

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
Shasta Cascade Forest Products, Inc.**

Small Business

ET17-0202

Approval Date: August 23, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

CONTRACTOR

- Type of Industry: Goods Movement
Warehousing
Priority Industry: Yes No

- Number of Full-Time Employees
California: 5
Worldwide: 5
Number to be trained: 10
Owner Yes No

- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 10%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$7,800
- In-Kind Contribution: \$8,000

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 SB <100 Priority Rate HUA	Commercial Skills, Computer Skills	5	8-60	0	\$780	*\$11.70
				Weighted Avg: 30			
2	Retrainee SB <100 Priority Rate HUA Job Creation	Commercial Skills, Computer Skills	5	8-60	0	\$780	*\$10.00
				Weighted Avg: 30			

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

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Shasta
- Occupations to be Trained: Production Staff, Administrative Staff, Information Technology Staff
- Union Representation: Yes
 No
- Health Benefits: NA

SUBCONTRACTORS

- Development Services: Law Offices of David Clark of Redding assisted with development services for a flat fee of \$780.
- Administrative Services: Law Offices of David Clark of Redding will also assist with administration for a fee not to exceed 13% of earned funds.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1990 and headquartered in Redding, Shasta Cascade Forest Products, Inc. (Shasta) provides warehousing, transloading, and reloading services to clients utilizing the Union Pacific rail line to transport goods. Shasta has the capability of transloading goods from rail to truck, truck to truck and train to train.

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.

As a small transloading and warehousing operation, Shasta must remain competitive with larger companies with larger warehousing and transloading capabilities. To accomplish this, Shasta recently purchased a high capacity railcar transloader machine. This new machine will require Shasta to train Production Staff to safely and efficiently use this machinery.

Shasta will also develop their own website to market themselves and highlight advantages using the rail system for transportation of goods. To create this website internally Shasta will need to hire staff to develop, maintain and update the site.

Shasta has committed to hiring five new employees (Job Number 2). The date-of-hire for trainees will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into “net new jobs” as a condition of contract.

Modifications

Trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by 25%. The Company’s locations in Shasta County qualify for the ETP HUA minimum wage rather than the Standard Wage. The Panel may modify the ETP Standard Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages.

For retrainees in Job Number 1, Shasta is requesting a wage modification from \$15.60 to \$11.70 for incumbent staff. For retrainees in Job Number 2, Shasta is requesting a wage modification from \$12.77 to \$10.00 for newly hired trainees.

Training Plan

Training will be delivered via class/lab by in-house experts and outside vendors to be determined.

Commercial Skills: Training will be provided to Production Staff to enhance production efficiencies and safety. Courses will include transloader controls, machine maintenance and safety procedures.

Computer Skills: Training will be provided to Administrative Staff and Information Technology staff on Dream Weaver to develop a website to better market their services. Courses will include website planning, page design and page modification.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-60

Trainees may receive any of the following:

COMMERCIAL SKILLS

- Transloader Controls
- Machine Maintenance
- Railcar Transloader Operation
- Safety Procedures

COMPUTER SKILLS

- Page Design
- Website Planning
- Page Modification
- Dream Weaver
- Uploading Pages

Safety Training will be limited to 10% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.
