

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
Emerald Kingdom Greenhouse LLC**

Small Business

ET17-0208

Approval Date: August 16, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

CONTRACTOR

- Type of Industry: Manufacturing
Agriculture
Priority Industry: Yes No

- Number of Full-Time Employees
California: 10
Worldwide: 10
Number to be trained: 25
Owner Yes No

- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 10%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$39,000
- In-Kind Contribution: \$45,000

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 SB <100 HUA	Business Skills, Computer Skills, Manufacturing Skills	10	8-60	0	\$1,560	\$11.70
				Weighted Avg: 60			
2	Retrainee Job Creation Initiative Priority Rate SB <100	Business Skills, Computer Skills, Manufacturing Skills	15	8-60	0	\$1,560	*\$10.00
				Weighted Avg: 60			

*It will be made a condition of contract that the trainees in Job Numbers 1 & 2 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. Furthermore, the ETP Agreement will escalate Post-retention wage to \$10.50 effective January 1, 2017 for this proposal.

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Shasta & Trinity
- Occupations to be Trained: Administrative Staff, Production Staff and Sales Staff
- Union Representation: Yes
 No
- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: Law Offices of David Clark of Redding assisted with development services for a flat fee of \$3,900.
- Administrative Services: Law Offices of David Clark will also assist with administration for a fee not to exceed 13% of earned funds.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 2014, and headquartered in Redding, Emerald Kingdom Greenhouse LLC (Emerald) manufactures and sells climate-controlled greenhouses and automated climate control components. The Company's products are purchased by clients in agriculture Industries for crop production purposes, in an effort to combat reduced agricultural production brought about by drought conditions. Emerald has locations in Redding and Weaverville. Both facilities will participate in training under this Agreement.

Need for Training

As a small manufacturer, Emerald must remain competitive and distinguish itself as the best choice for customers. To stand above the competition, Emerald will deliver structured training in three basic areas.

First, training will focus on newly purchased robotic machinery that will increase production efficiencies and increase trainee's skills. Second, the Company will deliver training on the newly purchased Epicor to ensure best practices in tracking products, invoicing for services and monitoring merchandise in transit. This training will allow Administrative Staff to provide the most accurate information to clients regarding products and services. Lastly, the Company will focus on customer service training to will allow staff to better serve existing clients and effectively market themselves to new clients.

Retrainee- Job Creation

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Training for newly hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Emerald is increasing existing business capacity by adding a permanent graveyard production shift to its current operations. This new shift will allow Emerald to manage the anticipated increase in demand.

Emerald has committed to hiring 15 new employees (Job Number 2). The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

High Unemployment Area (HUA)

Trainees in Job Numbers 1 & 2 work in High Unemployment Areas (HUA), with unemployment exceeding the state average by 25%. The Company's locations in Shasta and Trinity counties qualify for the ETP Reduced Standard Wage rather than the Standard Wage. The Panel may modify the ETP Standard Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages.

For Job Number 1, Emerald is requesting a wage modification from \$15.60 to \$11.70 for 10 incumbent staff. For Job Number 2 retrainees, Emerald is requesting a wage modification from \$12.77 to \$10.00 for 15 newly hired trainees. As noted in the training plan table, this wage will escalate to \$10.50 as of January 1, 2017 in keeping with state minimum wage law.

Training Plan

Business Skills: Training will be provided to all occupations as related to job duties to enhance customer satisfaction and increase effective communication. Courses will include Communication Skills, Customer Needs Analysis and Customer Service skills.

Computer Skills: Training will be provided to Administrative Staff and Sales Staff on EPICORE to increase efficiency in invoicing and tracking inventory. Courses will include EPICORE, New Account Set Up and Override Defaults.

Manufacturing Skills: Training will be provided to Production Staff to enhance production efficiencies. Courses will include Programming Controllers, Quality Control Techniques and Emergency Maintenance.

RECOMMENDATION

Staff recommends approval of this proposal.

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

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

- Communication Skills
- Customer Service
- Guideline Responses to Inquiries
- Customer Need Analysis
- Fact Based Communication

COMPUTER SKILLS

- EPICORE
- New Account Set Up
- Override Defaults

MANUFACTURING SKILLS

- Programming Controllers
- Robotic Controls
- Quality Control Techniques
- Equipment Maintenance
- Safety Procedures

Safety Training will be limited to 10% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.
