

Training Funds for California Food Manufacturers:

How to earn the funding your tax dollars are paying for!



ECONOMIC INCENTIVES
ADVISORY GROUP

alchemy
Smart action at work.

Bryant Colman, Economic Incentives Advisory Group

David Smith, Alchemy Systems

Jessica Nahabedian, Amy's Kitchen, Inc.

September 7th, 2017



Introduce Speakers



Bryant Colman
Managing Principal
Economic Incentives
Advisory Group



David Smith
Area Representative
Alchemy Systems



Jessica Nahabedian
*Manufacturing Training
Manager*
Amy's Kitchen

Agenda

- 1) California ETP Program
- 2) Training
- 3) Amy's Kitchen
- 4) Q&A

California ETP Program



What is the California ETP Program?

The Employment Training Panel (ETP) is a business and labor supported state agency that assists employers in strengthening their competitive edge in the economy by providing funds to partially off-set the costs of necessary job skills training.

- The California ETP program has been in place since 1982
 - Over **\$1.3 billion** has been awarded since the start of the program
 - Over 80,000 businesses have applied and been awarded these funds
- In the state's current fiscal year, there is \$91 million set aside
 - The maximum award per employer is \$750,000
 - The state will reimburse Employer for training expenses based on a per person, per hour formula
 - **The funds are awarded on a first come, first-served basis**



Eligibility Requirements

- To qualify, the employer must have a presence/facility in California
- They must employ residents of the state of California
- Participating employees must be full-time
- Participating employees must participate in at least 8 hours of training and a maximum of 200 hours during a 2 year period
- Participating employees must earn an ETP minimum wage



Funding Source

- Employers have been contributing to this program through a payroll surcharge
- The payroll surcharge is assessed based on a small percentage of taxable wages paid to an employee
- In the field to the right, you will see an example of this payroll surcharge
 - It is called an **Employment Training Tax (in yellow)**



You can file this adjustment form online through the Employment Development Department's (EDD) e-Services for Business. Please visit our website at www.edd.ca.gov. See *Instructions for Completing the Quarterly Contribution and Wage Adjustment Form (DE 9ADJ-1)* for completing this form.

QUARTERLY CONTRIBUTION AND WAGE ADJUSTMENT FORM

STATUTE OF LIMITATIONS
A claim for refund or credit must be filed within three years of the last timely filing date of the quarter being adjusted.

SECTION I: (PLEASE PRINT)

BUSINESS NAME _____

YEAR / QUARTER

Select: _____

ADDRESS _____

EMPLOYER ACCOUNT NO. _____

CITY, STATE, ZIP CODE _____

REASON FOR ADJUSTMENT _____

	(1)	(2)	(3)
	Previously reported	Should have reported	DIFFERENCES Debit/(Credit)
SECTION II: ADJUSTMENT TO WAGES AND CONTRIBUTIONS			
A. TOTAL SUBJECT WAGES.....	0.00	0.00	0.00
B. UNEMPLOYMENT INSURANCE (UI) Taxable Wages.....	0.00	0.00	0.00
C. STATE DISABILITY INSURANCE (SDI) Taxable Wages.....	0.00	0.00	0.00
D. EMPLOYER'S UI CONTRIBUTIONS (UI Rate _____ % times B).....	0.00	0.00	0.00
E. EMPLOYMENT TRAINING TAX (ETT Rate _____ % times B).....	0.00	0.00	0.00
F. STATE DISABILITY INSURANCE (SDI) Withheld (SDI Rate _____ % times C; complete Box 1 below if credit on row F.).....	0.00	0.00	0.00
G. PERSONAL INCOME TAX (PIT) Withheld (Complete Box 2 below if credit on line G.).....	0.00	0.00	0.00
H. SUBTOTAL (Lines D, E, F, and G).....	0.00	0.00	0.00
I. Penalty (Refer to instructions on DE 9ADJ-1).....			0.00
J. Interest (Refer to instructions on DE 9ADJ-1).....			0.00
K. Erroneous SDI Deductions not refunded (See Box 1, NOTE below).....			0.00
L. Less contributions and withholdings paid for the quarter.....			0.00
M. Total taxes due or overpaid (H2 + I + J + K) - L.....			0.00

BOX 1. STATE DISABILITY INSURANCE OVERPAYMENTS (Must be completed for credit to be allowed.)
1. Was the credit claimed in column 3 withheld from the wages of employee(s)? Yes No
If yes, has this amount been refunded to employee(s)? Yes No
NOTE: The EDD cannot refund these contributions to you unless you first refund the erroneous deductions to the employee(s). (List each employee name, Social Security Number, and amount of SDI not refunded.)

BOX 2. PERSONAL INCOME TAX OVERPAYMENTS (Must be completed for credit to be allowed.)
If you paid the Employment Development Department (EDD) more than the amount of California PIT withheld from wages of employee(s), you can adjust the amount reported by using this form. The EDD will allow credit adjustments prior to the issuance of Forms W-2. **If you have already issued Forms W-2, please read the additional information on page 2 before proceeding.**
1. Was the credit claimed in column 3 withheld from the pay of employee(s)? Yes No
If yes, has this credit been refunded to employee(s)? Yes No
2. Was the credit claimed in column 3 included on Forms W-2 issued to employee(s)? Yes No

Be sure to sign this declaration: I declare that the information herein is true and correct to the best of my knowledge and belief.
Signature _____ Title _____ Phone (____) _____ Date _____
(Owner, Accountant, Preparer, etc.)

SIGN AND MAIL TO: Employment Development Department / P.O. Box 989073 / West Sacramento, CA 95798-9073



Industry Peers That Have Benefited

Approximately 270 food manufacturing companies have been awarded since 2013 (below are a few of these companies)

✓ Amy's Kitchen, Inc.	\$514,080.00	✓ Dole Packaged Foods	\$424,320.00
✓ Blue Diamond Growers	\$174,560.00	✓ Mariani Packing	\$203,128.00
✓ Califia Farms	\$230,220.00	✓ Stemicks Heritage Foods	\$184,440.00
✓ Diamond Foods, Inc.	\$434,454.00	✓ Nichols Farms	\$423,000.00
✓ Glanbia Nutritionals	\$261,700.00	✓ Sutter Home Winery, Inc.	\$522,250.00
✓ Cargill Meat	\$608,670.00	✓ Ventura Foods	\$324,000.00

Training



Examples of Training Course Topics

- ✓ Business Skills Training
- ✓ Preventing Food Contamination
- ✓ Continuous Improvement Training
- ✓ HazMat Training
- ✓ Manufacturing Skills & Safety Training
- ✓ HACCP
- ✓ Electrical Safety
- ✓ New Packing Line Training
- ✓ Coaching Skills
- ✓ Lockout Tagout
- ✓ Aerial Lift/Scissor Lift Certification
- ✓ GMP's: Effective Handwashing Techniques
- ✓ Intro to Food Allergens – Refresher
- ✓ Lift Truck Safety
- ✓ NAV System Training
- ✓ Intro to Food Safety Standards
- ✓ Scaler Raw Materials Training
- ✓ CAT 7 Training
- ✓ Line 1 Ball Weight Measuring Training
- ✓ GMP's: Promoting Personal Hygiene
- ✓ Raw and Cook Waste Recording
- ✓ Preventing Foodborne Illness
- ✓ Water Meter Training
- ✓ Slips, Trips & Falls

Training Methods

- **Classroom training** is formal instruction in a classroom setting provided to a group of individuals, in a classroom setting removed from the trainees' usual work environment, meeting regularly for training in a specific skill under the constant and direct guidance of a qualified instructor
- **Laboratory training** is “hands-on” instruction or skill acquisition conducted in a non-productive environment or simulated work setting, generally away from the trainee’s work station, under the direction and supervision of a laboratory trainer. The trainer’s time during laboratory training must be dedicated exclusively to the instruction of trainees
- **Class/lab training** is a combination of the above two or ***Employer’s Instructor-Led Training***. Most training hours are listed as such to allow for lecture and practice during the same time period in the same location
- **Productive Laboratory** Hands-on training under the direction and supervision of a trainer dedicated exclusively to the instruction of the trainees. Training will be designed to provide trainees with the opportunity for closely supervised, on-the-job-training at the worksite. ***Employer’s COACH Training***

Class size is limited to a ratio of 1 class/lab trainers to 20 trainees; and the ratio of productive lab trainers to trainees is 1:1 (up to 1:3 can be approved)

Tracking Training

Tracking training will be critical to ensure Employer receives credit.

- The cost per trainee is earned only when a trainee completes all training, the 90-day retention period, and receives at least the wage specified in the Agreement
- You will be reimbursed for the exact number of training hours provided to each trainee. Each trainee must complete at least the minimum number of hours specified in the Agreement in order for you to receive reimbursement

How To Proceed:

- Single-day and multi-day instructor-led and Coach training will be captured in Alchemy
- Reports will be created in Alchemy Manager and exported consisting of the eligible training. We must upload/enter this data within 90 days of the date of training delivery
- Employer will work with consultants who will help provide technical assistance, status reports and tracking/monitoring assistance
- As benchmarks are met, EIAG will invoice the state on behalf of Employer

Site Visits

- Approximately 30 days after the start of training, the first monitoring visit will be conducted
- Subsequent visits will be scheduled every five to six months or sooner, as needed
- During a monitoring visit, the ETP Analyst will do any or all of the following:
 - Review the number of trainees entering, progressing through, or completing training and/or the retention period
 - Review the training schedule
 - Review the curricula
 - Observe training in session
 - Interview trainers and trainees
 - Review recordkeeping
 - Validate invoices

Amy's Kitchen



Amy's Kitchen

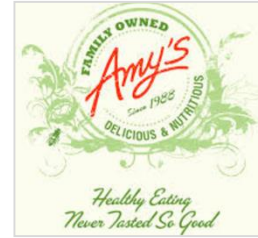


Who are we

- Food Manufacturer based in Northern California
- 1,094 California based employees
- Priority Industry (Manufacturing)
- Not in High a Unemployment Area

ETP Reimbursement Rate:

- \$22/hour veterans
- \$18/hour classroom & hands on training
- \$20/hour job creation
- \$8/hour eLearning



Amy's Kitchen – Types of Training Submitted



Training Topic	Tracking System	\$
Manufacturing Staff Food Safety & Workplace Safety Annual	Alchemy Player	\$194,000
Diversity & Inclusion	Alchemy Player	\$10,000
Sanitation Staff Chemical Safety	Alchemy Player	\$4,000
Continuous Improvement	Alchemy Player	\$2,000
Office Staff Food Safety	Alchemy eLearning	\$10,000
PIT (Forklift, Electric Pallet Jack, Scissor Lift)	Alchemy Coach (Paper)	\$68,000
Kitchen & Maintenance Hands on Training	Alchemy Coach (Paper)	\$80,000
ERP (New System)	Alchemy Instructor Led (Paper)	\$65,000
Leadership	Alchemy Instructor Led (Paper)	\$70,000
PCQI Certifications	Alchemy Instructor Led (Paper)	\$6,000
IT Staff (Project Management, Technical, etc.)	Alchemy Instructor Led (Paper)	\$5,000
Total		\$514,000

Easy to Track w Alchemy Tools

More difficult to Track (not automated)

- Application Process:
 - Pre Application
 - ETP Site Visit
 - Develop 18 month Training Plan
 - Gather employee information
 - Complete ETP Proposal / LMS Approval
 - Present to ETP Panel

- Challenges:
 - 20 person class size max / 2nd Facilitator
 - Wage Threshold (16.16/hour, includes benefits)
 - Tracking Hands on Training and Paper Training records

Program Contacts

To Learn More About Alchemy Systems / EIAG – California ETP Solutions, please contact:

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Q&A



THANK YOU

