



Training Proposal for:
Fresno County Workforce Investment Board (WIB)
Agreement Type: \$75,000 or Less
Agreement Number: ET09-0516

Panel Meeting of: **March 27, 2009**

ETP Regional Office: **Sacramento**

Analyst: K. Ohta

CONTRACTOR:

- Type of Industry: Services
- Priority Industry: Yes No
- Number to be Trained: 112
- Repeat Contractor: Yes No
- Substantial Contribution: Yes No

CONTRACT:

- Training Project Profile: SET/HUA/New Hire
Veterans
- Program Costs: \$66,688
- Multiple Employer Support: \$5,428
- ETP Funding Amount: \$72,116
- In Kind Contribution: \$84,725
- Average Cost per Trainee: \$578
- Post Retention Wage: \$23.64
- Health Benefits: \$2.00 per hour
- Occupations to be Trained: Utility Workers, System Operators, Electricians
- Training Menu:
 - Business skills
 - Commercial skills
 - Computer skills
 - Cont. Improvement
 - Literacy skills
 - Management skills
 - Manufacturing skills
 - Other:

- Advanced Technology: Yes No
- Range of Hours: 24 - 40 Weighted Average: 32
- Multiple Job Numbers: Yes No
- County(ies) Served: Fresno, Shasta
- Union Representation: Yes: International Brotherhood of Electrical Workers, AFL-CIO Local Union 1245
- Subcontractor: To Be Determined
- Third Party Services: Strategy Workplace Communications of San Mateo provided Development and Administrative Services for an amount not to exceed 13% of payment earned.

INTRODUCTION

In this proposal, Fresno County Workforce Investment Board (Fresno WIB) seeks funding for retraining as outlined below:

The Fresno WIB is responsible for providing oversight and policy direction for the utilization of Workforce Investment Act (WIA) funds in Fresno County. The WIB is composed of 42 individuals representing business, one-stop partners, community-based organizations, local education entities, economic development agencies, and labor.

The proposed project will help fund a new program: training for high-paying, high-demand energy sector positions. These positions include utility workers, system operators, and electricians. This is a new hire, pre-apprentice program that will feed qualified candidates to energy utility employers where they will take a general entrance exam, then begin employment in the energy utility field. Once hired by one of the participating employers, they will enter an apprentice program that will last four to seven years, depending on the occupation and previous work experience.

All trainees who successfully complete the program, pass the general exam, and are hired by one of the participating employers will become members of the International Brotherhood of Electrical Workers (IBEW) Local 1245. The union is in full support of the proposed program.

Fifty-two trainees will be enrolled under Job Number 1, as New Hires. Sixty trainees will be enrolled under Job Number 2, part of the Veterans Pilot Project. The number of veterans was determined by the percentage of participants in Fresno WIB pilot version of this program.

Special Employment Training (SET) participating employers are not required to demonstrate out-of-state competition, although trainees must be earning at least the statewide average hourly wage at the end of retention. (Unemployment Insurance Code 10214.5. Title 22, California Code of Regulations, Section 4409(a).) Both Job Numbers will be funded under SET.

Fresno WIB qualifies for SET funds because the participating employers do not face out-of-state competition.

The 112 trainees in Job Numbers 1 and 2 also work in a High Unemployment Area (HUA). HUA projects qualify for a modified post-retention wage of up to 25% below the state wide average. (Title 22, CCR, Section 4429(b).) However, Fresno WIB is not asking for this modification.

PROJECT DETAILS

Employer Demand and Need/Reason for Training

Participating employers have identified the following reasons for additional training for workers.

Retiring workforce – according to the Center for Workforce Development, 2007 Workforce Service Report:

- *Electric and natural gas utilities will be facing worker shortages earlier than most other segments of the economy;
- *Median age of workers in the industry is 44, by 2012;
- *Nearly 40% of line-worker jobs may need to be filled;
- *Roughly 46% of all engineering jobs could become vacant;
- *52% of generation technicians will reach retirement eligibility; and
- *More than 50% all power plant operators will be replaced.

Pacific Gas and Electric's study of its own workforce reported findings similar to the nationwide 2007 Workforce Services Report:

- *Will need to hire over 1,000 high-wage (\$70K -\$100K) workers over the next three years;
- *Median age is 46, with 17 years tenure;
- *42% of employees will become eligible to retire over the next five years; and
- *To bring employees to journey level status requires 4-12 years of apprentice training.

While employers need to hire more workers, they are finding that many applicants are not prepared for the Apprentice program and as few as 35% are passing the General Entrance Exam. Of the 70 participants who completed the pilot program, over 73% passed the exam.

Retention Modification

Retention for Job Number 2, The Veterans Pilot, may be satisfied by employment of at least 30 hours a week for at least 90 consecutive days, with one employer. For occupations in which workers are hired for short-term jobs, retention may be satisfied by employment of at least 500 hours within 180 days, with up to three eligible participating employers. Incidental placement with public and non-profit entities is permissible, not to exceed 35% of the total number of trainees retained in employment.

Marketing and Recruitment

In its first round of marketing, Fresno WIB has identified companies to participate in the ETP program and contacted them about participation. Should funding be approved, Fresno WIB will publicize the availability of training through its network of One-Stop Career Centers. The participating employers will promote the program through job fairs, schools, community-based organizations, the union, public service announcements, and news releases.

Trainer to Trainee Ratio

Fresno WIB is requesting to modify the trainer to trainee ratio from 1:20 to 1:28 to fit the community college model, and therefore: (a) provide access to experienced college instructors; and (b) allow Fresno WIB to offer more training hours than would otherwise be possible. Each class will consist of ETP program participants only, who will make for a more focused and goal-oriented classroom environment than if the trainees were mixed with the general student population. This same number was used during the pilot program and was found to be successful.

Apprentice Occupations

Title 22, CCR, Section 4403.1(a) states that “The Panel shall not fund training projects that replace, parallel, supplant, compete with or duplicate existing apprenticeship programs.” Fresno WIB representative states that the Utility Workers Union of International Brotherhood of Electrical Workers, AFL-CIO Local Union 1245 (IBEW) does not have a traditional “hiring hall” of apprentices comparable to unions representing the building and construction trades. According to Fresno WIB representatives, IBEW members are all employed by energy and utility companies and IBEW is not a party to any of the various building and construction trade unions. Fresno WIB representatives state that while a trainee could potentially move into an apprenticeship with a participating employer, the training outlined in this proposal is broad in scope and is not specifically designed to feed into an apprenticeship program. Since trainees participating in this project will be learning general industrial skills, ETP funding will not replace, compete with, or duplicate any existing approved apprenticeship program.

Curriculum

The training hours in the program is 240 hours which was determined by the colleges and Pacific Gas and Electric to provide a comprehensive training program aimed at preparing candidates for pre-employment testing and potential interviews with one of the participating employers. Fresno WIB has found other sources to pay for the first 200 hours of this proposed training and Fresno WIB will use ETP funds for the remaining 40 hours of each trainee's training.

The training curriculum outlined below was developed as a joint effort between the employers, participating employers, and colleges and it is customized to address the needs of the industry.

Business Skills training will prepare trainees for professional employment in the various utility industry sectors. Training will include communication skills and time management.

Commercial Skills will allow trainees to become familiar with the general use of industry tools and equipment. Training will cover multiple utility sectors including water, gas, and electric. Other topics will include Energy Conservation Strategies and Confined Space Training.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal with a modification to the post-retention modification and trainer to trainee ratio. This project will provide the trainees with the opportunity to gain skills that lead them into secure jobs with career potential.

PRIOR PROJECTS

The following table summarizes performance by the Fresno WIB under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET03-0366	Fresno	06/30/03 06/29/05	\$23,242	*\$17,110

*The contractor trained and retained 63% of the planned number of trainees and earned approximately 73% of the total Agreement.

**Participating Employers in New Hire / Retrainee
Multiple Employer Contracts**

Contractor's Name: Fresno County Workforce Investment Board (WIB) CCG No.: ET09-0516

Reference No: 09-0400

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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Grace Construction

Address: 14421 Old Oregon Trail, Suite A

City, State, Zip: Redding, CA 96003

Collective Bargaining Agreement(s): IBEW Local 1245

Estimated # of employees to be retrained under this Agreement: 5

Total # of full-time company employees worldwide: 43

Total # of full-time company employees in California: 43

Company: Pacific Gas and Electric Corporation

Address: One Market Plaza

City, State, Zip: San Francisco, CA 94105

Collective Bargaining Agreement(s): IBEW Local 1245

Estimated # of employees to be retrained under this Agreement: 60

Total # of full-time company employees worldwide: 20,000

Total # of full-time company employees in California: 20,000

Company:

Address:

City, State, Zip:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Company:

Address:

City, State, Zip:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

IBEW  **LOCAL UNION 1245**

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MICHAEL DAVIS, PRESIDENT

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5 December 2008

Employment Training Panel
1100 "J" Street, 4th Floor
Sacramento, California 95814

Dear Panel Members:

This letter is to advise you that the International Brotherhood of Electrical Workers Local 1245 is in support of the Employment Training Panel program proposed by the Fresno County Workforce Investment Board. We believe the proposed training program will expand job candidates' skills to help them succeed in careers in the electric utility industry.

We are enthusiastic about the project's potential and look forward to a successful training program.

Sincerely,



TOM DALZELL
Business Manager

TD:kmk