RETRAINEE - JOB CREATION

Training Proposal for:

Optima Tax Relief, LLC

Agreement Number: ET17-0139

Panel Meeting of: July 22, 2016

ETP Regional Office: San Diego **Analyst:** K. Campion

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Veterans	Industry Sector(s):	Financial Services Priority Industry: ☐ Yes ☒ No
Counties Served:	Orange	Repeat Contractor:	☐ Yes ☒ No
Union(s):	☐ Yes ☒ No		

Number of Employees in:	CA: 380	U.S.: 380	Worldwide: 380
Turnover Rate:	5%		
Managers/Supervisors: (% of total trainees)	6%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	**Total ETP Funding**
$108,801		$0	$0		$108,801

In-Kind Contribution:	100% of Total ETP Funding Required	$139,782

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	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	259	8 - 200	0	$315	$16.51
				Weighted Avg: 21			
2	Retrainee Job Creation	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	42	8 - 200	0	$560	*$13.76
				Weighted Avg: 28			
3	Retrainee Veterans Job Creation	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	6	8 - 200	0	$616	*$14.00
				Weighted Avg: 28			

*It will be made a condition of contract that 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 Number 1: $16.51 per hour for Orange County; Job Number 2 (Job Creation): $13.76 per hour for Orange County; Job Number 3 (Veterans): $13.76 per hour for Orange 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 $1.46 per hour for Job 1; and up to $0.76 per hour for Job 2 may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1		
Analyst		20
Enrolled Agent		13
Associate & Support Representative		25
HR Professional		6
Specialist		70
Tax Consultant		70
Tax Preparer & Clerk		24
Helpdesk Technician		6
Payment Coordinator		10
Supervisor/Manager		15

JOB NUMBER 2		
Analyst		2
Enrolled Agent		1
Associate & Support Representative		4
Specialist		13
Tax Consultant		8
Tax Preparer & Clerk		9
Helpdesk Technician		2
Payment Coordinator		1
Supervisor/Manager		2
JOB NUMBER 3		
Specialist		4
Tax Preparer		2

INTRODUCTION

Founded in 2011 and located in Santa Ana, Optima Tax Relief, LLC (Optima) is a full service tax preparation and tax resolution company that specializes in resolving and reducing IRS or State tax debt for consumers (http://optimataxrelief.com/). Optima's services include Tax Consultations & Preparations, Tax Negotiations and Resolutions, Installment Payment Agreements, Partial Payment Settlement Agreements, Offer in Compromise, Tax Penalty Abatements, and other services for individual customers located across the country.

Due to a growing market share and increase in its customer base, Optima has increased its employee base from 158 full-time staff in 2013 to 380 today. Optima must ensure its workers are able to sustain the growing demand for the Company's services while maintaining the top-tier service customers have come to expect. This will require training.

Further, Optima must comply with the rapid changes in IRS, state, and local tax laws, codes, and regulations. To continue to provide customers with sound financial advice, and help resolve tax debt for consumers, Optima must look for new ways to increase and improve operations, and increase workers' job knowledge. To help meet this challenge, the Company has developed a company-wide, comprehensive training program.

The need for training is also driven by the implementation of new customer service and sales management software to be implemented in 2016. Optima is moving to a new *Salesforce* platform that will result in substantial changes to its customer service and sales processes, requiring staff training to navigate the new system applications.

Retrainee - Job Creation

In 2013 Optima increased its overall staff by 131 new positions. Sixty-one new positions were created in 2014. The Company estimates expansion will continue into 2016/2017, and forecasts adding 190 net new jobs in the next two years. The Company proposes to hire and train 48 under this proposal (Job Numbers 2 & 3). Optima is expanding its business capacity work space to include a new office building.

The date-of-hire for all trainees in the Job Creation program 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.

Veterans Program

The Panel has established a higher reimbursement rate and other incentives for training California veterans. All Veteran trainees will be classified as Job Creation, and hired under the benchmark period set forth in the Retrainee Job Creation guidelines.

Optima reports that it hires Veterans on a regular basis and is committed to hiring and training at least six Veterans under this Agreement (Job Number 3).

Training Plan

The majority of training will be delivered via class/lab by in-house instructors. Optima may hire training vendors to deliver training, but training vendors have yet to be determined.

Business Skills (30%) – This training will be offered to all occupations in order to improve customer service while increasing efficiency and standards with new internal procedures. Other projected benefits include improvements in operational procedures and improve workflow production.

Commercial Skills (30%) – This training will be provided to all occupations so trainees can better understand the new plan service models and pricing structures. Internal Revenue Service regulations continue to change and training is necessary to stay current and keep clients in conformance with these changes. Also, trainees will be better able to assist clients with up-to-date information that impacts deliverables.

Computer Skills (20%) – This training will be provided to all occupations so trainees can improve productivity by using database tools to navigate client plan specifications and data, become familiar with the ever changing Internal Revenue Service reporting and software applications. Other benefits include improving trainee ability to service clients with upgraded and improved client management software.

Continuous Improvement (20%) – This training will be provided to all occupations so trainees can learn how to set specific, measurable, attainable, and timely goals to improve operational effectiveness. Improved processes, systems and operational improvements are projected as a result of this training.

Commitment to Training

Optima currently spends approximately $35,000 per year on training that includes new-hire orientation, sexual harassment prevention, legally-mandated training, Supervisor 101 training, Leadership Skills, software application skills training, new-hire department specific job training, and on-the-job training.

ETP funds will not displace the Company's existing financial commitment to training. ETP training will help improve workers' skills resulting in improved operational effectiveness while enabling Optima to grow.

- Training Infrastructure

The Director of Human Resources will have program oversight and will be assisted by HR staff to schedule and implement the training plan, and ensure that all training is properly documented

according to ETP recordkeeping requirements. Optima will utilize an administrative subcontractor for enrolling and tracking trainees in the ETP online systems.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Training Funding Source (TFS) in Seal Beach assisted with development for a flat fee of $6,900.

ADMINISTRATIVE SERVICES

TFS will also perform administrative services for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 200 Trainees may receive any of the following:

BUSINESS SKILLS

- Accounting
- Coaching/Counseling
- Customer Service
- Communication Skills
- Delegation
- Employee motivation
- Internal Procedures
- Leadership
- Marketing
- Negotiation Skills
- Office Procedures
- Performance Development
- Time Management
- Workflow Production

COMMERCIAL SKILLS

- Audit Representation
- Case Management Review
- Currently Non Collectible
- Dispute Resolution
- Internal Revenue Service Procedures
- Installment Agreement
- IRS Audit Defense
- IRS Negotiations
- Lien Subordination
- Offer in Compromise
- Penalty Abatement or Adjustment
- Payroll Tax
- Reduce IRS Tax Debt
- Resolve Back Taxes
- State Tax Issues
- Tax Levies & Liens
- Tax Negotiation & Settlement
- Unfiled Returns (Non Filer)
- Wage Garnishment/Bank Levy Release

COMPUTER SKILLS

- Client Management System (CMS) database
- Desktop Troubleshooting
- File Management
- Human Resources Information System (HRIS)
- Java/Website Management
- Microsoft Office (Intermediate & Advanced)
- Payroll Systems Software

- Salesforce Application Skills
- Software Developer Tools

CONTINUOUS IMPROVEMENT

- Operational Efficiency/Effectiveness
- Performance Management & Goal Setting
- Process Improvements
- System Improvements

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