures
- Work Instruction (understanding & comprehension)
- Work Orders Management

Productive Lab (1:1 Ratio)

8-40

MANUFACTURING SKILLS

- Assemble Products per Customer Specifications
- Blue Print Reading
- Manufacturing Equipment (Maintenance, Knowledge & Safety)
- Manufacturing Process
- Product Knowledge/Certification
- Products Repair and Inspection
- Soldering/Welding
- Troubleshooting Skills

Safety Training cannot exceed 10% of total training hours, per-trainee

CBT Hours

0 – 40

COMPUTER SKILLS

- ERP Systems (BaaN, Agile, SyteLine) (8)
- Excel: Charts (3.50) (Intermediate)
- Formatting (3)
- Managing Multiple Worksheets/Workbooks (1.50)
- Pivot Tables (3.75)
- PowerPoint Presentations (3)

- PowerPoint Shortcuts (2.50)

CONTINUOUS IMPROVEMENT

- Coaching/Leadership Skills (20 modules 1-2 hours each)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee. PL is capped at 40 hours per-trainee.



PENINSULA AUTO MACHINISTS LODGE NO. 1414

INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS

150 SOUTH BOULEVARD • SAN MATEO, CALIFORNIA 94402-2470
(650) 341-2689 • FAX: (650) 341-4050



April 18, 2016

Lily Lai, Analyst
Employment Training Panel
1065 East Hillsdale Boulevard, Suite 415
Foster City, CA 94404

RE: Morgan Advanced Ceramics, Inc. - ETP Application

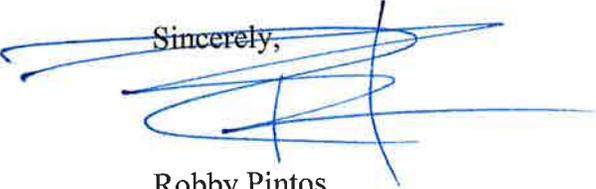
We are writing to express our union's full support for the training program and partnership proposed between Morgan Advanced Ceramics, Inc. and the State of California's ETP program.

Members of our Local Union have advocated for and helped advance similar training in the past. Training under an ETP proposal would be available to members of our Bargaining Unit employed at Morgan Advanced Ceramics in Hayward, California locations.

Our members believe strongly that new job skills are the key to our industry. Training in new technologies will also help these workers fulfill broader job duties.

Thank you for your consideration.

Sincerely,



Robby Pintos
Business Representative
District 190, IAM & AW

RP/dlk-opciu-29-afl-cio-69