



**Delegation Order**

**Training Proposal for:  
Parker-Hannifin Corporation  
Agreement Number: ET17-0201**

**Approval Date:** August 22, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate HUA	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Stanislaus	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: 3,852	U.S.: 23,625	Worldwide: 50,000
<u>Turnover Rate:</u>	1%		
<u>Managers/Supervisors:</u> (% of total trainees)	15%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$57,024		\$0	\$0		\$57,024

In-Kind Contribution:	100% of Total ETP Funding Required	\$100,000
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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, Computer Skills, Manufacturing Skills	198	8-200	0	\$288	\$11.70
				Weighted Avg: 16			

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:** All trainees in Job Number 1 must earn at least \$11.70 per hour in 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

This employer does provide health benefits, but they will not be used to meet ETP Minimum wage requirements.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Managers		30
Production Staff		140
Administrative Staff		28

**INTRODUCTION**

Founded in 1968, and headquartered in Cleveland, Parker-Hannifin Corporation (Parker), manufactures and markets diesel fuel filters and water separators. The Company’s products are used by clients in the truck and tractor manufacturing industry. Parker has locations throughout the country. Parker has several divisions that are responsible for manufacturing different components. However, only the trainees at the Racor Division, located at the Modesto facility, will participate in ETP-funded training.

**Need for Training**

This will be Parker’s second ETP Agreement in the past five years. Under the previous Agreement, Parker’s training plan focused on increasing customer satisfaction and employee product knowledge in an effort to provide better service to company clients. The training plan focused on upgrading the skill sets of Contract Administrators, Purchasing Staff and Administrative Support Staff.

Training in this proposal will focus on waste reduction and increasing plant efficiencies. Over the past year, Parker has identified several areas of waste at their Modesto facility. In an effort to reduce waste, Parker will provide training to employees on 5s Kaizan to increase efficiencies

and provide a better product for their clients. This training will also give trainees transferable skills that will make them more promotable in the manufacturing industry.

To further encourage production efficiency, Parker will also provide training on Problem Solving and High Performance Teams to all occupations.

### **Commitment to Training**

Parker has an annual training budget of \$200,000 per facility. 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

Parker has a detailed training plan in place and two staff members dedicated to monitoring this project. Training will be delivered by internal subject matter experts in the manufacturing industry.

### **High Unemployment Area**

The 198 trainees in Job Number 1 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's Modesto facility in Stanislaus County qualifies for HUA status under these standards. Parker is asking for a wage modification for the trainees in Job Number 1 from \$15.60 per hour to \$11.70 per hour.

### **Training Plan**

**Business Skills (10%):** Training will be provided to all occupations related to job duties to enhance teamwork and problem solving skills. Courses will include Problem Solving, High Performance Teams and Business Strategy. These courses will increase trainee's skills, enabling them to promote within the Manufacturing industry.

**Computer Skills (5%):** Training will be provided to Administrative Staff and Managers on Excel to increase efficiency in tracking and shipping inventory.

**Manufacturing Skills (85%):** Training will be offered to Production Staff and Managers to increase efficiency and reduce production waste. Topics will include Kaizen training, 5s and Machine and Production Safety training to create a safe working environment.

### **TRAINING VENDORS**

N/A

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0346	Irvine	06/30/2012 – 06/29/2014	\$99,792	\$56,937 (57%)

The first ETP Agreement, ET12-0346, only included trainees from the Aerospace Division of Parker. Shortly after ET12-0346 was executed, Parker experienced an increase in production contracts. Parker had to put training plans on hold to ensure production needs were met. The proposed ETP Agreement will only train trainees from the Racor Division of Parker. Parker is fully committed to the training plan in this proposal, and believes this training is imperative to increasing facility efficiency. Parker has two designated administrators to oversee the proposed ETP-funded training and has 3 internal trainers who will coordinate training and collect rosters. They have a detailed training plan in place to ensure training will occur as scheduled.

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

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Problem Solving
- High Performance Teams
- Business Strategy
- Conflict Management

**COMPUTER SKILLS** (Advanced/Intermediate Only)

- Office Excel

**MANUFACTURING SKILLS**

- Kaizen training
- Machine and Production Safety
- 5s

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.
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