



RETRAINEE - JOB CREATION

Training Proposal for:

Burr Pilger Mayer, Inc.

Agreement Number: ET16-0122

Panel Meeting of: July 24, 2015

ETP Regional Office: San Francisco Bay Area

Analyst: R. Jackson

PROJECT PROFILE

Contract Attributes:	Retrainee SET Job Creation Initiative	Industry Sector(s):	Financial Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	San Francisco, Contra Costa, Santa Clara, San Mateo, Solano, Napa	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 356	U.S.: 359	Worldwide: 360
Turnover Rate:	12%		
Managers/Supervisors: (% of total trainees)	N/A		

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$211,900</td></tr> </table>	Program Costs	\$211,900	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(Substantial Contribution)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(High Earner Reduction)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$211,900</td></tr> </table>	Total ETP Funding	\$211,900
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In-Kind Contribution:	100% of Total ETP Funding Required	\$211,900
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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 SET	Business Skills, Computer Skills, Continuous Impr	290	8-200	0-25	\$510	\$27.40
				Weighted Avg: 34			
2	Retrainee SET Job Creation	Business Skills, Computer Skills, Continuous Impr	100	8-200	0-25	\$640	\$12.33
				Weighted Avg: 32			

Minimum Wage by County: Job Number 1: \$27.40 per hour statewide. Job Number 2: \$13.70 per hour for Contra Costa, Santa Clara, San Francisco, and San Mateo Counties and \$12.33 per hour for Solano and Napa Counties.

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 \$4.31 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 and up to \$1.57 per hour may be used for Job Number 2.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Operations Staff		79
Client Service Associates		75
Client Service Project Lead		90
Client Service Project Manager*		15
Operations Project Manager*		12
Senior Operations Project Manager*		12
Senior Accounting Project Manager*		7
Job Number 2		
Operations Staff		50
Client Service Associates		50

*These are "front-line managers" qualifying for SET.

INTRODUCTION

Burr Pilger Mayer, Inc. (BPM), headquartered in San Francisco, is a full-service accounting and consulting firm providing tax services, business consulting and wealth management to individuals and companies. BPM has a diverse client base crossing many industry sectors including: technology (semiconductor, software, hardware, Internet/online media), life sciences, and financial services.

BPM does not face out-of-state competition and will be funded under Special Employment Training (SET) for frontline workers.

PROJECT DETAILS

The goal of the training project is to improve employee skills, increase productivity and enhance efficiency. An outcome of reaching this goal should be increased employee retention and promotional opportunities. The Company also hopes to encourage customized services through greater independence on the part of frontline staff.

Retrainee - Job Creation

The Panel is offering incentives to companies that commit to hiring new employees. Training will be reimbursed at a higher rate. Trainees will also be subject to a lower post-retention wage.

The Company expects to hire and train 100 new employees (Job Number 2), with a focus on recent college graduates, over the next two years. The Company must expand business capacity to keep pace with market demands. The newly hired populations will be spread statewide and accommodated in their existing offices where space is currently available.

BPM's annual revenue growth has averaged more than 20% per year for the last several years. This is attributed in part to rapid industry changes stemming from new legislation. These changes are positively affecting business by expanding markets and increasing customer demand overall. BPM has projected rapid expansion, growing from a \$75M firm to a \$100M firm over the next five years.

BPM represents that the date-of-hire for all Job Creation trainees will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of the Agreement.

Training Plan

This will be BPM's second ETP Agreement. Of the 390 trainees, 175 are receiving training for the first time. The remaining repeat trainee population will be receiving training in topics they have not previously been trained on under the prior ETP agreement. Topics repeated from the prior agreement will only be attended by new employees or employees that have not attended before.

Business Skills (50%): This training will be offered to all occupations. Because of the complex issues related to accounting practices and regulations, BPM employees must clearly articulate business solutions to customers. Training will include Communication and Presentation Skills, Negotiation Skills, Business Writing Skills, and Marketing & Support. Trainees will gain the skills to coach others, give professional presentations and manage projects within their work areas.

Computer Skills (25%): This training will be offered to all occupations. Training will enable trainees to create databases, spreadsheets, reports, charts, graphs and professional presentation materials for clients. The training will also provide an understanding of Cloud Computing, project management tools, online meeting tools, customer management software, several database tools, and analysis tools related to various financial tax, audit, and accounting processes.

Continuous Improvement (25%): This training will be offered to all occupations and involves leadership skills and communications tools to reinforce BPM's commitment to creating a high performance workplace and expansive business development. Training will ensure that individuals responsible for coaching, mentoring, or managing projects are consistent with BPM's procedures. Trainees will gain the skills to work individually and on teams to effectively deliver services. The topics aim to help trainees learn how to solve problems, make effective decisions, and generate innovative ideas to solve customers' business issues.

CBT and E-learning

While the majority of the training being delivered will be in-house instructor led classroom training, BPM does intend to deliver some training topics as E-learning. BPM understands original instructor signatures are required and trainer-to-trainee ratios must be within the ETP required 1:20 ratio. Additionally, Computer-Based Training will be provided for items that can be taken by employees at their own pace without instructors. CBT is restricted to no more than 50% of a trainee's total training hours. E-learning and CBT methods of training offer the Company additional ways to deliver training at the convenience of the training population.

Commitment to Training

BPM uses training to express their on-going commitment to employee advancement and recognition in an effort to retain employees and equip them with skills to optimize service delivery and product development.

BPM's past training efforts included new hire orientation, temporary worker training, compliance training, Health & Safety, basic computer skills, 40 hours towards CPA Certification and special training requests – budget permitting. The annual budget for training is currently \$750,000, up from \$350,000 for prior years.

BPM represents that ETP funds will not displace the existing financial commitment to training. Safety training will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

The ETP-funded program will be managed by a dedicated internal training staff and an internal administrator who managed BPM's recently completed ETP Agreement. They also have a subcontracted consultant to assist with program administration.

Impact/Outcome

While CPA units are managed separately from ETP-funded training, the extra training from ETP funds is considered to be a valuable addition. The proposed training is anticipated to help the firm attract new business and develop new products and services by reinforcing a high performance workplace. BPM maintains that training is an attractive incentive for Tax Professionals to join the firm. For its customers, observing a bustling internal training infrastructure is a clear selling point.

SET Frontline Worker

The Company uses several job classifications with a "supervisor" or "manager" in the title. These employees do not have the ability to hire or fire, and they spend the majority of their work hours as frontline workers performing the same responsibilities as other employees in their occupation.

Based on the nature and scope of their job duties, these employees are a mixture of exempt and non-exempt employees. Therefore, they meet the Panel's definition of frontline workers.

LMS

A previously reviewed and approved Learning Management System will be utilized to track training.

Temporary to Permanent Hiring

The trainees in Job Numbers 1 and 2 may come under Panel guidelines for "temporary to permanent" employment. BPM has retained a small group of employees (estimated 20) through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by BPM. Until then, the Company will not receive progress payments for these trainees.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0133	Statewide	10/01/2012-09/30/2014	\$320,445	\$212,872 (66%)

The lower than expected performance was due, in part, to recordkeeping issues. In addition, the Company did not adjust for its cycle of peak business periods, which continuously interrupted training. These problems were made worse by the fact that the Training Manager was transferred to a new position six months after ETP approval. For better performance on this proposal, the Company has assigned a staff member familiar with ETP's contract requirements to back up the Training Manager. The Company will also schedule training during off-peak times, avoiding the cyclical peak periods.

DEVELOPMENT SERVICES

BPM retained California Training Administration in San Jose to assist with development of this proposal for a flat fee of \$2,500.

ADMINISTRATIVE SERVICES

BPM also retained California Training Administration to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab and E-learning Hours

8-200 Trainees may receive any of the following:

COMPUTER SKILLS

- Accounting Research
- Active Data
- Adobe
- Bloomberg BNA
- CCH IntelliConnect Tax Research System
- Engagement Tax Training II
- Epace Audit Software
- Finance/Accounting Tools
- Go File Room (GFR)
- Halogen Evaluation System
- Learnlive
- Lync Messenger
- M-3/Dynalinking Tax Software
- Marketing Tools
- Microsoft CRM
- Microsoft Dynamics CRM System
- MicroSoft Tools (Intermediate/Advanced only)
- MicroSoft Quickbooks
- New Systems Training
- Optimization Training Tax Software
- Paylocity Payroll System
- PPC SMART Practice Aid Audit Research System
- Practice Management Billing System
- ProSystems fx Tax Software
- QuickBooks Advanced
- Sharepoint
- Social Media Tools (LinkedIn, Twitter)
- SurePrep Tax Software
- Taleo HR System
- RIA Checkpoint Tax Research System

BUSINESS SKILLS

- Accounting and Auditing Update
- Accounting Methods & Techniques
- Best Practices/Expectations
- Business Acumen
- Business Development
- Business Writing Skills
- Client Relationship and Management
- Consumer Product
- Corporate Tax Techniques
- Cross Selling Skills
- Effective Presentation
- Financial Planning
- Financial Services

- Flow-Through Entity
- High Net Worth Individual
- Influential Communication
- International Tax
- Technical Writing Utilizing Regulatory Guidance
- Negotiation Skills
- Nonprofit Accounting & Audit
- Pension Plan
- Planning & Support
- Professionalism
- Small Business Accounting
- State and Local Taxes
- Stock Compensation
- Tax Rules & Regulation Update
- Technical Research – Case Studies
- Trusted Advisor

CONTINUOUS IMPROVEMENT

- High Performing Teams
- Coaching Others to Excellence
- Efficiency and Quality Improvements
- Problem Solving/Process Improvement
- Project Management Skills
- Team Building/Team Meetings
- Leadership Essentials:
 - Influential Communication
 - 5 Habits of Intentional Leadership
 - Conflict Resolution
 - Managing and Leading Change
 - Getting Things Done through Influence
 - Situational Leadership

CBT 0-25

Trainees may receive any of the following:

COMPUTER SKILLS

- Software Training (1.5 hr)
- Tax/Audit Technical (3 hr)
- MicroMash/PassOnline (2 hr)
- Cloud Computing (1hr)
- Excel 2010 Database Development (1hr)
- Managing and Analyzing Data in Excel 2010 (1.5hrs)

BUSINESS SKILLS

- Revenue Recognition Update (2hrs)
- Compilation, Review, and Preparation (1hr)
- Business Succession Planning: Case Studies (2hrs)

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.