



Training Proposal for:

Belkorp AG, LLC

Agreement Number: ET17-0227

Panel Meeting of: September 23, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate SET HUA Veterans	Industry Sector(s):	Services Agriculture Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Mendocino, Merced, Napa, Sacramento, San Joaquin, Sonoma, Stanislaus	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 195	U.S.: 195	Worldwide: 195
<u>Turnover Rate:</u>	17%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$258,880		\$0	\$0		\$258,880

In-Kind Contribution:	100% of Total ETP Funding Required	\$300,000
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority Rate SET	Business Skills, Comm'l Skills, Computer Skills, Mgmt. Skills, OSHA 10, PL-Comm'l Skills	35	8-200	0-15	\$1,440	\$21.28
				Weighted Avg: 80			
2	Retrainee Veterans Priority Rate SET	Business Skills, Comm'l Skills, Computer Skills, Mgmt. Skills, OSHA 10, PL-Comm'l Skills	8	8-200	0-15	\$1,760	*\$15.60
				Weighted Avg: 80			
3	Retrainees Priority Rate SET HUA	Business Skills, Comm'l Skills, Computer Skills, Mgmt. Skills, OSHA 10, PL-Comm'l Skills	135	8-200	0-15	\$1,440	*\$15.60
				Weighted Avg: 80			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Number 1 (SET): Statewide Average Wage of \$21.28
 Job Numbers 2 (Veterans) & 3 (HUA): \$15.60 per hour in Stanislaus, Merced, San Joaquin and Mendocino counties; \$16.10 per hour for Sacramento County.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe
 Up to \$2.62 per hour to meet the Post-Retention Wage in Job Number 1; and up to \$4.10 per hour in Job Number 2 & 3.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Parts Specialist		6
Transporation Specialist		7
Technicians		6
Sales Staff		5
Frontline Manager		5
Administrative Support Staff		6

Job Number 2-Veterans		
Parts Specialist		1
Transportation Specialist		1
Technician		3
Sales Staff		1
Frontline Manager		1
Administrative Support Staff		1
Job Number 3-HUA		
Parts Specialist		25
Transportation Specialist		15
Technician		30
Sales Staff		10
Frontline Manager		25
Administrative Support Staff		30

INTRODUCTION

Founded in 2011 and headquartered in Modesto, Belkorp AG, LLC (Belkorp) sells and services farming equipment including mowers, tractors, harvesters and balers. The Company provides maintenance services for different brands, but specializes in John Deer. Belkorp clients include Zuckermann Family Farms and Victoria Island. This will be Belkorp's first ETP Agreement. The Company's facilities in Mendocino, Merced, Napa, Sacramento, San Joaquin, Sonoma and Stanislaus will participate in training.

PROJECT DETAILS

Belkorp assessed its internal processes and identified geographical areas with lower sales, determining staff requires product training. The Company has devised a training plan to increase product knowledge, efficiencies and sales.

Training will focus on John Deer equipment & software to promote product knowledge. Belkorp will provide training on project management and negotiation techniques to increase sales and client satisfaction. Training will also include internal processes, procedures and policies to increase facility efficiency.

Out-of-State Training

In-house experts will provide the majority of training; however, Belkorp requests to send approximately 73 trainees (Technicians, Parts Specialists, Frontline Managers) to Walla Walla, WA for John Deer training. This training is necessary for workers to effectively service and maintain John Deer equipment and this training is only offered in WA by John Deer. This training will make up less than 10% of trainees total training hours.

Training Plan

Training will be delivered via Class/Lab, Computer-Based Training (CBT) and Productive Lab (PL) training in the following:

Business Skills (25%): Training will be offered to all occupations to ensure customer satisfaction and increase communication. Courses will include Customer Service, Marketing and Sales Techniques and Problem Solving.

Commercial Skills (35%): Training will be offered to all occupations to increase product knowledge and increase facility efficiency. Courses will include Root Cause Analysis, Lean Procedure and Practices and New Product Training.

Management Skills (5%): Training will be offered to Frontline Managers to enhance the Company culture and increase promotion from within. Courses will include Effective Presentations for Leaders, Leadership and Team Building.

Computer Skills (15%): Training will be offered to all occupations. All trainees will receive training in John Deere specific software and Administrative Support Staff will train in Microsoft Office Suite. Training will ensure competency in all software programs.

OSHA 10 (5%): Technicians and Frontline Managers will receive OSHA 10 training to ensure a safe working environment. This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers. The coursework is geared to manufacturing work. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Productive Laboratory (15%)

Trainees may produce goods for profit as part of the Productive Lab (PL) training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Belkorp will train 102 Parts Specialists, Technicians and Frontline Managers to properly service and repair equipment used by the agriculture industry. This equipment includes Windrowers, Harvesters, Balers and Narrow Tractors. Training on this equipment will be at a much slower pace than regular maintenance and repair. The training will also result in higher errors as trainees become proficient in their roles. A subject matter expert will conduct training. The trainer will first demonstrate how to service the equipment and then supervise trainees using the equipment. The trainer will attest to the trainee’s competency once training is completed.

Training will be provided at a 1:1 trainer-to-trainee ratio. PL training is capped at 40 hours per trainee.

Veterans Program

The Panel has established a higher reimbursement rate and other incentives for training California veterans. Belkorp is committed to hiring and creating promotional opportunities for Veteran staff. Belkorp actively recruits veterans.

Frontline Managers

Frontline Managers directly supervise frontline workers and actively participate in servicing equipment. Belkorp’s Frontline Managers do not dictate policy and receive an hourly wage. Based on the nature and scope of their job duties, these trainees meet the Panel’s definition of frontline worker. As frontline workers, these trainees qualify for Special Employment Training (SET) funding and are not included in the percentage of managers and supervisors identified on Page 1 of this proposal.

Special Employment Training

Under SET, the employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must earn at least the statewide average hourly wage at the end of the retention period.

For trainees employed in a priority industry, the Panel may modify the wage up to 25% below the statewide average hourly wage (from \$28.37 to \$21.28). Belkorp requests this modification for Job Number 1.

➤ High Unemployment Area

Some trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by 25%. The Company's locations in Stanislaus, Merced, San Joaquin, Sacramento and Mendocino counties qualify as an HUA. These trainees qualify for the ETP Minimum Wage rather than the statewide average hourly wage. Belkorp request this wage modification for Job Numbers 2 & 3.

Commitment to Training

Belkorp has an annual training budget of \$201,690 for its California facilities. Training includes new-hire orientation, staff development and safety training. ETP funds will not displace their existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Belkorp has a detailed training plan and five staff members at its central location in Modesto dedicated to monitoring, tracking and scheduling training for this project. In addition, Belkorp has two staff members at each facility to oversee training at their respective facilities.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

John Deer of Walla Walla, WA has been retained to provide Commercial Skills training. Other trainers will be identified as they are retained.

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

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Marketing/Sales Techniques
- Negotiation Skills
- Project Management/Strategic Planning
- Accounting Legal Requirements
- Sales Skills
- Customer Service
- Problem Solving and Decision Making

COMPUTER SKILLS

- Microsoft Office (Advanced/Intermediate Only)
- Information Technology

COMMERCIAL SKILLS

- Root Cause Analysis
- Lean Procedures Practices
- Reworks
- Production Procedures
- Expertize Development
- John Deere Financial
- John Deere Hands on Mechanical
- Mechanical Skills
- Parts Specialist
- Technician Process
- New Servicing
- New Product Training and Core Essential
- Equipment Safety
- Forklift

OSHA 10 (Certified OSHA Instructor)

- OSHA 10 (Requires 10 hrs completion)

MANAGEMENT SKILLS (Frontline Managers Only)

- Effective Presentations for Leaders
- Supervisor Skills and Leadership
- Team Building

Productive Lab Hours

0-40

COMMERCIAL SKILLS (Ratio 1:1)

- John Deere Hands on Mechanical
- Rework
- Expertize Development

CBT Hours

0-15

COMMERCIAL SKILLS

- Hydraulic Systems II - Module B (5hrs)
- Electrical Methods & Techniques (7hrs)
- Electrical Diagnostics (7hrs)
- Service ADVISOR Methods & Techniques (3hrs)
- Tractors - Q-Diagnostics - 8R/8RT Series (3hrs)
- SPFH - Q-Diagnostics - 8000 Series (3hrs)
- Sell Yourself While Building Relationships (2hrs)
- Engine - Aftertreatment Systems (3hrs)
- JDIS Service Delivery - Service Technician (2hrs)
- Field Trial Demonstration Guide (2hrs)
- John Deere Warranty - The Technician's Role (4hrs)
- Diesel Fuel Fundamentals (2hrs)
- Q-Diagnostic Course Completion (10hrs)
- Parts ADVISOR™ (3hrs)
- ExactEmerge™ Simulator (1.5hrs)
- Dealer Path (1.5hrs)
- 2016 Deere Training Camp (5hrs)
- Managing Objections, Demanding Peoples (20hrs)
- How's Your Closing? Ask for the Order! (2hrs)
- Tractors – Changes and Improvements (3hrs)
- DTAC (Dealer Technical Assistance Center) (2hrs)
- 8000 SPFH Sales Essentials MY16 (2hrs)
- 2016 Large Ag Integrated Solutions Program (8hrs)

Safety Training cannot exceed 10% of total training hours per-trainee. This cap does not apply to OSHA 10

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee. PL is capped at 40 hours per-trainee.