



EMPLOYMENT TRAINING PANEL

1995 - 96

ANNUAL

REPORT



The Employment Training Panel

Thomas C. Ellick, Chairman

James L. Quillin, Vice Chairman

Clifford Cummings, Member

David Lattanzio, Member

Yvonne Nix-Everett, Member

Patricia A. Noyes, Member

Regina Render, Member

Pat Williams, Member

Gerald G. Geismar, Executive Director

James M. Bratt, Assistant Director

Dolores E. Mangine, Assistant Director

Peter G. DeMauro, General Counsel



Pete Wilson, Governor

THE UNIVERSITY OF TEXAS AT AUSTIN

Employment Training Panel

Vision Statement

The Panel will be recognized as a national model for industry specific training which provides excellent service to California businesses.

Mission Statement

The Employment Training Panel (ETP) is a significant economic development tool for business attraction and business retention. ETP will work in partnership with business, labor, and government, to provide funds for training California's workforce in the skills necessary for businesses to remain viable and compete in the global economy, while providing workers with reasonable wages and secure employment.

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The University of California is a public research university system with a mission to advance the frontiers of knowledge, to provide the highest quality education, and to serve the people of California and the world.

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The Employment Training Panel (ETP) is a federal-state partnership that provides training and education to disadvantaged youth and adults. The ETP works in partnership with business, labor, and government to provide funds for training California's workforce in the skills necessary for the new economy and to compete in the global market. This funding is used to provide a wide range of services and support to employers and employees.

November 30, 1996

The Employment Training Panel is pleased to share its Annual Report for Fiscal Year 1995-96, which describes the Panel's success in meeting the year's major challenges and in seizing new opportunities helping California employers and workers succeed in the global economy. The year was marked by key funding decisions, new program legislation, economic development initiatives, and continuous organizational improvements — all of which ensured the Panel's continued leadership in the State's economic development and workforce preparation arenas.

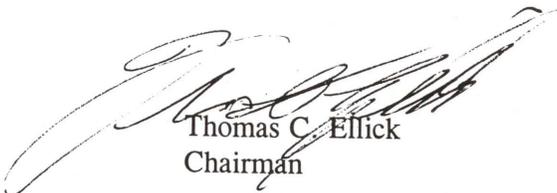
During this fiscal year, the Panel committed all of its available training funds for the fourth consecutive year, contributing to the health of the California economy by funding training for frontline workers in high-wage, high-skill jobs. The Panel continued coordinating with other entities in support of economic development and a statewide workforce preparation system. Key initiatives included support for the emerging multimedia and advanced transportation industries.

The year also saw the Panel continue its emphasis on service to small businesses, with 85 percent of all businesses served being small firms. The ability to serve small business was also enhanced by last year's legislation which enabled the Panel to fund entrepreneurial training for small business owners.

The Panel implemented other key legislative changes last year, which included an extension of the program's sunset date to January 1, 2002. This will provide the Panel with an increased opportunity to focus on long-range economic development strategies and partnerships to guarantee California's economic competitiveness into the 21st century.

The new legislation also formalized the Advisory Research Council (ARC) which advises the Panel on program and process improvements. With input from the ARC, as well as customers and program stakeholders throughout the State, the Panel continued to make key organizational improvements, focusing on excellent customer service. New program features such as monthly contractor orientations and a contractor ombudsperson will help ensure improved communication and the best customer service possible.

The overall success of the Panel was recently validated by a legislatively required audit of the program which found the Panel is achieving its mission and fulfilling its overall program and administrative responsibilities. We look forward to continued success in the years ahead by building upon and increasing our partnerships with business, labor, and other government entities to sustain, improve and promote California's economy.



Thomas C. Ellick
Chairman



Gerald G. Geismar
Executive Director

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1995-96 FISCAL YEAR HIGHLIGHTS



Panel Actions

- The Panel committed all of its available training funds for the fourth consecutive year, while implementing retraining funding guidelines to maximize the use of its funds.
- The Panel approved 241 new training projects totaling \$66.4 million for training and employment, targeting 48,873 trainees, at an average cost of \$1,360.
- The Panel implemented new legislation which: extended the sunset date of the program to January 1, 2002; established an Advisory Research Council (ARC) of program stakeholders; and enabled the Panel to fund entrepreneurial training for small business owners.
- The Panel approved new policies, procedures and regulations, including use of new procedures to improve contract completion rates, while revisiting its policy on full-time employment.
- The Panel continued its participation on Team California and Red Teams to help businesses relocate or remain in California. Companies funded as a result of these efforts include McDonnell Douglas, Packard Bell, and Fender Musical Instruments.
- A legislatively required review of the program by the Bureau of State Audits indicated the Panel is fulfilling its responsibilities in both program and administrative areas.

Completed Contracts

- During the fiscal year, 105 contracts were completed and \$26 million was earned by contractors.
- 15,486 individuals were trained and employed. The average cost per trainee was \$1,683, including \$4,854 for new hires and \$1,463 for retrainees.
- The average hourly wage earned after training was \$10.03 per hour for new hires, and \$15.67 an hour for retrainees.
- 1,719 small businesses were served through completed contracts which represented 85 percent of all businesses served.
- Small businesses earned 44 percent of all training dollars last year and employed 68 percent of all new hires and 32 percent of all retrainees.
- 1,158 small businesses (57.2 percent of all businesses) served had 50 or fewer employees.

Part A

1. The first part of the question asks you to identify the main purpose of the text. The text is a report on the results of a survey conducted by the government. The main purpose of the text is to provide information about the results of the survey and to discuss the implications of the findings.
2. The second part of the question asks you to identify the main topic of the text. The main topic of the text is the results of the survey and the implications of the findings.
3. The third part of the question asks you to identify the main argument of the text. The main argument of the text is that the results of the survey indicate that there is a need for government intervention in the area of education.
4. The fourth part of the question asks you to identify the main evidence of the text. The main evidence of the text is the results of the survey, which show that a significant number of people are not satisfied with the current state of education.
5. The fifth part of the question asks you to identify the main conclusion of the text. The main conclusion of the text is that the government should take action to improve the quality of education.

Part B

1. During the first year, 100 contracts were contracted and 250 million was earned by the company.
2. In 1995, the company was awarded a contract for the construction of a new building. The contract was worth 500 million and was expected to be completed by the end of 1996.
3. The company's revenue increased significantly in 1996, due to the completion of the new building. The revenue for 1996 was 750 million, compared to 500 million in 1995.
4. The company's profit also increased significantly in 1996, due to the completion of the new building. The profit for 1996 was 150 million, compared to 100 million in 1995.
5. The company's market share increased significantly in 1996, due to the completion of the new building. The market share for 1996 was 25%, compared to 20% in 1995.

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INTRODUCTION



Meeting New Challenges and Opportunities

1995-96 was a landmark year for the Employment Training Panel (ETP) as the Panel furthered its role in supporting California's economic development while implementing new legislative changes in the program. The Panel worked closely with other entities in the State, collaborating in partnerships that served to enhance the State's export base, and provide California businesses with skilled workers to compete in the global economy. Through its policy decisions and funding actions, the Panel responded to many new and ongoing challenges — the result being for the fourth consecutive year, the Panel committed all of its available training funds, while maximizing their impact on the California economy.

This achievement was largely the result of the Panel's focus on addressing policy issues and targeting its scarce resources to meet increasing customer demand. During the year, the California economic upswing led to a demand for Panel training funds which far exceeded available dollars. Faced with difficult choices regarding program options, the Panel responded by implementing policies and funding guidelines which succeeded in optimizing the allocation of training monies by requiring matching contributions from employers.

During the year, there were two changes in the Panel's membership. Thomas C. Ellick, a retired senior public affairs and communications executive from the defense industry, was named by Governor Pete Wilson to succeed outgoing member Ted W.

Dutton as the Panel Chair. In addition, Clifford Cummings, Vice President and General Manager of a Southern California automobile dealership, became the newest member upon his appointment by Assembly Speaker Curt Pringle, succeeding longtime member Stephen J. Mack.

The Panel members provided key leadership in addressing the year's many challenges, as the Panel implemented provisions of the new legislation, approved new policies and regulations, strengthened its economic development partnerships, and worked toward objectives outlined in its Strategic Plan. For the first time in its history, the Panel approved a policy regarding the temporary workforce and testing the concept of training for underemployed workers. The Panel also took steps to improve its contracting process, the success rate of contracts, and overall customer service. In addition, the Panel continued its emphasis on meeting the training and employment retention needs of small business — particularly employers with 50 or fewer employees.

Legislation effective January 1, 1996, extended the Panel's sunset date through January 1, 2002, enabling the Panel to address the changing needs of California's growing economy with a clear, long-range view of its priorities.

The new legislation also formalized the Advisory Research Council (ARC) as an official advisory body consisting of program stakeholders. Originally established by the Panel Chair, the ARC advises the Panel on policies and issues to determine where potential program improvements can be made. With several of its recommendations implemented during the past fiscal

Our plant is a prime example of what ETP training was intended to do. The training was integral to making us more competitive and keeping us in the State."

**Hal Mottet,
General Manager**

**Willamette
Industries**

year, the ARC has already played a significant role in the program and provides the Panel with an effective means for continuous program improvement.

ARC recommendations adopted by the Panel during the fiscal year included clarification of the definition of training and a reduction of the minimum required training hours; designation of an ombudsperson for contractors; expansion of the out-of-state competition policy; a requirement for contractors to involve operational senior management with Panel staff prior to contract development; and elimination of the substantial contribution requirement in contract amendments for employers with repeat re-training contracts. The Panel will submit the ARC's final report by December 31, 1996 which will include final recommendations for improving the contracting process.

The new legislation also enhanced the Panel's ability to serve small business by allowing it to fund small business entrepreneurial training. As a result, the Panel has begun approving small business entrepreneurial projects as it implements this new and unique means of serving small employers. Last year, the Panel also conducted a study of the quality of its service to small business to determine if it is meeting the needs of small employers and how service to small employers might be improved.

The scarcity of training dollars last year contributed to another major challenge for the Panel — a heightened need for organizational excellence. The Panel, in collaboration with its customers, took steps to ensure the efficiency and effectiveness of its operations

through customer surveys, internal Quality Improvement Teams (QIT), and improvements in the contract development, monitoring and review processes.

The Panel also continued its strong support for efforts underway to build an improved workforce preparation system in California. ETP participates with other agencies in activities coordinated by the State Job Training Coordinating Council (SJTCC) in support of efforts to develop an integrated and coordinated workforce preparation system for the State. The Panel is represented on the Council's Performance Based Accountability (PBA) Committee which is working to develop standardized performance measures for all workforce preparation programs in California.

Finally, in a development which illustrates the Panel's success in supporting the California economy, a legislatively mandated audit of the Panel's operations was recently completed and found ETP is fulfilling its responsibilities in both program and administrative areas. The Bureau of State Audits conducted a review of the program and found the Panel is achieving its overall mission through the appropriate application of its contracting procedures, program audits, fiscal processes, administrative procedures, and electronic data processing systems. With this vote of confidence, the Panel will continue to strive for excellence in meeting its customers' needs.

The Panel takes pride in the year's achievements as described in this Annual Report and looks forward to future opportunities and challenges as it continues its key role in supporting California's businesses and workers.

The report describes the Panel's achievements during the year, including activities and funding commitments, performance of completed contracts, a list of terminated contracts where no funds were earned, and contracts approved prior to last year which were still active as of July 1, 1996.

The report also includes a number of project profiles, representing a cross-section of projects which completed during the past fiscal year.

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THE YEAR IN REVIEW



Targeting Resources and Maximizing Investment

During the year, the California economic upswing led to a demand for Panel training funds which far exceeded available dollars. This presented the Panel with the first of the year's major challenges -- targeting limited resources. Faced with a number of difficult choices, the Panel responded by implementing funding guidelines which succeeded in optimizing the allocation of training monies. To ensure the maximum return on investment and the greatest benefit to the state's economy, the Panel also continued to leverage funds through partnerships with other agencies involved in economic development activities.

Revenues and Expenditures

Fiscal Year (FY) 1995-96 marked the fourth consecutive year in which the Panel committed all of its available training funds. (See Appendix A, "Revenue and Expenditure Report", for details.) The Panel committed \$66.4 million for training by approving 241 contracts to train 48,873 workers. This represented a 21 percent increase over FY 1994-95 in the number of approved contracts, despite a 12 percent decline in available monies. The average cost per trainee for these approved projects was \$1,360 per trainee. The following table summarizes the year's contract commitments.

1995-96 Project Commitments

Approved Training Projects	241
Millions Approved for Training	\$66.4*
Persons Targeted for Training and Employment Retention	48,873
Average Cost Per Trainee	\$1,360*

*Amount approved does not include contractor contributions which amounted to \$16.8 million. With employer contributions included, cost per trainee is \$1,702.

In making these funding commitments, the Panel was able to maximize the use of its limited funds by requiring matching contributions from retraining contractors. In response to the increased funding requests and limited funds, the Panel adopted retraining guidelines to successfully optimize the use of available training funds. To assure that restricted funds would not unduly impede small business participation in the program, the guidelines placed different matching requirements on large and small employers:

- Large employers (those with more than 250 full-time employees) were required to make a 35 percent matching contribution to retraining projects.
- Small employers (those with 250 or fewer employees) were required to make a 10 percent matching contribution.

In addition, a \$1 million funding cap was placed on all retraining contracts.

"Since the training, the teamwork, supplier partnerships, and communication cultivated have improved tenfold. Our Continuous Process Improvement teams have made such a significant impact that our return on investment for 1994 and 1995 far exceeded our expectations."

**Lynne Kunster,
Director of Quality**

**Cubic Defense
Systems**

These guidelines enabled the Panel to maximize the availability of training funds during the fiscal year. It is estimated without the employer contributions, the year's training funds would have been expended as early as February 1996, instead of April when this occurred. Given the Panel has a larger training fund appropriation in FY 1996-97, the employer contribution requirement has been lifted; however, this requirement proved to be an effective tool in 1995-96 and could be further utilized in the future, if necessary.

Increasing Support for Economic Development

The Panel continued to focus economic development activities on funding projects that ensured a maximum return on investment and benefited the State's economy as a whole. The Panel, through targeted marketing in conjunction with the Trade and Commerce Agency (TCA), focused on firms vital to the California economy. The Panel also continued collaborative efforts with other state agencies, employers, employer associations, labor (including a marketing initiative through the American Federation of Labor/Congress of Industrial Organizations [AFL/CIO]), educational institutions, and organizations such as the California Manufacturers Association (CMA) and Chambers of Commerce to market the program to essential industries and businesses.

Last year, the Panel also supported the following key economic development initiatives in the State:

- **Supporting Multimedia** by working with the Bay Area Multimedia Partnership (BAMP) and the Alliance of

Motion Picture and Television Producers to fund SkillsNet, linking Northern California's multimedia industry with Southern California's entertainment industry. SkillsNet will address the issue of skills shortages by creating a statewide, electronic clearinghouse to identify skill needs and current education and training options.

- **Assisting Basic Industries** through continuing support for the California Manufacturing and Technology Center (CMTC), a technology transfer organization, which assists small and medium-size manufacturers in converting from the defense to the commercial sector; and by approving funding for the Corporation for Manufacturing Excellence (MANEX) to assist in retraining employees of participating manufacturers. ETP funds supplemented monies available to MANEX from the National Institute of Standards and Technology and TCA.

- **Continuing support for the advanced transportation industries** through initiatives such as CAL-START and Project California -- the latter a public/private collaborative effort to enable the State to compete globally in the high-technology transportation and telecommunications industries. The Panel is closely involved in Project California's Advanced Transportation Job Training Program (ATJTP) Alliance to support anticipated new jobs in the emerging technology fields.

- **Participating on Team California and Red Teams**, continuing its commitment to partnerships involving employers, local groups, and other state agencies organized to help businesses relocate or remain in California. Companies recently funded as a result of

Red Team efforts include McDonnell Douglas (Long Beach), Fender Musical Instruments (Corona), Abbot Laboratories (San Francisco Bay Area), Packard Bell (Sacramento), Frito-Lay (Rancho Cucamonga), and Granny Goose (Alameda).

Updating Regulations, Policies and Procedures

In 1995-96, the Panel addressed a number of key issues by updating its regulations and adopting new policies and procedures to ensure the program continues to meet the ever-changing needs of California's employers and workers. In addition to adopting retraining funding guidelines and implementing entrepreneurial training, the Panel revisited its policy on full-time employment and took steps to improve contract completion rates.

Updated Regulations -- After obtaining input from program stakeholders, the Panel approved a number of new and revised regulations last year, which were subsequently approved by the Office of Administrative Law (OAL) and filed with the Secretary of State. The Panel initiated this rulemaking effort as part of its ongoing commitment to simplify and clarify program requirements. The regulations, available to the public, provide a specific set of criteria and guidelines with which contractors and the Panel must comply.

Full-time Employment -- Recognizing the world of work has changed and continues to change, the Panel revisited its policy on full-time employment. Here, the Panel approved a policy allowing for the training and

employment of individuals through temporary agencies under certain circumstances, and also tested the concept of training for underemployed workers in agricultural industries. The latter was achieved through a solicitation for proposals under the Special Employment Training (SET) category for serving individuals with barriers to full-time employment. One project was funded through this process and the Panel will evaluate its success in increasing the underemployed trainees' work hours and earnings.

Contract Completion Rates -- As a result of a recent study of factors associated with improved contract completion rates, the Panel took steps to reduce the presence of identified risk factors from training contracts. The study indicated several factors which can lead to unsuccessful contracts when present in projects, such as training hours exceeding 200 hours and contractors not being involved in the administration of their contracts. Panel staff have begun working with contractors to identify and eliminate risk factors where possible to ensure a successful contract.

Contractor Involvement -- The study of contract completion rates indicated contractors who are closely involved with the administration of their contracts tend to have more successful contracts. Last year, the ARC reiterated this finding and the Panel adopted the ARC's recommendation that a contractor's operational senior management be required to meet with a Panel representative prior to contract development to strengthen the contractor's understanding of the contracting process and to assure their commitment to the project.

"The overall quality of ETP technical assistance was exceptional. The ETP contract development and monitoring staff provided support, immediate response, and never interfered with the business operations."

**Lynn McCoy,
Human Resource
Director,**

**Adams Rite Sabre
International**

"I was very pleased when my relationship with the ETP contracting unit and the monitoring unit turned out to be such a helpful one...I am most certainly very thankful for everyone's help in making our contract a relatively painless and beneficial experience."

**Richard Duesbury,
Human Resources
Representative
Kaiser Electronics**

Optimizing Organizational Effectiveness

The scarcity of training dollars in 1995-96 also contributed to the Panel's focus on continuing organizational excellence. As part of the ongoing effort to maximize the use of available funds, the Panel evaluated and modified its contracting process and internal operations to ensure excellent customer service, organizational improvement, improved staff performance and increased staff productivity. ETP's customers provided many of the insights which led to the Panel's implementation of a number of key improvements which included:

■ **Contractor's Guide** -- A Quality Improvement Team (QIT) completed and implemented a contractor's guide to provide contractors with complete and uniform information about the development and management of a contract as they enter each phase of the contracting process.

■ **Structured On-Site Training (SOST)** -- The Panel implemented simplified procedures for the recording and accounting of SOST hours. The new procedure resulted from a pilot project undertaken by staff and selected contractors to track trainers' time providing SOST instruction rather than accounting for individual trainee hours. This has significantly simplified the training documentation requirements and has enabled the Panel and contractors to focus on ensuring that trainees acquire needed competencies to perform their job.

■ **Contract Development and Monitoring** -- A contract development QIT was implemented to identify and eliminate duplication in the contract development process. In FY 1996-97, the team plans to survey internal customers to identify process bottlenecks and develop ways to remove them.

A monitoring QIT designed and began testing new forms for project start-up and monitoring visits. The team previously identified areas in which monitoring requirements and procedures should be realigned to consistently meet the needs of internal and external customers. Final improvements are expected to be in place early in FY 1996-97.

■ **Simplified Agreement Document** -- The Panel updated and significantly streamlined its agreement document, incorporating provisions from the new legislation and making the form more "user friendly".

■ **Contract Review** -- In an effort to improve customer service and expedite the contract execution process, a QIT began examining time frames for document processing. The team is studying a representative sample of contracts to identify issues that arise and the reasons for delays in contract completion. It is anticipated this project will be concluded in early 1997.

■ **Orientation Sessions** -- Panel field staff initiated monthly orientations at each field office for potential contractors throughout the State to help them understand contracting requirements.

■ **Ombudsperson** -- As recommended by the ARC, the Panel designated the Assistant Director of Program Operations as Ombudsperson to act as a

single point of contact for contractors, when necessary. Contractors must first work with their assigned analyst and respective field office manager to resolve issues prior to contacting the Ombudsperson. The Ombudsperson serves as a customer service representative for the resolution of issues prior to the appeal process.

■ **Customer Surveys** -- As a guide for quality improvement efforts, the Panel continued to obtain direct input from contractors regarding ETP services. Here, the Panel continued its survey of contractors who withdrew or terminated their ETP funding requests during the fiscal year. Last year's results indicate those contractors who withdraw or terminate their funding requests do so primarily for a variety of economic factors, followed by certain ETP-related reasons. Many survey respondents felt the ETP contracting process was too cumbersome and paperwork requirements excessive. Respondents suggested a better explanation of requirements and more consistent information would improve the process, but nonetheless, highly rated the level of technical assistance they received from staff.

■ **Administrative Improvements** -- The Panel continued to address administrative improvements to enhance the overall contracting process and ensure excellent customer service. Here, the Panel continued its increased use of advanced computer technologies, ensuring user-friendly, efficient and accurate automated systems to support the program and staff. The Panel continued to implement and refine its newly acquired direct contracting and audit functions -- all resulting in better and faster service to its customers. The Panel also continued its emphasis on staff training and on Total Quality

Management (TQM) and the use of QITs, focusing on continuous organizational improvement.

Completed Contract Performance

Performance Results

Review of the performance data for contracts which completed in 1995-96 indicates the Panel continues to fund high caliber training for large numbers of businesses and trainees at a low cost. During the report year, 105 contracts completed, providing 2,023 employers with trained and highly-skilled workers. These contracts earned \$26 million, while providing training and employment to 15,486 workers, including 1,000 unemployed workers (new hires) and 14,486 retrainees.

Training emphasized technological innovation and transition to high-performance workplaces through courses such as Statistical Process Control, Production Techniques, Office Automation, and Total Quality Management. The training received by the 15,486 workers equipped them with the high-level skills necessary for long-term employment and to help California employers remain competitive in the global economy. The average cost of training for new hires was \$4,854; for retrainees it was \$1,463.

The training provided continued to be for employment in high-wage jobs. The average hourly wages earned by trainees after training and retention increased from the previous fiscal year. Last year, new hires earned \$10.03 an hour, and retrainees earned \$15.67 per hour. Comparison of trainee wages with those earned 5 years ago indicates

"The training improved our overall quality and brought us new customers. It instilled a consciousness of working together.... When you put people together, their productivity as a whole improves."

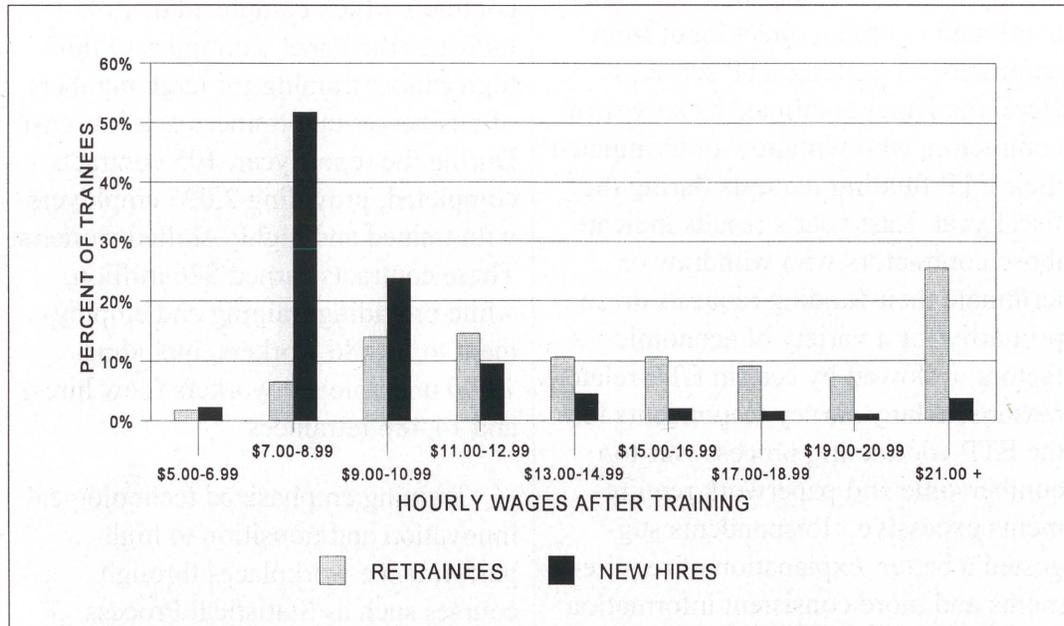
**Bill Downing,
Vice President/
General Manager**

**Cascade Optical
Coating, Inc.**

the average new hire wage has increased by almost \$2 dollars per hour (24 percent) over this period, while retrainee wages have increased by slightly more than \$1 per hour (7 percent).

Further, last year, the post-training and retention wage for 78 percent of all retrainees was \$11.00 or more an hour, while 75 percent of new hires earned between \$7.00 and \$10.99 an hour. The following chart shows the trainee wage distribution in 1995-96 completed contracts.

FY 1995-96 Trainee Wage Distribution



The chart indicates the Panel has succeeded in training and retaining workers for high-wage jobs. In fact, the average hourly wages for both new hires and retrainees have increased almost every year for the past five years. The exception was in FY 1994-95 in response to a turndown in the economy, when the new hire average hourly wage was unchanged from 1993-94 and the retrainee average dipped slightly.

literacy training, defined as writing, reading, language comprehension, math, and Vocational English as a Second Language (VESL), where such training has a demonstrated link to job skills training. Most trainees participating in literacy training tend to be in occupational categories such as assembler and production worker. (Appendix C contains details of contracts providing literacy training.)

Literacy Training

In fiscal year 1995-96, the Panel funded 21 projects with literacy components for 1,479 participants at a cost of \$2.2 million. The Panel supports

Comparison of Planned to Actual Performance

The following table indicates planned and actual enrollments and employment retention for the 1995-96 fiscal year. The table provides infor-

mation on completed contract performance by type of trainee. It compares planned enrollments with actual enroll-

ments and the subsequent employment and retention of trainees for at least 90 days.

ENROLLMENTS			RETAINED IN EMPLOYMENT	
	New Hires	Retrainees	New Hires*	Retrainees
Planned	2,465	28,361	1,353	23,340
Actual	1,567	17,519	1,000*	14,486
% of Planned	64%	62%	74%	62%

* The New Hire totals include 209 "recently employed" workers who were hired just prior to training.

As indicated, enrollment and completion rates for the fiscal year contracts were lower than planned. Several factors contributed to the lower rates. In some cases, large training projects served fewer trainees than originally planned due to companies' inability to release trainees because of production schedules. In other cases, economic factors such as downsizing, business cutbacks, and changes in management and company reorganizations caused projects to be reduced in size. As a result of the study for improving contract completion rates, Panel staff have begun working with contractors to identify and eliminate risk factors in contracts which can lead to poor contract performance. The results of this technical assistance for improving contract performance will be evaluated in the future.

Last year's completed contracts earned 57.5 percent of planned dollars and achieved 62 percent of total planned enrollments and 63 percent of total planned job placements. Although enrollment rates for both new hires and retrainees were lower than last year, retention rates for each are higher this year than last -- 74 percent compared to 59 percent for new hires and 62 percent compared to 61 percent for retrainees.

However, it should be noted that one major factor contributed to the significant increase in last year's new hire retention rate. Legislation enacted in 1990 provided the Panel with a new hire cost reimbursement system to encourage successful new hire training. The incentive provided that certain contractors could earn 100 percent reimbursement for new hires if 60 percent of the new hire trainees were retained in employment. Since last year's completed contracts reflect the first full implementation of this system, the planned new hire retention numbers are stated as 60 percent of what would have been the total planned retention numbers.

Serving Unemployed and Incumbent Workers

Last year's performance data also indicates the continuing contractor demand for funding of retraining for currently employed workers, more than training and jobs for unemployed workers (i.e., new hires). Last year, almost 94 percent of all trainees were retrainees, continuing a trend which has seen ETP become primarily a retraining program for incumbent workers. The following table shows the breakdown of Panel trainees over the past several years.

Service to New Hires and Retrainees by Fiscal Year

Fiscal Year	91/92	92/93	93/94	94/95	95/96
New Hires	1,632	1,151	1,970	955	1,000
Retrainees	14,573	12,381	25,037	27,146	14,486
Total	16,205	13,352	27,007	28,801	15,486
% New Hires	10%	8.6%	7.3%	3.3%	6.5%
% Retrainees	90%	91.4%	92.7%	96.7%	93.5%

As indicated, the percentage of new hires in training contracts has remained significantly lower than retrainees in recent years. Last year only 6.5 percent of all trainees in completed contracts were new hires. Although the first few years of the Panel program saw high levels of service to new hires, only 7.2 percent of all trainees served by the program since its inception have been new hires, and the number has continued to decrease in recent years. This is largely the result of ETP being the only retraining program in California for incumbent workers. Other programs, such as Title III of the Job Training Partnership Act, provide a means for training unemployed workers.

As stated, legislation was enacted to provide the Panel with a new hire cost reimbursement system to encourage successful new hire training. However, as the above data indicates, the new hire bonus system did not serve to increase the number of new hires in the program. At the same time, the average cost per new hire trainee increased dramatically. Therefore, the Legislature allowed the new hire cost reimbursement system to sunset on December 31, 1995.

Industry Comparisón

During the report year, funding concentrated in the manufacturing

sector. While, historically, Panel funding has emphasized businesses in the manufacturing industry, last year's completed contract data indicates a significant increase in the percentage of dollars earned by manufacturing contracts from previous years. This would appear to be the result of 1994 legislation that required increased emphasis on retraining currently employed workers in businesses facing out-of-state competition -- i.e, predominantly the manufacturing industry. Funds were primarily to support the retraining of frontline workers in those industrial sectors that provide the state's export base. With increasing emphasis on such training, it can be anticipated that future contract performance data will include high percentages of funds earned by manufacturing contractors.

The following table displays the percentage distribution of ETP contracts which served each industry sector in FY 1995-96, the percentage breakdown of funds earned by each sector, and the California Industry Distribution (CID). The CID represents the percentage distribution of California businesses reporting taxable wages in calendar year 1995.

Training by Industry

	Agriculture	Construction	Manufacturing	Transportation	Trade	Finance	Services	Other
ETP Contracts	0%	2.9%	51.8%	2.1%	15.3%	2.7%	24.6%	0.6%
ETP Dollars	0%	1.1%	74.6%	1.0%	8.6%	1.7%	12.3%	0.7%
CID	4.1%	7.5%	6.0%	3.1%	24.5%	8.1%	45.3%	1.4%

Trainee Characteristics

In 1995-96, the average new hire was a non-white male, 25 to 44 years old, with education beyond high school graduation. The typical retrainee was a white male, 25 to 44 years of age, with at least some college. Trainees were more often male and older than representatives of the labor force, probably due the fact that most Panel trainees are employed workers, who have been in the labor force and who are being retrained. Although the percentage of ETP trainees who attended college was larger than the percentage of the California population as a whole, a smaller proportion were college graduates, reflecting the Panel's emphasis on retraining of frontline workers in the manufacturing sector. A summary of demographic data is provided on the following page.

Characteristics of Panel Trainees Compared to California Labor Force

Characteristic	<u>Employment Training Panel</u>		<u>California Labor Force</u>	
	New Hire Percent	Retrainee Percent	Unemployed 1994	Employed 1994
<u>SEX:</u>				
Female	38.7	35.4	43.4	44.2
Male	61.3	64.6	56.6	55.8
<u>AGE:</u>				
<25	8.1	2.1	29.6	15.0
25-34	35.6	25.1	27.4	27.4
35-44	31.7	36.3	21.4	28.3
45-54	18.8	24.3	13.2	18.2
55-64	5.2	10.9	6.5	8.2
65+	0.3	1.0	1.9	2.8
<u>EDUCATION:</u>				
Less than H.S. grad.	4.3	8.6	20.8 a/	20.8 a/
H.S. graduate	43.2	26.3	26.9	26.9
Some College	39.7	35.7	27.5	27.5
College graduate	11.4	22.5	24.7 a/	24.7 a/
Post Graduate	1.4	6.8		
<u>MARITAL STATUS:</u>				
Married	41.0	66.7	40.4 b/	57.2 b/
Single	58.9	33.2	41.6	27.0
<u>ETHNICITY:</u>				
White	42.7	51.4	46.3	58.9
Black	14.2	4.5	11.0	4.7
Hispanic	24.8	22.4	37.6	26.6
Asian	14.3	17.8	3.8	9.0
Native American	1.9	1.6	1.3 c/	0.8 c/
Other	2.1	2.3		
<u>VETERAN:</u>				
Yes	15.3	14.7	0.6	10.7d/
No	84.6	85.2	99.4	89.3

a/ Percentages are for the total population 25 years and older. Data is not separated by individual category of employed or unemployed. Combines the categories of college graduate and Post Graduate.

b/ Figures do not total 100 percent due to the elimination of individuals who are divorced, widowed, separated, or are married but the spouse is absent.

c/ Combines the racial categories of Native American and Other.

d/ Data is not separated by individual category of employed or unemployed.

Unemployment and Civilian Labor Force data are based on the 1994 annual averages provided by the Bureau of Labor Statistics in the Current Population Survey conducted by the Bureau of the Census. California Labor Force "Veteran" category based upon 1991 data.

Support for Small Business

In 1995-96, the Panel continued to make small business a priority. Small employers are the major customers for Panel training, representing more than 80 percent of all the businesses served. Last year, the Panel took a number of steps to improve service to small business, including: the development of a simplified Retraining Certification for small businesses; adoption of a proposed regulation eliminating the requirement for a substantial contribution for repeat retraining contractors with 50 employees or less; and small business representation on the ARC. In addition, when the Panel temporarily required contractor contributions for retraining projects, a significantly smaller contribution was required of small businesses.

Last year, the Panel also initiated the following:

■ **Entrepreneurial Training** -- Most new jobs are created by small businesses, but many small businesses fail as a result of various factors, many of which can be reduced or eliminated by providing owners the knowledge and skills necessary to be successful. To meet this need and optimize the economic impact of funds, the new legislation authorized the Panel to provide small business entrepreneurial training as an allowable activity under the Special Employment Training (SET) category.

The Panel implemented the bill's provisions through approval of a policy for administering entrepreneurial training for small business owners with at least one, but not more than nine, full-time employees. The Panel also

began funding its first entrepreneurial projects to provide the focused, specific training small businesses often need to succeed.

■ **Small Business Study** -- The Panel conducted a study of its service to small business to determine if ETP training is meeting the needs of small employers and how such training might be improved. Results indicate the Panel is achieving its priority of effectively meeting the training needs of small business. Most employer respondents felt the training accomplished their goals, with many noting reduced errors and increased productivity among the benefits of training. Most of the trainee respondents indicated the training was useful. At the same time, the findings indicated there is a need to minimize barriers in the contracting process and facilitate small business participation in ETP funded training.

Completed contract results for 1995-96 demonstrate the Panel continues to emphasize high levels of service to small business. Defining a small business as an employer with 250 or fewer workers, the Panel funded training for a total of 2,023 businesses, of which 1,719 or 85 percent, were small. A total of 1,158 small businesses (57.2 percent of all businesses) served had 50 or fewer workers. Overall, small businesses earned 44 percent of all training dollars expended last year and employed 68 percent of all new hires and 32 percent of all retrainees. These results are summarized in the following table.

"The training made us feel that we are working as a group...not just as a bunch of individuals."

**Mike Bird,
Production Worker**

**Willamette
Industries**

1995-96 Small Business Results

Business Size	Number of Businesses	Retrainees	New Hires	\$ Earned (in millions)
1-50	1,158	1,627	406	\$5.0
51-100	291	939	114	\$2.2
101-250	270	2,097	162	\$4.2
TOTALS	1,719	4,663	682	\$11.4

The Panel serves small business through both direct contracts with individual employers and consortia contracts for groups of employers, primarily small businesses. Last year, the Panel contracted directly with 33 small businesses, funding training for 1,552 trainees. The Panel also had 18 consortia contracts, which assisted 1,686 small businesses by training 3,793 workers.

As the data indicates, the Panel primarily serves small businesses with 50 or fewer employees. Last year, employers with 50 or fewer employees represented 67 percent of all small businesses served by the Panel, as well as 57.2 percent of all businesses served. This continues the Panel's record of service to very small employers, as indicated in the following table which shows the Panel's percentage level of service to employers by size over the past five fiscal years.

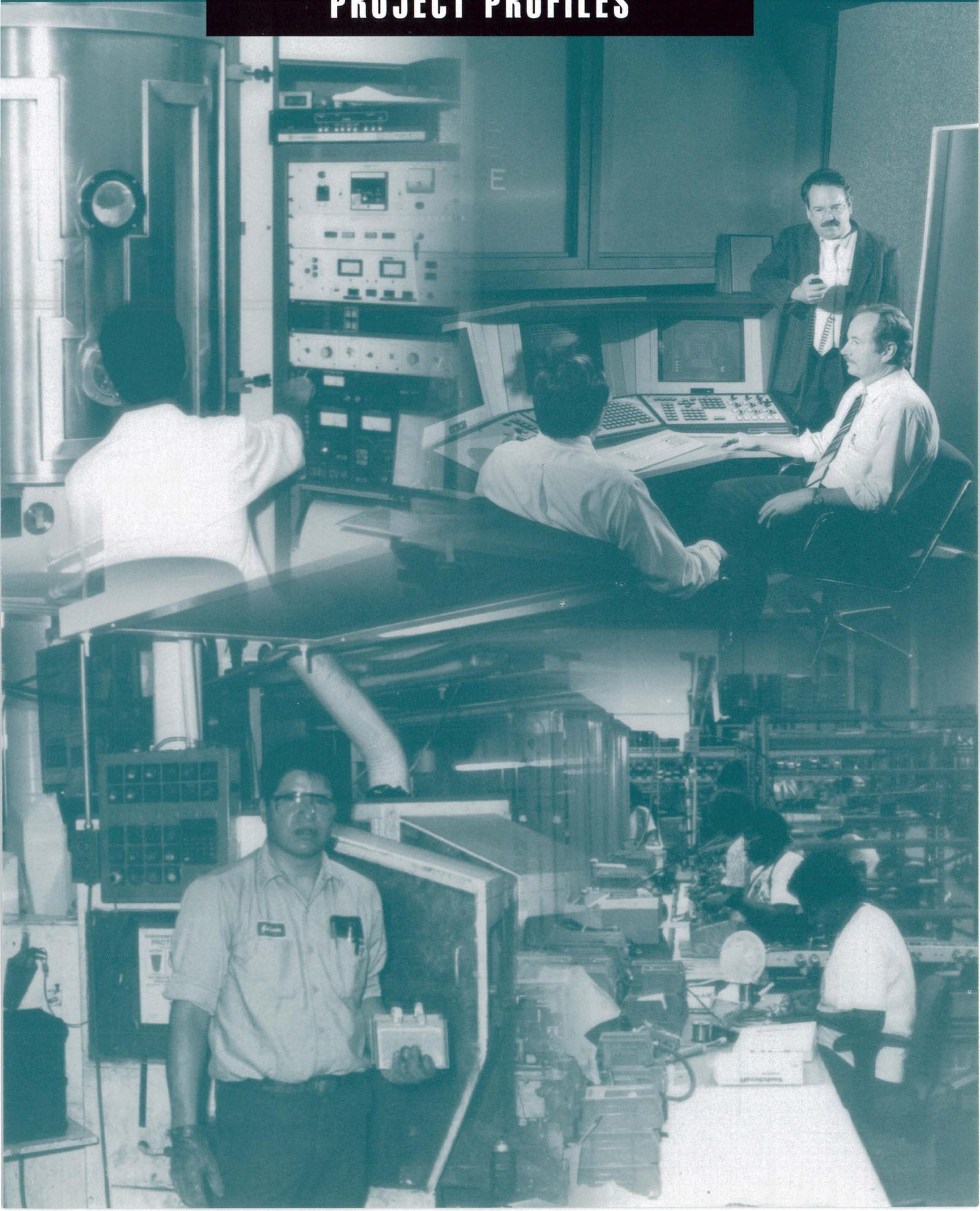
Business Size	FY 1991-92	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96
1-50	47.6%	53.1%	61.7%	56.6%	57.2%
51-100	14.5%	16.1%	16.5%	15.5%	14.5%
101-250	15.5%	14.3%	10.8%	11.8%	13.3%
250 or more	22.4%	16.5%	11%	16.1%	15%

This data clearly shows the Panel's emphasis on serving small business, especially those with 50 or fewer employees. Since FY 1992-93, more than half of all businesses served have been those in this category. At the same time, more than 70 percent of all businesses served have been employers with 100 or fewer employees.

The Panel is proud of its record of service to small business and will

continue to emphasize such support in the coming years. Here, the Panel will build upon the actions taken during the past year to facilitate small business' continuing involvement in the program through both direct contracts and consortia contracts. This will ensure small employers have necessary trained and highly-skilled workers to compete and succeed in the California economy.

PROJECT PROFILES



Helping California Firms Compete in the Global Economy

- **Cubic Defense Systems**
- **Fender Musical Instruments, Corp.**
- **Kaiser Electronics**
- **Adams Rite International**

Supporting the High-Performance Workplace

- **Willamette Industries**
- **Seagate Technology, Inc.**
- **GNB Battery Technologies**
- **Heinz— USA**

Support for Small Business

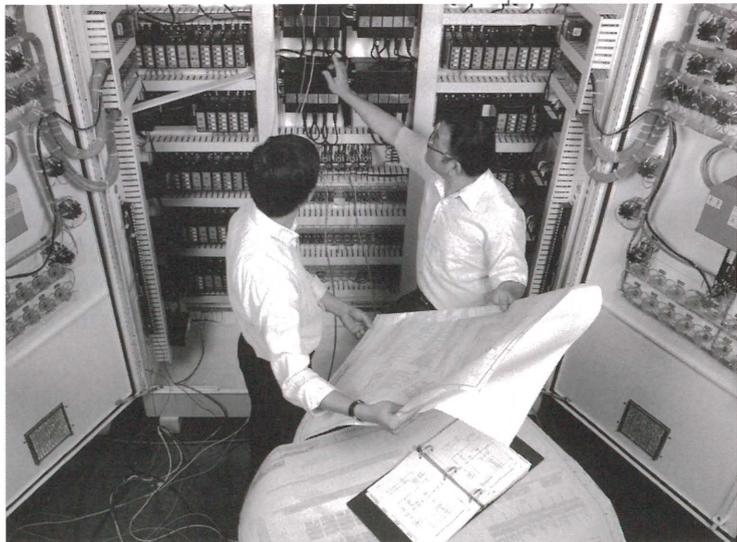
- **Cascade Optical Coating, Inc.**
- **B.A.S. Precision Sheet Metal, Inc.**
- **Holt Bros.**
- **Los Angeles Chapter, National Tooling and Machining Association**

...the most important... the most important...

Helping California Firms Compete in the Global Economy

ETP training and required retention is intended to benefit the overall California economy by primarily focusing its funds on the training and retention of unemployed workers for high-wage, high-skill jobs and on the retraining of incumbent workers of businesses challenged by out-of-state competition — a role which the Panel fulfills as California's only training program for incumbent workers. Panel-funded training assists California employers in retraining their workers to respond to new and challenging technologies, increasing customer requirements for quality processes, and demands for new products and services.

Case studies of several Panel-funded projects completing last year which helped employers meet the increasing challenges of the global marketplace are provided in the next few pages.



Competing in the International Market

"The training has improved the company's position in the defense industry to preferred supplier."

**Lynne Kunster,
Director, Quality**

**Cubic Defense
Systems**

Faced with military budget reductions, more stringent performance and quality requirements on military contracts, and increased competition from foreign and out-of-state manufacturers, Cubic Defense Systems (CDS) and its supplier companies foresaw the need for dramatic productivity improvements. Cubic had experienced significant downsizing in recent years with reciprocal adverse effects on suppliers. Continuing layoffs appeared inevitable unless the company became more successful in attracting new business. Therefore, under Cubic's leadership, the companies formed a partnership to retrain more than 800 of their workers in the skills vital to compete with the new technologies required by the international marketplace.

CDS, a subsidiary of Cubic Corporation, is a San Diego based manufacturer of sophisticated battlefield management systems and combat simulation and training equipment. To demonstrate its commitment to productivity improvement, CDS management invested over \$1 million in new software and hardware equipment and has budgeted over \$2.3 million for additional equipment. However, with this investment in software and hardware came the need to provide the necessary training to support it.

Thus, the company turned to ETP for assistance with the large retraining project. Since CDS and its suppliers provide integrated products, they have similar requirements with regard to manufacturing process control. The companies agreed to provide joint training in management skills, office automation, statistical process control, and manufacturing resource planning to ensure uniform product quality.

The results of the retraining efforts were highly favorable for everyone involved. Prior to training, CDS won just one of three contract bids. As a result of training, the company was awarded 100 percent of all their major contract bids in 1995. Management attributes this success to the positive cultural change in the company brought about by the training. It is also their opinion the supplier training benefited CDS by helping participating employers identify key process indicators to meet compliance issues in government contracts.

Training Brings Increased Production

Through Panel-funded training, Fender Musical Instruments in Corona successfully incorporated teamwork, problem solving and Statistical Process Control in its work processes, resulting in significant productivity gains. According to Doug Mills, Senior Vice President of Operations, "Now we have a higher percentage of employees concerned about the product than we've had in the past...They're able to tell us what is wrong and how we can improve."

Fender Musical Instruments is an international manufacturer and distributor of electric and acoustic guitars, strings, accessories, amplifiers, and professional sound equipment. In recent years, the Corona facility, which employs over 350 workers, found itself in a high growth, expansion mode, while facing increasing competition from rival manufacturers in Tennessee, Mississippi, Korea, Japan and Taiwan. As a result, it was incumbent on Fender to retrain its workers to reduce production costs to remain viable.

The training, which included Statistical Process Control, production techniques, and management training, enabled Fender to institute continuous quality improvement throughout the facility. According to Jeff Schuck, a company engineer, "Since the training, we're able to solve problems at lower levels."

Doug Mills agrees, stating, "Before, I couldn't walk through the production area without hearing about problems. Now that the workers have ownership of the process, they're able to solve problems on the line."

Mills points to productivity increases which have resulted from the training. Before the training, the facility was producing 225 guitars per day. That increased to 300 guitars a day during training, and now the company is making 395 guitars each day. Mills states that to keep up with its increasing demand, the company plans to expand to a new facility in Corona, at which point it will be producing 500 guitars per day.

"The key factors which contributed to the training's success were communication, education, and working as a team."

**Doug Mills,
Senior Vice
President of
Operations**

**Fender Musical
Instruments, Corp.**

Training for Continued Excellence

"The key factor contributing to achievement of the company's training goal was the linkage between top level business goals and the workers understanding of the value of training to the company and the advantage to themselves."

**Richard Duesbury,
Senior Human
Resources
Representative
Kaiser Electronics**

Panel funding support was key to helping Kaiser Electronics respond to the challenges of change and increased competition. Company representatives also viewed the contracting process itself as a success. "I was very pleased when my relationship with the ETP contracting unit and the monitoring unit turned out to be such a helpful one," states Richard Duesbury, company human resources representative. "I am most certainly very thankful for everyone's help in making our ETP contract a relatively painless and beneficial experience."

Kaiser Electronics, a privately owned subsidiary of Kaiser Aerospace and Electronics, designs, manufactures and produces advanced Avionics display technology and products for military aircraft. It employs approximately 550 workers at its San Jose headquarters. A leader in its field, Kaiser Electronics was awarded a Silver Level Preferred Supplier recognition by McDonnell Douglas Aerospace in 1993 for its excellence in production performance, process control and business processes with commitment to continuous improvement and customer satisfaction.

Leadership, teamwork and continuous improvement have been the basis for this success and are the cornerstones for Kaiser Electronics' vision of the future. However, the company has recognized the challenge of the next decade is change, and is therefore meeting this challenge by emphasizing continuous improvement. Kaiser has instituted a Continuous Improvement Process which works to reduce cycle time, eliminate non-value-added activities, increase quality and continuously improve customer service.

In view of the challenges of the future, to help Kaiser maintain its achieved level of performance (i.e., 99 percent or greater on-time delivery and quality level per year based on a rolling average) the company looked to ETP for assistance to retrain 108 of its workers in production techniques, statistical process control, management and computer skills. As a result, Kaiser reports that in each of the last two years they have experienced a reduction in defects of 20 percent.

Dave Hochman, engineer, stated "The training in the current version of the software brought everyone to an even playing field in the new philosophy of design for process and team building. We have cut drafting time by making the process more streamlined and efficient."

On the Road to Continuous Improvement

Adams Rite Sabre International, headquartered in Glendale, used Panel-funded training last year to respond to increasing competitive challenges. Founded in 1946, Adams Rite manufactures aircraft locks, latches, electro-mechanical pilot controls, fluid dispensers, door bolting systems and oxygen equipment.

In recent years, increasing competition, declining defense spending, and loss of sales caused by the lingering recession in California all seriously threatened the viability of Adams Rite, requiring the company to look into increasing its sales by expanding into the European market. Company management found in order to compete in the European market it was necessary to conform to the ISO quality standards established by the International Organization for Standardization. Therefore, Adams Rite determined that an effort to increase efficiency throughout the organization and conform to ISO quality standards would help the company remain competitive, increase sales and provide its workers with employment security.

Thus, Adams Rite contracted with the Panel to retrain 88 employees — approximately one-half of its workforce. ETP's commitment to assisting small manufacturing companies remain competitive in today's marketplace helped Adams Rite retrain its workers in high-performance workplace concepts, quality production ISO standards and computer skills.

As a result of the training, Adams Rite reports production has increased, errors have decreased and workers have embraced teamwork concepts by establishing Continuous Improvement Teams. These teams have already made numerous process improvement recommendations to company management, many of which have already been implemented.

The computer skills training helped the company standardize its computer software to ensure work consistency and enhance worker communication. Kim Page, Human Resources Assistant, states "The employees appreciated the training and the opportunity to learn the focus of the process."

Adams Rite surveyed trainees at the conclusion of training and found they were positive regarding the usefulness of the training. Since the conclusion of the training, Adams Rite has increased its workforce to 215 employees as a result of increased sales through its increased ability to produce a quality product to customers' satisfaction.

"Communication has improved between co-workers, and errors in the work product have decreased."

Martha Puente,
Sales
Representative

Adams Rite Sabre
International

...the organization's ability to respond to change and uncertainty in the environment. This is a key factor in the organization's success or failure.

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Supporting the High-Performance Workplace

The Panel supports businesses as they transition to a high-performance workplace to increase worker efficiency and ensure continuous improvement. Approximately 40 percent of the Panel's funds currently go for training related to the high-performance workplace.

Businesses transition to the high-performance workplace in order to: improve overall performance; adapt to continuing changes in the global market; and maintain viability in an ever changing economic environment. By making this commitment, businesses can improve overall performance — by reducing waste and shortening new product development cycle times, while speeding up delivery time. They can adapt to ongoing changes and requirements of the modern workplace and ensure their employees are empowered to attain product quality at all stages of the production process.

Becoming a high-performance workplace means giving up the mass production model. Under the old model, quality control was typically conducted at the end of the process with defects discovered after the fact, resulting in expensive rework and high scrap rates. Under the high-performance workplace model, frontline workers are provided with the necessary skills and are empowered to ensure quality at all stages of the production process.

Profiles of several projects completing last year which helped companies transition to a high-performance workplace are provided in the next few pages.



"A few years ago, our lease was up and we were faced with closure. Now, we own this property and we just received \$17.1 million to expand our operations. If it hadn't been for ETP, it wouldn't have happened."

**Jim Kenneally,
Production Manager**

**Willamette
Industries**

The High-Performance Workplace in Action

Representatives of Willamette Industries' corrugated box plant in Compton point to ETP training as a key factor in the firm's regaining its competitive edge. Faced with potential closure of the facility and relocation to another state, Willamette retrained its workforce and implemented Statistical Process Control (SPC) with significant results.

Built in the late 1950's and employing 139 full-time workers, the Compton facility is one of Willamette's 89 plants nationwide and one of its 8 sites in California. The plant produces customized packing boxes for a wide-range of manufacturing customers, as well as agricultural firms who use Willamette's boxes to pack and ship fresh produce. With the recent rise of out-of-state competition, however, Willamette was determined to transition to a high-performance workplace, with workers trained in SPC and teamwork.

Production Superintendent Jerry Liess points to Willamette's need to meet strict customer requirements. "The boxes have to be made with precision to meet each customer's needs." Thus, the training focused on enabling machine operators to conduct ongoing quality control through their workstations.

Willamette's transition to high performance is marked by the presence of "task teams" with members familiar with specific problems who work together to analyze and solve them. Teams address issues such as training, machine downtime, safety, defect and waste reduction, and various production process improvements. A company quality steering committee oversees this process and results have been significant.

"Before the training, there was no direction...no consistency", says Production Manager Jim Kenneally. "However, SPC has taken the guess work out of what we're doing. Now we have data. Our goal for '96 is to get everyone in the plant on a team." Kenneally cites improvements in areas such as lower net waste in production, fewer customer complaints, and improvements in worker safety.

Bringing a New Commitment to Training

Seagate Technology, Inc., located in Scotts Valley, used ETP funding last year to address the threat of increasing out-of-state competition by building a high-performance workplace. The company was founded in 1979 and employs approximately 5,276 California workers and another 85,665 worldwide. Seagate develops and manufactures some of the industry's most advanced information technologies, including disc and tape storage devices, magnetic recording heads and media, precision motors, data access and management software and micro-electronics.

The disc drive industry is intensely demanding as manufacturers worldwide strive to remain competitive in a market where products have a lifecycle of months. Seagate's success is dependent upon its ability to develop, manufacture and market products that meet changing user needs on a cost-effective and timely basis. The market will drive dramatic change, and Seagate will drive the technologies that help make change happen. The company's ability to maintain its industry leadership position is dependent upon an ability to maintain a highly performing engineering workforce. With ETP-funding support, Seagate trained 70 employees at its Scotts Valley corporate headquarters in statistical process control, project management and computer programming skills.

Company representatives state the training has helped the engineers speed up test time by allowing them to zero in on the causes of problems quickly. Mike Pelstring, a company engineer, states "The Design of Experiments course was very effective. It has made me more effective by reducing efforts to reach the same end result."

Doug Speidel, also an engineer, states "I use the tools and concepts from the Project Management class to teach my employees and management so that everyone understands how I manage projects."

Joanna Savage, Senior Education Department Specialist, states "Key factors contributing to achieving our site's technical training goals was the ETP's support and the engineers' long standing hunger for technical training. The ETP project set the foundation for what would become a permanent technical curriculum." With the ETP behind them, Seagate then implemented a problem-solving and decision-making curriculum throughout the entire company which helped to ensure a common problem-solving and decision-making language and process. To continue its commitment to training, Seagate's plans include training employees in technology and the concepts of electronic data management. This program will be implemented across the company.

"The ETP-funded training program became a catalyst for management's sponsorship of a worldwide problem solving and decision making curriculum."

**Joanna Savage,
Senior Educational
Development
Specialist,**

**Seagate
Technology, Inc.**

Labor and Management Collaboration

"Training is very important here...the company is doing a great job in helping workers learn new skills that we can use now and in the future..."

**Rigoberto Tirado,
Chief Steward/
Training Coordinator**

**GNB Battery
Technologies**

GNB Battery Technologies in the City of Industry used Panel-funded training to successfully transition to a high-performance workplace, with significant productivity improvements. GNB, which employs 616 full-time workers, manufactures and distributes automotive and marine lead-acid batteries. When GNB's main customers, which include general merchandise retailers, automotive parts retailers and marine supply companies, began demanding reduced costs and quicker delivery times, the company took steps toward high performance through a comprehensive training effort.

According to Silvia Ross, GNB's Western Regional Human Resources Manager, one key to the project's success was the ability of GNB to fit it directly to their own needs. "We were able to work with the Panel and get a customized curriculum," she states. Ross also attributes the success of the project to the close working relationship between GNB management and the Teamsters Union which represents GNB workers. "The union/company support was real," she says. There was a great amount of involvement on all parts."

All the training was provided internally by GNB, with the company's chief union steward, Rigoberto Tirado, acting as a full-time trainer. Tirado, who still serves as a trainer today, as GNB continues its support for training, states, "We took ownership of the process...now everyone is more confident of what they are doing." Tirado adds workers were also cross-trained. "It gave us the opportunity to take ownership and learn that we are working as a team — right from when we start building a battery until it goes out the door."

GNB's Quality Assurance Manager Roger Mason states, "The training was an eye opener...the way it was presented was the key." Mason cites a number of improvements which have resulted from the training and the ongoing use of SPC. "We reorganized processing lines, based on input from the operators themselves...and we've put up pictorial standard operating procedures for the operators so they can review instructions at a glance.

Mason points to productivity improvements in a number of areas. "We've instituted a 'Production/Quality Bonus Program' with the idea of continually improving performance." As an example, Mason says, "We have reduced variability and cut scrap by 50 percent in most areas."

Silvia Ross states the training has had a pronounced affect on GNB's competitive position. "We are the best battery producer for GNB, and we have gone ahead of the competition through gains in productivity and efficiency."

Completing the Transition to High Performance

The H.J. Heinz Co. facility in Tracy used Panel funds last year to help complete its transition to a high-performance workplace and thereby retain its competitive edge. The plant produces the basic tomato paste used in ketchup, chili sauce and varieties of soup. The Tracy facility employs 470 full and part-time workers in processing, selling and shipping products throughout the United States and Asian rim.

The company has faced constant domestic and foreign competition to reduce costs while maintaining both product quality and market share. To meet this competitive threat and remain viable, company management has been gradually transforming the work environment to a fully functioning high-performance workplace. The goal was to attain a world-class level of operation, while ensuring customer expectations of a high-quality product were met.

Taking these customer preferences into account, management began upgrading the output capacity of each phase in the processing operations. As a first step, the company purchased new machinery equipped with electronic control devices, and plans additional capital investments to further increase processing capability. These innovations created a need to enhance employee skill levels while improving the output quantity and quality of the manufacturing process. A retrained workforce became the key to the company's transition efforts.

The company had introduced the Total Quality Management process and teamwork was a concept familiar to employees, but there was now a need to better focus these efforts. In the past, front-line employees made mechanical adjustments to manufacturing equipment, but now and in the future, they would be controlling processing systems via electronic devices. Employees were required to learn to work safely and effectively while responding to higher production volume. They would also need to be able to identify, troubleshoot and correct adverse conditions — in some cases before management and supervision can review the situation.

Therefore, company management contracted with the Panel to fund front-line worker retraining in problem-solving, decision-making, electronic controls, Statistical Process Control, and specialized production skills. As a result, business has grown and employee jobs are more secure. "We were able to provide such comprehensive training in production techniques that we significantly reduced the cost per case of product," says Safety Supervisor Jesse Becerra.

The company has made a long-term commitment to improving employee productivity and product quality. Heinz will continue to provide reinforcement so employees keep their skills current and competitive in the job market. According to Training Coordinator George Garnica, one of the major benefits of training is that "workers acquired an overview of our processes that greatly improved their ability to work as a team."

"We had been moving toward a high-performance workplace and greater empowerment for our employees. The ETP-funded training provided our workers with the problem-solving skills necessary to complete the transition."

**George Garnica,
West Coast
Training
Coordinator**

Heinz — USA

Introducing the 'Language of Trust' to Customers

The first step in introducing the 'Language of Trust' to customers is to ensure that the company's internal communication is consistent and clear. This involves training all employees on the company's values and the importance of trust. It also means ensuring that the company's policies and procedures are transparent and fair. Only when the internal culture is strong can the company effectively communicate its message to the outside world.

Next, the company needs to identify the key touchpoints where customers interact with the company. These could be the sales process, customer service, or the delivery of the product. At each touchpoint, the company should ensure that it is demonstrating its commitment to trust. This might involve providing clear information, being honest about any problems, and showing a genuine interest in the customer's needs.

Finally, the company should monitor and measure its progress. This could be done through customer surveys, feedback loops, and other metrics. The company should be open to criticism and willing to make changes where necessary. Trust is not a one-time achievement; it is an ongoing process that requires constant attention and effort.

The company had introduced the 'Language of Trust' to its customers, but there was still a need to build trust. In the past, the company's employees had made mistakes and broken promises, and this had damaged the company's reputation. To rebuild trust, the company needed to take a long-term view. This meant being patient and consistent in its actions. It also meant being open to criticism and willing to make changes where necessary. Trust is not a one-time achievement; it is an ongoing process that requires constant attention and effort.

Therefore, the company's strategy was to build trust with its customers through consistent and clear communication. This involved training all employees on the company's values and the importance of trust. It also meant ensuring that the company's policies and procedures were transparent and fair. Only when the internal culture was strong could the company effectively communicate its message to the outside world.

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Support for Small Business

The Panel makes it a priority to meet the training needs of small business, recognizing that small business comprises a major sector of the State's economy and creates most new jobs. Panel funding provides an essential resource for many small employers who otherwise would have no means to train or retrain workers. Since its inception, more than 80 percent of the businesses served by the Panel have been small businesses — most of them employing 50 or fewer workers.

The Panel provides support for small business in two ways: through direct contracts with employers or through contracts with consortia contractors. Increasingly, the Panel recognizes it lacks the staff resources to contract directly with large numbers of small businesses and thus focuses on serving small business through consortia. This approach allows small businesses to send a few employees to an umbrella organization capable of curriculum development, training and program administration — functions which small businesses have a difficult time accomplishing on their own.

The following pages provide summaries of several successful projects completing last year which served small business, including three direct employer projects and a consortia project.



Ensuring Quality Processes and Team Work

"We had to show our customers we had the necessary quality processes and documentation.

Many of our customers might not still be there, if we hadn't done so."

**Bill Downing,
Vice-President and
General Manager**

**Cascade Optical
Coating, Inc.**

Cascade Optical Coating, a manufacturing firm with 15 employees located in Santa Ana, was successful in using Panel-funded training last year to ensure it could meet new quality requirements of its customers. Company Vice-President and General Manager Bill Downing speaks enthusiastically of the project and states, "the training supported Cascade Optical's business strategy to ensure the retention of key customers".

Cascade Optical Coating manufactures optical lenses that are coated with a variety of thin film coating used in a range of industries. Cascade fabricates optical components from elements such as mined crystal and coats the components through a series of high-technology processes. The company produces telescope mirrors and lenses, laser range finders, ophthalmic lenses, surgical laser mirrors and fiber optics, deliver probes and other products.

While Cascade Optical's primary customers in the past have been primarily military related, defense downsizing has required Cascade to focus increasingly on commercial markets. However, in order to retain its current customers and bring in new ones, Cascade has had to ensure it has the quality processes required by these customers.

As a result, Cascade Optical contracted with the Panel to train its workers in Statistical Process Control (SPC), Total Quality Management and office automation. "It's been an upscale success", states Bill Downing. "This company is stepping up to things done by large companies...the fact that ETP held us to a regimented schedule helped us succeed."

Downing points out only five years ago Cascade Optical lacked even one computer for its employees. Now, personal computers have been provided throughout the company. With the training, employees are ready to begin applying SPC using computers at their work stations with a new SPC software application. Downing states, "The training has us now collecting the data...soon we'll be entering it in computers." Downing points to the fact that now workers manage their own quality assurance throughout the process.

Employees agree the training has had a pronounced impact on the business, as well as on their individual jobs. According to Irma Cruz, one of Cascade's clean room inspectors, "What I liked about the training was it helped us communicate and work together...It's helped me on my job, because if something is wrong, I can go back to the charts and see what I did and how I did it."

Improving the Quality of Processes and Products

B.A.S. Precision Sheet Metal, Inc., employing 187 workers and located in Morgan Hill, successfully used ETP training to improve the quality of its processes and establish the basis for further company-wide training. Established in 1981, B.A.S. provides built-to-order fabricated precision sheet metal products used in medical, computer, automotive, and gaming industries. In recent years, the company was experiencing tremendous growth in production demand, requiring management to transfer some responsibility to front-line workers while still producing quality products.

While focusing on quality improvement and increasing the flexibility of its processes, B.A.S. purchased new state-of-the-art equipment. To effectively and efficiently use this new equipment, workers needed to be trained throughout the organization in statistical process control (SPC), total quality management (TQM) concepts, and computer skills. The company looked to ETP for assistance in training 37 workers in the skills needed to increase quality and production.

As a result of the SPC training, the production workers better understand the reasons for data collection and how to interpret outcomes. "I can do my job quicker now because the workers are checking their own products and documenting the results," states Quality Control Inspector Frank Cervantes. "I can rely more on the quality of the product and actually find fewer errors and rejects. The various TQM techniques on problem solving are used by our teams a lot to decide which problems to tackle and to identify the cause of the problem."

Gerald Barth, the company's Controller, was extremely pleased with the results of the training and states, "The office automation training was critical and the employees who received the training now use the computer software constantly. The TQM training was so well received that some employees not originally scheduled were asking to be included."

Future plans for B.A.S. include becoming ISO 9002 certified in 1997 by meeting quality standards established by the International Organization for Standardization. Already a core group of workers has been established by company management to develop an implementation plan for the entire company.

"Workers have become more quality conscious and aware of methods to monitor their own work through precontrol SPC charts. We have reduced our customer returns close to 50 percent."

**Andrew Bornyak,
Quality Manager**

**B.A.S. Precision
Sheet Metal, Inc.**

Responding to Out-of-State Competition

"As a result of training, our mechanics can more successfully troubleshoot problems. This means quicker turnaround on machines needing repair, an essential concern of our customers."

**Ken Ratcliff,
Training Manager**

Holt Bros.

Faced with increasing domestic and overseas competition, Holt Bros. showed how a company can retain its market share by upgrading systems and retraining its workforce. The Stockton-based company, a Caterpillar, Inc. dealership with 155 employees, sells and services heavy equipment used in the agriculture, construction, mining and logging industries. The company also sells parts in support of the sales and service of the equipment and engines.

In recent years, both U.S. and overseas manufacturers increasingly began to distribute parts and equipment into California, creating a major challenge to Holt Bros.' market share. In response, Holt Bros.' management determined that to compete successfully, the company needed to be more productive in its machine sales, parts and service departments. As part of the solution, management implemented new computer systems to become more customer oriented and to promote productivity.

At the same time, company management knew that employees need to stay current with equipment improvements continually introduced by Caterpillar. These product innovations require additional machine sales, service and parts training, especially in the areas of electronics and hydraulics. In the past, service department personnel had a limited understanding of the basic concepts of these systems. When the time came to troubleshoot a customer's equipment using a schematic of the ever more sophisticated electrical and hydraulic systems, they were not able to quickly identify and correct the problem. As Holt Bros. Training Manager, Ken Ratcliff, points out, "If we can't get the customer's machinery operating in the shortest possible time, they are losing money, and pretty soon take their business someplace else."

Holt Bros. management has an ongoing training program committed to improving the skills and abilities of all personnel. However to accomplish the essential automation, mechanical repair and customer service training required significant direct investment the company could not undertake on its own in a short time frame. Therefore, the company turned to ETP for assistance.

Holt Bros. employees were pleased with the outcome of the project, indicating it was valuable in improving both the quality of work and customer service. "The company places a lot of emphasis on customer satisfaction," says training participant and General Parts Manager Nancy Klein. "The training reinforced this and provided an overall knowledge of company operations that contributed to increased production and reduced errors."

Serving Small Business Through Consortia Training

Many small manufacturing firms in Southern California have been assisted in recent years by training provided by the Los Angeles Chapter, National Tooling & Machining Association (LA NTMA) Training Center. Last year, two such firms were American Metal Bearing Co. located in Garden Grove, and Steri-Oss Inc. in Yorba Linda.

These were two of hundreds of small and medium-size manufacturers in the Southern California metal trades who need highly-trained workers to keep up with technological advances in the industry. Like many other small metal trades employers, American Metal Bearing and Steri-Oss needed workers retrained in computer numerical control (CNC) machining to remain competitive. Both sent workers to the LA NTMA Training Center for the instruction.

Founded in 1969, LA NTMA has successfully used Panel funding to provide training in such areas as conventional machining, computerized numerical control (CNC), computer programming, statistical process control, geometric designing and tolerancing, and other specialized subjects relating to the metal industry. Consortia training such as that provided by LA NTMA allows small businesses to send a few employees to an umbrella organization for training. Small businesses would otherwise have a difficult time accomplishing curriculum development, training and program administration on their own.

Last year's project, provided retraining in CNC skills to 224 employees of numerous participating businesses, mostly small firms, including American Metal Bearing and Steri-Oss. This training responds to the fact that, with many advanced technological changes in the metal trades industry, there has been an increased demand for workers skilled in the operation and programming of CNC and numerical control equipment. As companies purchase the new equipment to keep pace with new industry demands, employees must be retrained to operate the specialized equipment. Additionally, due to sustained growth in the industry, there is a continuing shortage of trained machinists, tool and die makers, mold makers and other specialized machine-trade workers.

Employer response to the training indicates its value in helping them remain viable and competitive. Pat Bolton, Director of Human Resources at Steri-Oss indicated the training provided his company an opportunity to retrain workers and enhance their ability to work in Steri-Oss's CNC center. "Our company decided to use this training, because the more I heard, the more I liked it," Bolton states. "Everything went as I would have hoped and better."

James Howard, Manager of Manufacturing Administration for American Metal Bearing Company, agrees. "New technology and competition required us to retrain our workers...The training met our needs. It was very thorough."

"The training materials, equipment, and instructors were all very good... the training helped increase our production and improved morale."

**Dave Cronin,
Shop Foreman**

**American Metal
Bearing Co.**

APPENDICES





APPENDIX A

REVENUE AND EXPENDITURE REPORT

Fiscal Year 1995-96

REVENUE

Yearly Appropriation	\$70,926,000
Revenue Adjustment	(\$0)
Prior Year Disencumbrances	<u>\$34,342,529</u>
Total Revenue:	\$105,268,529

EXPENDITURES

Transfers:

Dept. of Social Services (GAIN)	(\$20,000,000)
EDD State/Local Labor Market Information	(\$2,891,617)
EDD Tax Collections Branch	(\$3,366,603)
Department of Industrial Relations	<u>(\$2,800,000)</u>
Total Transfers:	(\$29,058,220)

Panel Expenditures:

Administrative	(\$8,912,060)
Board of Control Claim	(\$59,393)
Marketing and Research	(\$ 784,752)
Training Funds Committed	<u>(\$66,454,104)</u>
Total Panel Expenditures	(\$76,210,309)
Total Expenditures:	\$105,268,529

APPENDIX A

RESEARCH AND EXPERIMENTAL REPORT

Final Year 1987-88

REVENUE

Particulars	1987-88	1986-87
Government Grants	1,00,00,000	1,00,00,000
Grants from other departments	50,00,000	50,00,000
Grants from other organizations	25,00,000	25,00,000
Grants from other countries	10,00,000	10,00,000
Grants from other sources	15,00,000	15,00,000
Total	2,00,00,000	2,00,00,000

EXPENDITURES

Particulars	1987-88	1986-87
Salaries and wages	1,00,00,000	1,00,00,000
Grants to other departments	50,00,000	50,00,000
Grants to other organizations	25,00,000	25,00,000
Grants to other countries	10,00,000	10,00,000
Grants to other sources	15,00,000	15,00,000
Administrative expenses	10,00,000	10,00,000
Research and development	10,00,000	10,00,000
Travel and transport	5,00,000	5,00,000
Printing and stationery	5,00,000	5,00,000
Postage and telegrams	5,00,000	5,00,000
Telephone and telex	5,00,000	5,00,000
Electricity and power	5,00,000	5,00,000
Water and sewerage	5,00,000	5,00,000
Gas and fuel	5,00,000	5,00,000
Repairs and maintenance	5,00,000	5,00,000
Insurance	5,00,000	5,00,000
Interest on loans	5,00,000	5,00,000
Interest on deposits	5,00,000	5,00,000
Income tax	5,00,000	5,00,000
Corporate tax	5,00,000	5,00,000
Gift tax	5,00,000	5,00,000
Capital gains tax	5,00,000	5,00,000
Other taxes	5,00,000	5,00,000
Total	2,00,00,000	2,00,00,000

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
20TH CENTURY PLASTICS	Los Angeles Manufacturing	Stationery products	MRP, PT, SPC, TQM	Retrained employees in modern procedures to remain competitive.	0	168	\$166,989
A & D ENGINEERING, INC.	Santa Clara Retail	Electronic measurement & test equipment for the weighing & technical industries	OA, TQM	Trained workers in skills required in a high-performance workplace. Training necessitated by out-of-state competition.	0	30	\$65,274
ADAMS RITE SABRE INTERNATIONAL	Los Angeles Manufacturing	Aircraft parts	MS, OA, SPC, TQM	Retrained workers to meet customers higher quality standards.	0	88	\$175,072
AETNA HEALTH PLANS OF SOUTHERN CALIFORNIA	San Bernardino Services	Health care insurance	CS, MS, OA, SPC	Re-engineered organization.	0	390	\$529,126
ALAN LITHOGRAPH	Los Angeles Miscellaneous	Multicolor brochures, catalogs, annual reports, & marketing materials	CAD/CAM, SPC, TQM	In order to remain competitive with out-of-state providers, trained workers on new computer based printing systems.	0	59	\$60,267
AMERICAN NATIONAL CAN	Orange Manufacturing	Container & packaging parts	SPC	Upgraded worker skills to remain competitive.	0	20	\$20,940
AQUA-FLO, INC.	San Bernardino Manufacturing	Pumps	TQM	Retrained workers to transition to a high-performance workplace.	0	24	\$39,888
ARCO PRODUCTS CO.	Los Angeles Manufacturing	Petroleum products	MS, PT, Emergency Response	Staff has to be retrained or be displaced due to out-of-state competition.	0	454	\$902,438
BAKER COMMODITIES	Los Angeles Manufacturing	Animal oil processing	MS, OA, PT	Introduced new technology to remain competitive; workers had to be trained.	0	166	\$303,460
BANNER PHARMACAPS	Los Angeles Manufacturing	Pharmaceutical Products	MS, MRP, SPC, TQM	Trained workers in high-performance workplace skills to remain competitive.	0	7	\$12,622
BAS PRECISION SHEET METAL, INC.	Santa Clara Manufacturing	Precision sheet metal products	OA, SPC, TQM	Employees faced displacement unless skills were updated to function in TQM/SPC environment.	0	37	\$68,150
BAXTER HEALTHCARE	Orange Manufacturing	Health care products	MS, SPC	Implemented new procedures to ensure higher quality & remain competitive.	0	63	\$121,653

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
BAXTER HEALTHCARE CORP. IV SYSTEMS DIVISION	San Bernardino Manufacturing	Custom procedure & sterile kits for medical facilities	CS, MS, PT, SPC	To remain competitive & maintain jobs, company must retrain workforce for self-directed/self-inspected work groups.	0	116	\$166,817
BELL MICROPRODUCTS, INC.	Santa Clara Manufacturing	Electronic components and computer products	CS, MS, MRP, OA, SPC, Sale Techniques	Employee jobs threatened by out of-state competition. Workforce were provided skills for high-performance workplace.	0	54	\$76,005
BERNARD BROS. CONSTRUCTION	Los Angeles Construction	General contracting	OA, SPC	Workers had to be retrained to increase efficiency & reduce costs or face displacement.	0	26	\$23,380
C. C. INDUSTRIES	Orange Manufacturing	Aircraft structural & wing components	PT	Contractor adapted to high-performance workplace; workers had to be retrained.	0	36	\$56,188
CABLECO TECHNOLOGIES CORP.	Santa Clara Manufacturing	Cable & mechanical assemblies for computers & tele-communications	TQM	Retrained workers to adapt to a high-performance workplace.	0	18	\$29,556
CAL-COMPACK FOODS	Orange Manufacturing	Food products	MRP	Retrain workers in use of new system in order to remain competitive.	0	0	\$0
CALIFORNIA AVI-TRON CORP.	Los Angeles Manufacturing	Sheet metal aircraft parts	PT, SPC, TQM, Asbestos removal	Trained workers to provide skills needed in a high-performance workplace.	0	47	\$50,150
CALIFORNIA MANUFACTURERS ASSOC. /GRUNDFOS PUMPS	Fresno Manufacturing	Water pumps	MS, PT, SPC	Developed new products & processes to remain competitive; workforce needed retraining.	0	99	\$109,444
CALIFORNIA MANUFACTURERS ASSOC./READ-RITE CORP.	Santa Clara Manufacturing	Film heads & head stack assemblies for disk drives	MS, OA, PT, SPC	Retrained employees to work in teams to continuously improve products & processes to remain competitive.	0	463	\$834,051
CALIFORNIA MANUFACTURERS ASSOCIATION /B/E AEROSPACE	Orange Manufacturing	Passenger control & video products for airline industry	CS, MS, MRP, PT, SPC, TQM,	Adapted to stricter customer standards; workers had to be trained.	0	60	\$122,789
CALIFORNIA MANUFACTURERS' ASSOC. -BEACH PATROL	Kings Manufacturing	Swimwear	PT	Trained workers for firm expanding in California.	74	0	\$248,640

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
CALIFORNIA SERVICE STATION AND AUTOMOTIVE REPAIR ASSOC.	Marin Services	Employer association representing service station dealers & garage owners	Automotive Repair	Special Employment Training (SET) project to stabilize employment in an industry with demonstrated shortage of trained employees.	0	463	\$401,472
CALIFORNIA STEEL INDUSTRIES, INC.	San Bernardino Manufacturing	Steel products	Mtc/Install Techn., PT	Retrained workers who faced displacement due to out-of-state competition.	0	56	\$62,994
CASCADE OPTICAL COATING, INC.	Orange Services	Optical lenses for industrial applications	SPC, TQM	Retrained workers to adapt to high-performance workplace.	0	13	\$33,936
CELLOTAPE	Santa Clara Manufacturing	Pressure-sensitive labels, nameplates & bar codes	MS, OA, SPC, TQM	Retrained workforce to remain competitive with out-of-state producers.	0	109	\$131,425
CITATION CIRCUITS, INC.	San Joaquin Manufacturing	High density printed circuit boards & backpanel assemblies	CS, MS, MRP, PT, SPC, TQM	Company moved to high-performance workplace in response to technological & market pressures.	0	0	\$0
COMMUNITY CENTER EDUCATION	San Mateo Services	Vocational education and job placement	CS, OA	New hire training for employers who relocated or expanded in Ca.	15	0	\$80,550
COUNTY OF MARIN/OFC OF EMPLOYMENT AND TRAINING	Marin Services	Vocational education and job placement	Childcare	Provided training in demand occupations for AFDC recipients or economically disadvantaged persons.	20	0	\$141,960
CUBIC DEFENSE SYSTEMS	San Diego Manufacturing	Integrated range systems for military applications	MS, MRP, OA, SPC, VESL	Workers had to be retrained on new systems or face displacement.	0	821	\$875,367
CUMMINS CAL PACIFIC, INC.	San Diego Manufacturing	Generator systems, truck engines & parts for heavy equipment	CS, MS, OA, Sales Techniques, Engine Diagnostics	Retrained workforce in new systems & procedures so company can remain competitive.	0	121	\$281,859
DATUM, INC.	Orange Manufacturing	Precision timing instrumentation	CS, MRP, SPC, TQM	Workers had to be retrained in skills needed for conversion to high-performance workplace, company would lose market share & workers would be displaced.	0	23	\$39,896
DAY RUNNER, INC.	Orange Manufacturing	Paper-based personal organizers	CS, MS, OA	Retrained workforce to adapt to a high-performance workplace.	0	155	\$145,369

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
DONAL MACHINE, INC.	Sonoma Manufacturing	Machine shop	PT, SPC, TQM	Trained workers in skills needed in high-performance workplace.	0	35	\$68,472
DYNCORP, GOVT. SERVICES GRP., NORCO DIV.	Riverside Services	Engineering & technical services for military applications	MS, OA	Workers had to be retrained in new computer system or be laid off due to company's loss of competitive position.	0	125	\$160,828
ESCALON PACKERS, INC.	San Joaquin Food processing	Fresh pack tomatoes	PT, TQM, MRP, OA, SPC	Retrained workers to adapt to high-performance workplace.	0	12	\$20,841
FAIRFIELD-SUISUN ADULT SCHOOL	Solano Services	Job training & placement	OA	Retrained unemployment recipients & exhautees in skills in local demand.	58	0	\$180,020
FENDER MUSICAL INSTRUMENTS	Riverside Manufacturing	Musical instruments & equipment	MS, SPC	To remain competitive & avoid worker layoffs, retrained workers to improve product quality.	0	306	\$667,978
FOUNDATION FOR EDUCATION ACHIEVEMENT	San Diego Services	Vocational training	OA	Provided computer skills to small/medium sized businesses that faced worker displacements.	90	717	\$1,119,941
FRESH FOODS OF CALIFORNIA, INC.	Los Angeles Food processing	Processes fruits & vegetables for wholesale distribution	CS, MRP, OA, PT, Sales Tech, TQM	Prepared workers to operate new systems & equipment.	0	23	\$61,963
FRIEDMAN BAG COMPANY, INC.	Los Angeles Manufacturing	Packaging products	TQM, OA, MRP	Workers had to be retrained for high-performance workplace or be displaced.	0	76	\$115,497
GENERAL ELECTRIC AVIATION	San Bernardino Miscellaneous	Turbo engine repair & service	PT, TQM	Implemented new systems to boost competitiveness; workers needed training.	0	64	\$76,288
GLENDALE COMMUNITY COLLEGE	Los Angeles Services	Vocational training and job placement	Hazardous materials management	Trained workers for small businesses threatened by out-of-state competition.	0	144	\$212,976
GLENDALE COMMUNITY COLLEGE	Los Angeles Services	Vocational training and job placement	TQM	To avoid layoffs and remain viable, businesses implemented new TQM methods; workers needed training.	0	777	\$1,253,070
GLENDALE COMMUNITY COLLEGE	Los Angeles Services	Vocational training and job placement	CAD/CAM	Retrained workers subject to displacement as small businesses diversified.	0	263	\$435,002

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
GLENDALE COMMUNITY COLLEGE	Los Angeles Services	Vocational training and job placement	OA	Retrained employees who faced displacement unless skills were updated.	0	1,155	\$1,434,510
GNB BATTERY TECHNOLOGIES	Los Angeles Manufacturing	Automotive & marine lead-acid batteries	CS, OA, PT, SPC, TQM	Retrain workforce to respond to customer demands for reduced costs & delivery time.	0	224	\$508,128
GOLDEN BEAR PACKAGING, INC.	Santa Clara Manufacturing	Corrugated paper products	CS, SPC	Implemented improvement system to meet ISO 9000 requirements.	0	4	\$5,272
GRAY SYSTEMS	San Diego Services	Computer sales, service & repair	Network engineering	Workers needed specialized skills for firm to remain competitive.	0	4	\$31,708
HARRIS MANUFACTURING, INC.	Fresno Manufacturing	Fabricate metal parts & welded assemblies	CAD/CAM, MS, OA, PT, TQM, MRP	Must upgrade worker skills as firm adapts to high-performance workplace.	0	28	\$70,333
HAWKER PACIFIC	Los Angeles Manufacturing	Overhaul & repair of landing gear for military & commercial aircraft.	MS, SPC, TQM, Hydraulic Maintenance, Hazardous Materials	Trained workers to adapt to a high-performance workplace.	0	116	\$152,615
HEINZ USA --STOCKTON	San Joaquin Food processing	Base tomato products	MS, OA, PT, SPC, TQM	Retrained workforce to achieve quality & speed necessary to remain competitive.	0	22	\$29,812
HEINZ USA-TRACY	San Joaquin Manufacturing	Base tomato product	MS, OA, PT, SPC, TQM	Retrained workers transitioning to a high-performance workplace.	0	43	\$64,455
HOLT BROTHERS	San Joaquin Manufacturing	Sell & service heavy equipment	Automotive repair, CS, OA	Upgraded processes and computers to remain competitive.	0	100	\$93,142
HOTEL DEL CORONADO CORP.	San Diego Services	Resort hotel	TQM	Adapted to a high-performance workplace.	0	100	\$139,202
INDUSTRIAL BOXBOARD CORP.	Alameda Manufacturing	Cardboard boxes, foam cushioning & wood crates	Asbestos removal, SPC, TQM	Adapted to a high-performance workplace.	0	18	\$43,992
INLAND CONTAINER CORPORATION	Alameda Manufacturing	Corrugated packaging	MS, OA, SPC	Established a high-performance workplace to remain competitive and maintain jobs.	0	92	\$115,376
K*TEC ELECTRONICS	Santa Clara Manufacturing	Cable & harness assembly for computers	SPC, TQM	Workers needed new skills to implement SPC & TQM program.	0	34	\$84,677

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
KAISER ELECTRONICS	Santa Clara Manufacturing	Avionics for military aircraft	MS, OA, PT, SPC, Asbestos removal	Staff had to be retrained or be displaced due to out-of-state competition.	0	108	\$103,317
KLA INSTRUMENTS CORP.	Santa Clara Manufacturing	Automated monitoring & process control systems	CS, MS, MRP, SPC	To remain competitive & maintain jobs, company retrained workforce to adapt to high-performance workplace.	0	69	\$67,602
KRAFT FOODS, INC.	Orange Manufacturing	Food products	Mtc/Install Tech., MS, OA, PT, SPC, TQM	Retrained workers to reduce costs and increase production or face plant closure.	0	121	\$195,230
LAZAR INDUSTRIES, INC.	Los Angeles Manufacturing	Furniture & home furnishings	PT, TQM	Retrained workers to increase efficiency & decrease operating costs to remain competitive.	0	37	\$66,504
LITTON GUIDANCE & CONTROL SYSTEMS	Los Angeles Manufacturing	Inertial navigation systems	CAD/CAM, MRP, OA	Retrained workers who faced displacement due to out-of-state competition.	0	241	\$219,994
LONG BEACH MORTGAGE COMPANY	Orange Finance	Mortgage loan packages for the secondary market	CS, MS, OA	Implemented new computer systems in response to out-of-state competition & needed to retrain workforce.	0	49	\$59,111
LOS ANGELES CHAPTER NATIONAL TOOLING & MACHINING ASSOC.	Los Angeles Services	Metal machining	CNC	Retrained workers in advanced technology to prevent their displacement.	0	288	\$771,264
LOS ANGELES CHAPTER, NATIONAL TOOLING & MACHINING ASSOC.	Los Angeles Services	Metal machining	CNC	Trained new hires for employers who located or expanded in California.	217	0	\$1,334,452
MEGATEST CORP.	Santa Clara Manufacturing	Test equipment for the semiconductor industry	MS, OA	Workers faced displacement unless retrained for new technology.	0	36	\$38,641
MORRISON KNUDSEN CORP.	Contra Costa Manufacturing	Railroad and rail transit cars	PT	Retrained workers whose jobs were threatened by out-of-state competition.	0	92	\$105,432
NATIONAL ALLIANCE OF BUSINESS	Los Angeles Manufacturing	Job training & placement	CS, MS, SPC, TQM, Sales Techniques	Retrained workers of companies threatened by out-of-state competition.	0	419	\$656,612
NORTHROP AIRCRAFT DIVISION	Los Angeles Manufacturing	Military & commercial aircraft & parts	PT	Product innovations necessitated retraining workers.	135	105	\$427,957

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
OAKLAND UNIFIED SCHOOL DISTRICT	Alameda Services	Education	OA	Provided new hire training for GAIN recipients.	59	0	\$276,486
PAPER-PAK PRODUCTS, INC.	Los Angeles Manufacturing	Medical & industrial paper products	MS, MRP, OA, PT	Trained workers to adapt to new systems and standards.	0	16	\$30,768
PERRIN MANUFACTURING COMPANY	Los Angeles Manufacturing	Molded plastic products	OA, PT, SPC	Retrained workers to adapt to a high-performance workplace necessitated by out-of-state competition.	0	60	\$103,619
PILKINGTON BARNES-HIND	San Diego Manufacturing	Contact lenses	MS, OA, PT	Implemented company-wide quality & productivity improvements.	0	257	\$250,458
RALEY'S SUPERMARKET & DRUGS	Yolo Retail	Full-service supermarket	CS, MS, OA, PT	Retrained workers in company threatened by out-of-state competition.	0	72	\$70,125
RALEY'S SUPERMARKET & DRUGS	Yolo Retail	Full-service supermarket	MS, OA, Sales Techniques	Retrained frontline workers in response to out-of-state competition.	0	887	\$816,944
ROHR INDUSTRIES	San Diego Manufacturing	Aircraft propulsion components	Asbestos removal, CAD/CAM, MS, OA, PT, TQM	Training was necessary to preserve jobs threatened by out-of-state competition.	0	238	\$142,375
SAF-T-CAB, INC.	Fresno Manufacturing	Roll-over protection structures	CAD/CAM, MS, MRP, OA, PT, TQM	Trained workers in skills needed in high-performance workplace.	0	41	\$118,276
SAFETRAN SYSTEMS CORPORATION	Los Angeles Manufacturing	Railroad signaling components	CAD/CAM, MS, MRP, OA, PT, SPC, TQM	Retrained workers to adapt to a high-performance workplace.	0	156	\$256,582
SAN FRANCISCO BAY AREA NATIONAL TOOLING & MACHINING ASSOC.	Santa Clara Services	Metal machining	CNC	Machine shops needed more workers with computer-assisted machining skills in order to compete with firms from other states.	131	69	\$945,889
SEAGATE TECHNOLOGY	Santa Cruz Manufacturing	Magnetic disk drives for computer systems	MS, OA, SPC	Had to upgrade employee skills to adapt to high-performance workplace & remain competitive.	0	70	\$78,492
SEE'S CANDIES, INC.	Statewide Retail	Candy	CS, MS, PT, Sales Techniques	To improve sales, workers were retrained in new systems & procedures.	0	263	\$176,728
SENSORMEDICS CORPORATION	Orange Manufacturing	Cardiopulmonary sensing equipment	CS, MS, SPC, TQM	Adapted to high-performance workplace.	0	142	\$295,122

APPENDIX B COMPLETED CONTRACTS

CONTRACTOR	CNTY./IND.	PRODUCT/SERVICE	# TYPE OF TRAINING	REASON FOR TRAINING	NEW HIRES	RETRAINEE	EARNED
SIMPSON PAPER COMPANY	Los Angeles Manufacturing	Finished paper	CS, MS, OA, PT, TQM, Preventative Maintenance	Retrained workers to function in a high-performance workplace.	0	248	\$540,675
SMART AND FINAL, INC.	Los Angeles Retail	Feed & grains	CS, OA	Retrained workers faced with displacement due to out-of-state competition.	0	73	\$90,639
SOFTWARE LOGISTICS CORPORATION	Alameda Services	Software diskettes & manuals	CS, MS, MRP, PT, SPC	Retrained workers whose jobs were threatened by out-of-state competition.	0	4	\$3,024
ST MICROWAVE CORP.	Santa Clara Manufacturing	Precision components such as mixers, convertors, filters & oscillators	MS, MRP, SPC	Converted from defense to commercial applications & needed to retrain employees & suppliers in new methods.	0	75	\$115,029
SYBRON DENTAL SPECIALTIES	Los Angeles Manufacturing	Management & administrative support	OA	Retrained workers to remain competitive with foreign competition.	0	51	\$45,900
TAG MANUFACTURING, INC.	Santa Clara Manufacturing	Precision sheet metal fabrication	OA, PT, SPC, TQM	To meet customer quality expectations, had to retrain workers in new techniques.	0	34	\$82,703
TELEDYNE CONTROLS	Los Angeles Manufacturing	Avionics & ground support equipment	CS, MS, OA, PT, SPC, Sales Techniques	Retrained workforce & suppliers' employees subject to displacement due to out-of-state competition.	0	106	\$113,312
TETRA PAK MATERIALS	Los Angeles Manufacturing	Paper cartons	CS, PT, SPC	Trained workers to provide skills needed in a high-performance workplace.	0	43	\$41,773
THE COPPER CONNECTION	Santa Clara Services	Job training & placement	CAD/CAM, OA	Trainees were subject to displacement due to out-of-state competition.	0	450	\$1,239,335
TOUCHE MANUFACTURING CO., INC.	Santa Clara Manufacturing	Fabricated metal products	PT, SPC, TQM	Upgraded employee skills to satisfy higher customer requirements.	0	59	\$134,807
TRUE GROOVE MACHINE CO., INC.	San Bernardino Manufacturing	Machine shop products	TQM	Workers were retrained due to demands for higher quality coupled with increased out-of-state competition.	0	12	\$19,048
U.S. TSUBAKI	Los Angeles Manufacturing	Power transmission products	TQM	Implemented TQM program to remain competitive; had to retrain workforce.	0	11	\$14,443

**APPENDIX C
COMPLETED CONTRACTS WITH LITERACY TRAINING**

Contractor	Occupation(s)	No. Of Trainees	Type of Training	Type of Literacy	# of Basic Hours	# of Total Hours	Total Cost per Trainee
Adams Rite International Sabre	Production Workers	12	SPC, ISO	VESL	120	306	\$2,950
Baxter Healthcare Corp	Production Workers	69	PT, SPC, CS	Math	20	133	\$1,244
	Production Workers	47	PT, SPC, CS	VESL/ Math	50/20	183	\$1,723
C. C. Industries	Machinists, Mechanics	20	PT	VESL	60	210	\$2,007
CMA/B/E Aerospace	Assembler, Tester, Inspector	35	PT, CS, SPC	Math	20	328	\$2,878
CMA/Groundfos Pumps	Production Workers	61	PT, SPC	Math	20	120	\$1,154
Community Center Education	Clerical (New Hires)	15	CS, OA	Math	20	325	\$5,370
Cubic Defense Systems	Production Worker	25	SPC	VESL	30	124	\$1,468
	Production Worker, Technical/Clerical	10	SPC	VESL	30	124	\$839
Escalon Packers, Inc.	Cookroom Operator, Supervisor	1	PT, TQM, MRP, SPC	VESL/ Math	20/20	295	\$3,069
Fresh Foods of California	Quality Control Officer	1	PT, TQM	VESL	60	296	\$2863
	Productions Workers	1	TQM, Sales	VESL	60	286	\$2,652
General Electric Aviation	Handler	64	PT	Math	20	125	\$1,192
Golden Bear Packaging, Inc.	Administrative & Customer Service Staff	4	SPC	Math	20	156	\$1,509
Hawker Pacific	Production Support	4	SPC	VESL	40	202	\$1,565
Heinz USA -- Stockton	Mechanics	2	PT	Math/ VESL	20/20	128	\$1,220

Contractor	Occupation(s)	No. Of Trainees	Type of Training	Type of Literacy	# of Basic Hours	# of Total Hours	Total Cost per Trainee
Heinz USA -- Tracy	Production Workers	4	PT, TQM	Math/ VESL	20/20	238	\$2,295
	Production Workers	1	PT	VESL/ Math	20/20	235	\$2,242
Industrial Boxboard Corporation	Helpers	6	SPC, TQM	VESL/ Math	48/20	296	\$2,876
Lazar Industries, Inc.	Production Workers	8	PT	VESL	48	130	\$1,701
	Supervisor, Foreman, Upholsterer	29	TQM, PT	VESL	20	188	\$1,824
Pilkington Barnes-Hind	Production Workers	181	PT	Math/ VESL	10/30	100	\$954
Sensormedics Corporation	Production Workers	25	SPC	VESL	120	306	\$2,950
Tag Manufacturing, Inc.	Assemblers, Leads, Supervisors	31	SPC	VESL/ Math	60/20	180	\$2,507
Touche Manufacturing Co., Inc.	Welder, Mechanic, Assembler	44	PT	VESL	83	225	\$2,150
Unisil Corporation	Production & Maintenance Workers	253	SPC	Math/ VESL	20/26	150	\$1,446

APPENDIX D TERMINATED CONTRACTS

The following contracts were approved by the Employment Training Panel, but were terminated during 1995-96 prior to completion of the contract term. The table includes a brief description of each contract and the reason for termination. In some cases, some training occurred, but in others training never began. Most of the following 42 contracts were terminated due to changed economic conditions, company reorganization, or contractor perception of excessive ETP paperwork requirements.

CONTRACTOR	COUNTY/INDUSTRY/ PRODUCT	#PLANNED TRAINING/REASON FOR TRAINING	REASON FOR TERMINATION
Abekas Video Systems, Inc.	San Mateo County Manufacturing Video production equipment	144 current employees MS, MRP, SPC, TQM Needed to retrain workers to respond to foreign and out-of-state competition.	Company was sold. New management did not wish to continue training and requested termination of contract.
Air Products & Chemicals Inc.	Los Angeles County Manufacturing Industrial chemicals	28 current employees PT, SPC, TQM Retraining was necessary for retention & expansion of manufacturing workforce in State.	Contractor terminated because of slow application & development process, and lengthy documentation process.
Cair Systems	Orange County Services Develops and sells specialized software and hardware for the insurance industry.	72 current employees CS, MS, OA Needed to train workers in new systems or face displacement due to out-of-state competition.	The loss of a major customer necessitated a workforce reduction and training was suspended. Company requested contract termination.
Cal-Sytle Furniture	Los Angeles County Manufacturing Metal based casual dining furniture	359 current employees MRP, PT Quality improvements were necessary to meet out-of-state competition.	Company was sold and requested termination.
Concept Health Group, Inc.	Los Angeles County Services Medical services provider	168 current employees MS, OA, SPC, TQM Retrain workers in TQM & SPC to redesign operations & improve processes or face going out of business.	The company requested termination due to financial hardship.

CONTRACTOR	COUNTY/INDUSTRY/ PRODUCT	#PLANNED TRAINING/REASON FOR TRAINING	REASON FOR TERMINATION
Davis Wire Corporation	State Wide Manufacturing Steel & wire products	310 current employees VESL, CS, MS, OA, SPC, TQM, Equipment Maintenance Workers must be retrained to maintain quality while improving productivity.	Requested termination, citing changes in management.
Digidesign, Inc.	San Mateo County Manufacturing Audio hardware and software	119 current employees MRP, SPC Must retrain workers in improved process control in order to remain competitive.	Terminated due to the change of operating models and the company merged with Avid Technology Inc.
Diversey Corporation	Los Angeles County Manufacturing Cleaning & sanitizing supplies for industry	34 current employees CS, SPC, TQM Retraining workers to adapt to a high-performance workplace.	The plant ceased operations.
DowBrands L.P.	Fresno County Manufacturing Plastic film & zippered plastic bags	83 current employees MS, PT, SPC, Team, Maintenance To maintain competitiveness, must retrain workforce to function in a high-performance workplace.	The company requested termination due to the closing of a product line and severe downsizing.
Eaton Leonard, Inc.	San Diego County Manufacturing Metal forming machinery	44 current employees TQM, Statistics Diversifying products to meet out-of- state competition & preserve jobs.	Due to changes in organization, company terminated contract.
Guy F. Atkinson	San Mateo County Construction Heavy construction such as dams, power plants, mine facilities, bridges, & airfields	42 current employees MS, OA, TQM Implementing new MIS & related processes. Workers must be retrained to operate new systems or face displacement.	The firm requested termination because they did not believe they could meet the contract requirements.
Haagen-DazsCompany, Inc.	Tulare County Retail Ice cream	512 current employees CS, MS, MRP, OA, PT, SPC, Sales Retraining workers to provide skills required in a high-performance workplace.	Contractor requested termination due to changes in company management.

CONTRACTOR	COUNTY/INDUSTRY/ PRODUCT	#PLANNED TRAINING/REASON FOR TRAINING	REASON FOR TERMINATION
Image Laboratories Inc.	Ventura County Manufacturing Hair care products	100 current employees CS, MS, OA, PT, SPC Retraining for workers subject to displacement due to out-of-state competition.	Changes in upper management and reorganization impacted the company's ability to proceed with training.
InterWest Insurance Services	Sacramento County Insurance Personal & commercial insurance products & services	70 current employees OA, Sales Needed to update employees' skills to prevent their displacement.	Requested termination because of workload demands.
Karus Corporation	Santa Clara County Manufacturing Labels and related items	31 current employees OA, PT, SPC, Team Concepts Retraining workers to adapt to a high-performance workplace.	Contractor requested termination because they believed they could not fulfill the ETP contract requirements.
Levi Strauss Associates, Inc.	San Francisco County Manufacturing Apparel	2,400 current employees Team Concepts Retraining workers threatened by out-of-state competition to function in a high-performance workplace.	Company was undergoing internal change and had a shift in training priorities. ETP terminated the contract because no training took place.
Medaphis Physician Services Corporation	San Diego County Services Provider of business management services to health care industry	564 current employees Advanced Systems Training Workers face displacement due to out-of-state competition unless retrained in new technology.	Training was dependent upon implementation of a new computer system which was indefinitely postponed. Contractor requested termination of contract.
Mitchell International	San Diego County Manufacturing Repair & replacement information on automobiles, heavy equipment & real property	397 current employees OA Workers subject to displacement unless retrained in new systems necessary to keep company competitive.	The two re-engineering projects driving the contracted training have both been delayed. The company will be coming back to the Panel in late 1996 for funding.
Nutrius	Tulare County Manufacturing Fish oil extracts for poultry farms	52 current employees CS, MS, SPC Continuing transition to high- performance workplace.	Requested contract termination because of director's resignation and need to renovate plant.

CONTRACTOR	COUNTY/INDUSTRY/ PRODUCT	#PLANNED TRAINING/REASON FOR TRAINING	REASON FOR TERMINATION
Ortho Mattress, Inc.	Los Angeles County Manufacturing Mattress sets	83 current employees MS, MRP, OA, PT, Sales Retrain workforce subject to displacement due to out-of-state competition.	Requested termination because of poor economic conditions.
Pacific Electriccord	Los Angeles County Manufacturing Electrical cord	69 current employees SPC, TQM Must change to a high-performance workplace or face worker displacement.	Due to economic conditions, and the company's need for immediate attention to inventory levels, profitability, and cutbacks, they decided to terminate contract.
Peninsula Engineering	Santa Clara County Manufacturing Mobile transmission hardware & software	83 current employees CAD/CAM, MS, MRP, OA, PT, SPC, TQM Training to provide workers with skills necessary in high-performance workplace.	Company requested contract termination because of economic conditions.
Price Pfister, Inc.	Santa Clara County Manufacturing Faucets & valves	220 current employees VESL, problem solving, Machine operator Must retrain workforce to implement new technology and remain competitive.	Company decided to alter some of their processes and associated training requirements; requested termination.
QSC Audio Products Inc.	Orange County Manufacturing Musical instrument amplifiers	195 current employees OA, PT Must retrain to implement new technology .	Due to business conditions, the company was unable to comply with the contract terms.
Science Application Internat'l Corp	San Diego County Miscellaneous Research & development	24 current employees CAD/CAM, OA Retraining workers to facilitate transition to high-performance workplace.	Contractor requested termination because of changes in the company's financial condition.
Sensym, Inc.	Santa Clara County Manufacturing Pressure sensors & transducers for automotive & medical instrumentation	95 current employees PT, SPC, Team Concepts The firm is introducing high- performance work methods & workers must be retrained or face displacement.	The company believed they could not meet ETP guidelines for reimbursement and requested contract termination.

CONTRACTOR	COUNTY/INDUSTRY/ PRODUCT	#PLANNED TRAINING/REASON FOR TRAINING	REASON FOR TERMINATION
Silicon Valley Group	Santa Clara County Manufacturing Diffusion furnaces	169 current employees TQM, SPC, MRP Retraining workers to convert to a high-performance workplace.	Dramatic increase in sales prevented company from releasing employees for training. Requested termination of contract.
Silicon Video Corporation (SET)	Santa Clara County Manufacturing Flat panel display products	91 new hires and 13 current employees MRP, PT, SPC, TQM SET project for training front line workers.	Trainees were working 10 to 12 hours a day to meet training hours and production needs. This created a hardship for the workers; as a result the contractor requested termination.
Specialty Fluid Products Inc.	Orange County Manufacturing Fluid control products	22 current employees MRP, SPC, TQM Training to transition to a high- performance workplace.	Due to reduction of sales to one of their major customers and the resulting cutbacks in their work force, it was no longer feasible for company to continue contract.
Standard Cabinet Works Inc	Los Angeles County Manufacturing Custom architectural woodwork	58 current employees CAD/CAM, OA, PT, SPC Workers subject to displacement unless skills are upgraded.	Terminated contract because of new owners and financial conditions.
State of the Art	Orange County Manufacturing Microcomputer-based software products	299 current employees CS, MS, computer programming Retrain employees to transition to high-performance workplace.	The company requested to terminate because they felt that ETP would not allow contract changes as company needs changed. They also believed the program administrative burden was too great.
Superior Thread Rolling Co.	Los Angeles County Manufacturing Metal products	10 current employees MRP Implementing new systems to remain competitive and must upgrade employees' skills.	Request to terminate because required curriculum is too extensive. The company cannot afford to have key employees in class for the necessary amount of time.
The Dickens Group	San Mateo County Manufacturing Book bindery	59 current employees CS, MS, SPC, TQM Retraining workers to effect transition to a high-performance workplace.	Because of changes in business conditions, the company felt they could not continue the training project and requested termination.
Tropitone High Performance	Orange County Manufacturing Outdoor patio furniture	37 current employees CS, OA, SPC, TQM Conversion to high-performance workplace requires retraining workers to do jobs in new ways.	Request to terminate, due to exceptionally strong sales and no time to do training.

CONTRACTOR	COUNTY/INDUSTRY/ PRODUCT	#PLANNED TRAINING/REASON FOR TRAINING	REASON FOR TERMINATION
Tycom Corporation	Orange County Manufacturing Precision drill bits for printed circuit board industry	110 current employees CS, MS, OA, PT, SPC Workers subject to displacement unless retrained so company can respond to out-of-state competition.	Contractor requested termination due to perception that administrative requirements were too burdensome.
UFE, Inc.	Orange County Manufacturing Plastic components for medical devices and business equipment	52 current employees MS, TQM, Team Concepts Workers subject to displacement unless retrained to jobs in new ways.	The firm requested contract termination. Economic conditions required them to cease manufacturing operations in California.
UNOCAL-Cert Department	Los Angeles County Manufacturing Petroleum products	115 current employees OA, Asbestos Removal, Hazardous Materials Training for displaced workers.	Terminated contract due to difficulties with implementation.
Vander-Bend Precision Sheet Metal, Inc.	Santa Clara County Manufacturing Precision fabricated sheet metal parts	57 current employees TQM Worker jobs at risk unless they acquire skills needed in continuous improvement environment.	Request to terminate because they cannot dedicate the required hours of employee time to the training.
Vulcan Forge	Santa Clara County Manufacturing Impression moldings	49 current employees PT, SPC, TQM Training to adapt to high- performance workplace.	Company requested project termination, because they decided to focus on other aspects of the business during this critically important year in their history.
Western Constructors Training Trust	Los Angeles County Manufacturing Petroleum products	373 current employees Pipewelder, Laborer, Craftsman, Hazardous Waste Technician Workers subject to displacement.	Company ceased doing business and requested termination of training.
Weyerhaeuser Mortgage Co.	Los Angeles County Finance Residential mortgage services	553 current employees CS, MS, OA Must retrain workers on new computer systems implemented in response to out-of-state competition.	Contractor requested termination because of changes in the industry and the perceived inflexibility of the ETP contract provisions.
World Call Telecommunications, Inc.	Statewide Transportation\Communication Long distance telecommunication service	230 current employees CS, MS, OA, TQM Workers face displacement unless company adapts to high- performance workplace.	Business merged. Will concentrate efforts on building their business and furthering their position in the marketplace rather than on training.

#	TYPE OF TRAINING	#	TYPE OF TRAINING
CAD	Computer Assisted Design	SPC	Statistical Process Control
CAM	Computer Aided Manufacturing	TLC	Team Leadership and Communication
CNC	Computer Assisted Numerical Control	TQM	Total Quality Management
CS	Customer Service	VESL	Vocational English as Second Language
JIT	Just In Time		
MS	Management Skills		
MRP	Manufacturing Resource Planning		
Math	Basic Math Skills		
OA	Office Automation		
PT	Production Techniques		

APPENDIX E ACTIVE CONTRACT SUMMARY

The following summarizes contracts that were approved prior to fiscal year 1995-96 and were still active as of July 1, 1996:

Contracts Active as of July 1, 1996	
Active Training Contracts	129
Millions Approved for Training	\$66.9
Persons Targeted for Training and Employment	38,708
Contracts Targeting Small Businesses	40

Job-linked literacy training is included in many of the active projects. Training represented is reading, math, business English, and Vocational English as a Second Language (VESL). The active projects with literacy training, include:

Literacy Training	
Contracts with VESL Component	24
Contracts with Basic Math Component	15

TYPES OF TRAINING

Most Frequent Types of Training:

Office Automation (OA)
 Statistical Process Control (SPC)
 Management Skills (MS)
 Production Techniques (PT)
 Total Quality Management (TQM)

THE EFFECTS OF TRAINING

1. The effects of training on the performance of the individual.
2. The effects of training on the performance of the organization.
3. The effects of training on the performance of the industry.
4. The effects of training on the performance of the economy.
5. The effects of training on the performance of the society.

Job-aided therapy training is known to many of the active projects. The project is related to training with business English and vocabulary. The project is related to the active project with therapy training. The project is related to the active project with therapy training.

1. The effects of training on the performance of the individual.
2. The effects of training on the performance of the organization.
3. The effects of training on the performance of the industry.
4. The effects of training on the performance of the economy.
5. The effects of training on the performance of the society.

TYPE OF TRAINING

1. The effects of training on the performance of the individual.
2. The effects of training on the performance of the organization.
3. The effects of training on the performance of the industry.
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5. The effects of training on the performance of the society.

The Annual Report was prepared by the Planning and Research Unit Staff: Ada Carrillo, Terri Caudle, John Klug, Carroll Miller, Mike Rice, Beverly Roberts, Elizabeth Slape, and Karen Tsuda.

Additional copies of the Annual Report may be obtained through the Employment Training Panel, 1100 J Street, 4th Floor, Sacramento, CA 95814 (916) 327-5643.

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