



**Training Proposal for:
Duarte Nursery Inc.**

Agreement Number: ET16-0349

Panel Meeting of: January 22, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Seasonal HUA	Industry Sector(s):	Agriculture Wholesale Trade Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	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: 490	U.S. : 490	Worldwide: 490
<u>Turnover Rate:</u>	3%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$333,000		\$0	\$0		\$333,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$350,000
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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 HUA	Business Skills, Continous Improvement, Computer Skills, Commercial Skills	300	8-200	0	\$900	* \$11.70
				Weighted Avg: 50			
2	Retrainee Priority Rate Seasonal HUA	Commercial Skills, Continuous Improvement	100	8-200	0	\$630	* \$11.70
				Weighted Avg: 35			

* 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 (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Numbers 1 & 2: \$11.70 per hour for Stanislaus 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

Job Numbers 1&2 may use up to \$1.70 per hour to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Supervisor		60
Production Worker		150
Clerical Staff		90

INTRODUCTION

Founded in 1988, Duarte Nursery Inc. (Duarte) (www.duartenursery.com) is a commercial grower located in Hughson. Duarte specializes in growing commercial plants for the farming industry. These products include Avocado trees, various fruit trees, nut trees and grapevines. In addition to selling their products directly to independent farmers, Duarte's products are also sold at nursery retail stores. Duarte meets the Panel's standards for out-of-state competition based on its NAICS-Classification in the crop production industry.

PROJECT DETAILS

Over the past three years, Duarte has experienced growth at a rate of 15%. This is due in large part to the fact that four of Duarte's clients have begun to export products internationally. As the export of Duarte's trees and plants increases, demand rises, triggering a need for training.

In order for Duarte to meet the increasing needs of their clients, they conducted an eight week training course for supervisors with Dale Carnegie. This program identified areas of waste and created a culture of leadership among supervisors. Duarte used the information gathered from this training to develop an in-depth and companywide training program. This training program is intended to increase process efficiencies, client satisfaction and offer transferable skills to incumbent staff.

Training Plan

Duarte's training plan will focus on LEAN techniques, Process Improvement, and Customer Satisfaction skills. As outlined below:

Business Skills (10%): Training will be provided to Clerical Staff and Supervisors to enhance customer satisfaction and problem solving skills. Courses will include Root Cause Analysis, Critical Thinking, and Customer Service Skills. These courses will increase trainee's skill sets and allow them to promote within the agricultural industry.

Commercial Skills (60%): Training will be provided to all occupations in relation to job duties to increase efficiency and reduce waste. Courses will include LEAN Skills and Process Improvement Skills. These courses will allow Duarte to grow and compete with larger businesses.

Computer Skills (15%): Training will be provided to Clerical Staff to increase efficiency in tracking and shipping inventory. Courses will include Microsoft Word and Microsoft Excel.

Continuous Improvement (15%): Training will be provided to all occupations in relation to job duties to enhance communication and safety skills among incumbent staff. Courses will include Communication, Conflict Resolution, and Safety Skills.

Commitment to Training

Duarte currently has an annual training budget of \$350,000 which includes companywide production training. Job specific training encompasses Lean Techniques and basic skills for entry-level positions. ETP funds will not displace the 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

The Human Resources Manager along with other Human Resources Professionals will be responsible for scheduling training and collecting completed rosters.

HUA Wage Modification

All trainees in this proposal work in a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. The Company's location in Stanislaus County qualifies for HUA status under these standards.

The Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Duarte is requesting a modification for the trainees in Job Numbers 1 & 2 (HUA) from \$15.60 to \$11.70 per hour.

Retention Modification - Seasonal

Under the Seasonal Worker program, the trainees in Job Number 2 qualify for a modified retention period of no less than 500 hours within 12 months of the end-of-training. This retention

period recognizes the cyclical nature of crop production. Duarte requests this retention modification for trainees in Job Number 2.

Impact/Outcome

Duarte's expectations for training are to improve efficiency among incumbent workers. They are also expecting to increase customer satisfaction and process consistency.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Root Cause Analysis
- Critical Thinking
- Customer Service
- Leadership

COMPUTER SKILLS (Advanced/Intermediate Only)

- Microsoft Word
- Microsoft Excel

CONTINUOUS IMPROVEMENT

- Communication
- Conflict Resolution
- Safety
- Coaching
- Professional Conduct

COMMERCIAL SKILLS

- LEAN Manufacturing
- Process Improvement

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.