



Training Proposal for:
**Southern California Sheet Metal Joint Apprenticeship &
 Training Committee**

Agreement Number: ET15-0925

Panel Meeting of: March 27, 2015

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee Apprenticeship	Industry Sector(s):	Construction Services Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Orange, San Bernardino, Riverside, Inyo, Mono, Kern	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Association of Sheet Metal, Air, Rail and Transportation Workers, Local Union 105		
Turnover Rate:	≤20%		
Managers/Supervisors: (% of total trainees)	N/A		

FUNDING DETAIL:

Program Costs	+	Support Costs	=	Total ETP Funding
\$419,328		\$29,120 8%		\$448,448

In-Kind Contribution:	50% of Total ETP Funding Required	Inherent
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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 Apprentice	Commercial Skills	224	8-200	0	\$2,002	\$20.55
				Weighted Avg: 144			

Minimum Wage by County: \$20.55 per hour Statewide (Priority Industry).

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 participating employers provide health benefits, they are not being used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Apprentice Sheet Metal Worker		224

INTRODUCTION

The Southern California Sheet Metal Joint Apprenticeship & Training Committee trust fund (SoCal Sheet Metal) (www.socalisma.org) was formed in October 2003, as a result of the merger between two trust funds serving two separate apprenticeship programs: 1) Sheet Metal Workers' International Association, Local Union 105 JATC and 2) Air Conditioning Sheet Metal Association, Orange Empire SMACNA JATC. In 2007, those two apprenticeship programs also merged, although they remained separately registered with the Division of Apprenticeship Standards (DAS) for several years to allow continuity for the apprentices who started training under separate programs. The merger was completed with DAS in July 2013. The SoCal Sheet Metal trust fund serves Los Angeles County, Orange County and (five) other counties in Southern California.

Under these circumstances, when a joint trust is serving a large number of Apprentices over a broad geographic region, ETP has recognized that the cap on apprenticeship funding may be overly restrictive. In this proposal, staff recommends a total of \$448,448 for Apprentice training. This amount is well below the cap and reflects the fact that the joint trust resulted from a merger of two program sponsors.

Located in the City of Industry, the SoCal Sheet Metal training facility has eight classrooms and multiple laboratory areas including a Welding lab, a Field Installation lab, two Shop labs, and a Heating/Ventilation/Air Conditioning (HVAC) service lab. The current location opened in 2005

and presently serves 500 Apprentices and 2,900 Journeyman workers. This proposal will only target Apprentices.

SoCal Sheet Metal seeks funding for retraining of Apprentices who perform installation, maintenance, adjusting and balancing, testing, and energy management work. In addition, this proposal will also target Apprentices who specialize in architectural sheet metal, fabrication, commercial refrigeration, and HVAC systems.

Employer Demand for Training

The proposed training targets workers represented by the International Association of Sheet Metal, Air, Rail and Transportation Workers, Local Union 105. This union responds to employer needs related to general worker shortages, as well as requests for workers trained in specialty areas. Employer needs are also identified through the jointly sponsored International Training Institute for Sheet Metal and Air Conditioning Industry.

The proposed training will help employers and workers adapt to the growing demand for energy efficiency, environmentally friendly technology, and the reduction of waste in the way systems are constructed and operated. Energy efficiency demands are having a significant impact on the air conditioning and refrigeration industry.

Similar to other industries, Sheet Metal Workers are being expected to accomplish more tasks as part of smaller teams. This requires that workers be highly skilled, better organized, and able to effectively utilize all means of technology.

The California Building Energy Efficiency Standards require higher levels of efficiency from air conditioning and refrigeration systems, such as new types of equipment and controls, and the setting up of systematic cooling zones within commercial buildings. As a result, workers must learn how to calculate energy usage, energy loss, and the overall efficiency of installed systems.

Apprenticeship Program

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by Division of Apprenticeship Standards (DAS). The Panel adopted the Apprenticeship Training Program as a pilot in March 2012. It is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training.

Apprenticeships are a multi-year training program that results in DAS certification to work as a Journeyman. They are authorized in California under the Shelly-Maloney Apprenticeship Labor Standards Act of 1939. Apprentices commit to training under contract with an apprenticeship program sponsor. They advance through a series of apprenticeship levels as they complete modules of RSI and on-the-job training. Wages are paid for hours worked on the job, in progression with a series of advancements up to the Journeyman level.

Apprentice programs are typically sponsored by a Joint Apprenticeship Training Committee (JATC) or Unilateral Apprenticeship Committee (UAC). A JATC is created through collective bargaining, with an equal number of members appointed by union and management, as compared to a UAC which is created through a trade association. Both types require employer contributions to a training trust fund.

Depending on the type of trade, apprenticeship programs vary in length, typically from 2-6 years. They also vary in size, ranging from less than 10 to several hundred apprentices at any

given point in time. Several types of trainees are eligible under the Apprenticeship Program: Apprentices (second-year), Journeymen and Pre-Apprentices. First-year Apprentices are not eligible due to the higher drop-out rates associated with this entry-level.

ETP funding flows through a Multiple Employer Contract (MEC), in this proposal held by a JATC. The employers are not “participants” but are members of a trade association.

RSI is traditionally delivered as class/lab, and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agency; in this proposal there are two LEA’s: Los Angeles Unified School District, and North Orange County ROP. The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA10, per-apprentice. However, SoCal Sheet Metal has not requested OSHA10 training.

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

Because ETP funding cannot displace another source of government funds, the fixed fee rate is reduced by \$5.00 to account for adult education funding appropriated each year for Apprentice training through the California Community College Chancellor’s Office and Department of Education. This changes the ETP Priority Industry Rate from \$18.00 to \$13.00 per hour for all Apprentice Job Numbers.

In addition, the Panel adopted a “blended rate” for Journeymen, reflecting the fact that they may be employed by a variety of contractors over the two-year term of contract ranging from large employers, to small (≤ 100 employees). This is \$22 per hour, midway between the Priority Industry standard rate (\$18) and Small Business rate (\$26). [Note: This “blended rate” has been extended to Pre-Apprentices, for ease of administration.]

Under the Apprenticeship Training Program, the post-retention wage has been standardized to \$20.55 per hour reflecting the Special Employment Training (SET) wage for Priority Industry. This wage was chosen for ease of administration, recognizing that most Apprentices and all Journeymen exceed the highest ETP wage requirements.

DAS Completion Rate

The average completion rate for Apprentices in the Sheet Metal industry is 68.10% as measured by DAS over the most recent five-year reporting period: CY2009 through CY2013. When the average completion rate for an apprenticeship program is less than half the industry average (benchmark), the Panel requires a justification for funding. In this proposal, the DAS completion rate for SoCal Sheet Metal is 69.68%, which exceeds the benchmark.

PROJECT DETAILS

Training Plan

Commercial Skills (100%) - training will include trade mathematics, drafting and sketching, layout and pattern development, shop work, field installation, plans and specifications, architectural sheet metal, HVAC Systems, testing and balancing, and energy conservation.

More advanced training will focus on welding skills, advanced math, drawing and drafting, electronic and computerized controls for energy efficiency, and specialty work.

Impact/Outcome

Apprentices trained under this proposal will be certified as journeymen workers once they complete the entire apprentice curriculum.

Marketing and Support Costs

Apprentices are recruited through outreach by various partners including the JATC.

Employers are informed of training through the Sheet Metal and Air Conditioning Contractors' National Association (Los Angeles and Orange Empire Chapters). Workers are notified of training through their union local and directly by the training center. Notifications are generally made via web postings, mailings, and presentations.

SoCal Sheet Metal conducts assessments at the conclusion of each training session. To evaluate training needs and program effectiveness, trainees and employers are encouraged to provide feedback through their respective representatives on the joint apprenticeship committee.

SoCal Sheet Metal requests 8% support costs for training-related funding to assist in apprentice recruitment, employer outreach, and to conduct assessment of employer-specific job requirements. Although many of the participating employers have already been notified, additional outreach and needs assessments will take place during the term of the Agreement. Staff recommends the 8% Support Costs.

Commitment to Training

Employers will continue to make contributions to the training trust for every hour worked by apprentices. Safety training is, and will continue to be, provided by the participating employers in accordance with all pertinent requirements under state and federal law.

Training Coordination

Administration will be performed by agreement between the SoCal Sheet Metal, the Los Angeles Unified School District, and Steve Duscha Advisories. The JATC will handle class scheduling and completion of training rosters. The two administration vendors will assist in employer liaison, documentation of work hours, uploading training and enrollment data, ETP reporting, and related activities.

Recordkeeping

Staff has approved the use of a Learning Management System (LMS) for recordkeeping.

RECOMMENDATION

Staff recommends approval of this proposal.

ACTIVE PROJECTS

The following table summarizes performance by SoCal Sheet Metal under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET14-0906	\$448,448	11/16/13 – 11/15/15	224	324	TBD*

*Based on ETP Systems, 45,760 reimbursable hours have been tracked for potential earnings of \$598,998 (134% of approved amount). Pending final closeout of this Agreement, the Contractor projects final earnings of 100% based on training completed to date.

PRIOR PROJECTS

The following table summarizes performance by SoCal Sheet Metal under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0911	City of Industry	10/22/12 – 10/21/14	\$298,936	\$298,936 (100%)

DEVELOPMENT SERVICES

Steve Duscha Advisories in Sacramento assisted with development of this proposal for a flat fee of \$10,000.

ADMINISTRATIVE SERVICES

Steve Duscha Advisories and the Los Angeles Unified School District in Los Angeles will perform administrative services for a total combined fee not to exceed 13% of payment earned.

TRAINING VENDORS

N/A

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

8 - 200 Trainees may receive any of the following:

COMMERCIAL SKILLS**Course Two**

- A. Introduction
- B. Workplace Safety*
- C. Trade Mathematics – Part 2
- D. Drafting and Sketching – Part 2
- E. Layout and Pattern Development – Part 2
- F. Reading Plans and Specifications – Part 1
- G. Materials – Part 2
- H. Industrial Specialties – Part 2
- I. Shop Work – Part 2
- J. Field Installation – Part 2
- K. Service Work – Part 2
- L. Architectural Sheet Metal – Part 2
- M. Heating, Ventilation, and Air Conditioning (HVAC) Systems – Part 2
- N. Testing and Balancing – Part 1
- O. Energy Conservation

Course Three

- A. Workplace Safety*
- B. Welding Metallurgy
- C. Welding Equipment and Processes
- D. Welding Tools and Equipment
- E. Welding Symbols and Nomenclature
- F. Surface Welds
- G. Fillet Welds: All Positions
- H. Groove Welds
- I. Oxyacetylene Cutting (Burning)
- J. Air Carbon Arc Process
- K. Brazing Steel and Cast Iron
- L. Welding Evaluation
- M. Reading Plans and Specifications – Part 2

Course Four

- A. Introduction
- B. Workplace Safety Review*
- C. Drafting and Sketching – Part 3
- D. Layout and Pattern Development – Part 3
- E. Reading Plans and Specifications – Part 3
- F. Materials – Part 3
- G. Industrial Specialties – Part 3
- H. Shop Work – Part 3
- I. Heating, Ventilation, and Air Conditioning Systems – Part 3
- J. Field Installation – Part 3
- K. Service Work – Part 3
- L. Architectural Sheet Metal – Part 3
- M. Electronic and Computerized Controls – Part 1
- N. Blowpipe System – Part 1
- O. Food Service and Beverage Dispensing Equipment – Part 1
- P. Asbestos

Course 5

- A. Professional Growth
- B. Advanced Trade Mathematics
- C. Drafting and Sketching – Part 4
- D. Layout and Pattern Development – Part 4
- E. Reading Plans and Specifications – Part 4
- F. Industrial Specialties – Part 4
- G. Shop Work – Part 4
- H. Heating, Ventilation, and Air Conditioning (HVAC) Systems – Part 4
- I. Testing and Balancing – Part 2
- J. Architectural Sheet Metal – Part 4
- K. Electronic and Computerized Controls – Part 2
- L. Food Service and Beverage Dispensing Equipment – Part 2
- M. Supervisory Training

*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.
