



RETRAINEE - JOB CREATION

Training Proposal for:

SAFE Credit Union

Agreement Number: ET16-0384

Panel Meeting of: February 26, 2016

ETP Regional Office: Sacramento

Analyst: W. Sabah

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: | Contra Costa, Placer, Sacramento, Yolo | 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: 608 | U.S.: 608 | Worldwide: 608 |
| <u>Turnover Rate:</u> | 9% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | 19% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$749,610 | | \$0 | \$0 | | \$749,610 |

| | | |
|-----------------------|------------------------------------|-------------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$1,223,880 |
|-----------------------|------------------------------------|-------------|

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, Commercial Skills, Computer Skills, Mgmt. Skills | 205 | 8-200 | 0-40 | \$975 | \$28.37 |
| | | | | Weighted Avg: 65 | | | |
| 2 | Retrainee | Business Skills, Commercial Skills, Computer Skills, Mgmt. Skills | 287 | 8-200 | 0-40 | \$1,785 | \$15.60 |
| | | | | Weighted Avg: 119 | | | |
| 3 | Retrainee SET Job Creation Initiative | Business Skills, Commercial Skills, Computer Skills, Mgmt. Skills | 39 | 8-200 | 0-40 | \$960 | \$14.32 |
| | | | | Weighted Avg: 48 | | | |

Minimum Wage by County: Job Number 1 (SET Statewide): \$28.37 per hour

Job Number 2: \$15.60 in Placer and Yolo counties, \$16.10 in Sacramento County and \$17.02 in Contra Costa County

Job Number 3 (Job Creation): \$12.77 in Placer and Yolo counties, \$13.42 in Sacramento County and \$14.19 in Contra Costa 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 \$4.35 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 & 2.

Other Compensation: In Job Numbers 1 & 2, Wealth Advisors and Mortgage Lending Sales Staff earn commission.

| Wage Range by Occupation | | |
|------------------------------|------------|-------------------------|
| Occupation Titles | Wage Range | Estimated # of Trainees |
| Job Number 1 | | |
| Accountant | | 13 |
| Auditor | | 3 |
| Lending Staff | | 14 |
| Processing Representative | | 21 |
| Banking and Finance Staff | | 29 |
| Non-Mortgage Insurance Staff | | 2 |
| Employee Services Staff | | 24 |
| IT Staff | | 51 |
| Marketing and Retail Staff | | 13 |

| | | |
|--|--|----|
| Wealth Advisor | | 10 |
| Front Line Manager | | 25 |
| Job Number 2 | | |
| Account and Card Services Representative | | 91 |
| Mortgage Processing and Clerical Staff | | 23 |
| Mortgage Lending Sales Staff | | 20 |
| Mortgage Underwriter | | 9 |
| Mortgage Front Line Leader | | 5 |
| Mortgage Collections and Insurance Staff | | 12 |
| Call Center Representative | | 72 |
| Manager | | 55 |
| Job Number 3 | | |
| Administrative Staff | | 3 |
| Account Service Representative | | 14 |
| Call Center Representative | | 19 |
| Front Line Manager | | 3 |

INTRODUCTION

Founded in 1940 and headquartered in Folsom, SAFE Credit Union (SAFE Credit) (www.safecu.org) provides financial services such as personal lending, business banking and wealth management. The Company primarily focuses on personal and business loan portfolios. SAFE Credit is a non-profit organization that serves over 180,000 members living in Northern California. The Company also works directly with clients such as SMUD, UC Davis, CalFit and Dignity Health to provide their employees with financial wellness services and advertisement. Training will take place at all 22 locations in Antelope, Citrus Heights, Folsom, Elk Grove, Sacramento, Granite Bay, Fair Oaks, Lincoln, McClellan Park, Pleasant Hill, Rancho Cordova, Rocklin, Roseville, North Highlands, and West Sacramento.

Training in Job Number 1 will be funded under Special Employment Training (SET). Under SET, the participating employer will not be required to demonstrate out-of-state competition. These trainees must earn at least the statewide average hourly wage of \$28.37 at the end of the retention period.

In Job Number 2, trainees hold positions that are directly related to mortgage banking, lending, servicing, and packaging/selling functions. These trainees are eligible for standard retraining under the out-of-state competition provisions for "lending institutions".

PROJECT DETAILS

The financial loan industry is changing dramatically due to the proliferation of online loan companies. To remain competitive, SAFE Credit expanded its online capabilities by adding mobile device banking, on-line banking, shared on-line access and text message banking. As the Company continues to experience rapid growth, it needs to keep new and incumbent workers trained in company policies and procedures, as well as technological advances and systems. The Company will also train staff on IT Security for private financial information.

Employees will learn the strategies and skills necessary to implement a new Brand Promise Initiative for increased customer service and security. This training will focus on complex database software to increase analytical expertise, for the accounting and finance staff.

Retrainee - 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.

SAFE Credit plans to double its business size within the next 8 years and become a \$5 billion institution by 2023. The Company expects to grow approximately 10% annually by expanding its business capacity and improving existing functions at its established locations. SAFE Credit will add a new team to their Call Center location to facilitate Home Equity Loans. The Company will also expand their Commercial/Business Loan and Mortgage/Real Estate Lending Programs. To support this growth, the Company will need to hire new Administrative Staff, Account Service Representatives, Call Center Representatives and Front Line Managers.

SAFE Credit has committed to hiring 39 new employees (Job Number 3). SAFE Credit represents that 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. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Trainees will receive between 8-200 hours of Classroom/Laboratory training and up to 40 hours of Computer-Based Training in the following:

Business Skills (60%): Training will be offered to all occupations on internal and external customer relationship building, negotiation skills and presentation/communication skills. In addition, training will focus on the new Brand Promise Initiative program to increase staff's knowledge of new company services and build quick decision-making skills. Training will include Conflict Management, Communication with Power, Motivation, Projects Management and Teambuilding.

Commercial Skills (25%): Training will be offered to Account and Card Services Representatives, Mortgage Lending Sales Staff and Employee Services Staff to increase workplace performance and meet the Company's strategic goals. Training will expand employee service capabilities and focus on problem solving, prioritizing and planning. Training will include Understanding Dispute Resolution, Financial Accounting for Commercial Lending, Appraisal Review Course and Auditing.

Computer Skills (5%): Training will be offered to all occupations and will help workers become more proficient in business software solutions in loan administration, refinancing and mortgage servicing. Training will include Microsoft Office Suite (Intermediate/Advanced), Certified in Risk and Information System Control Boot Camp, and Cisco Certified Network Professional Boot Camp.

Management Skills (10%): Training will be offered to Managers only. Training will provide SAFE Credit's management team with the leadership, motivation, project management, and communications skills to become more effective leaders. Training will include Team Building, Conflict and Communication, Motivation, Coaching, and Rewards and Recognition.

Commission

SAFE Credit has a formal Commission Plan for Wealth Advisors and Mortgage Lending Sales Staff. Commissions are calculated and paid twice monthly. SAFE Credit requests to use commission to meet the Post-Retention wage of \$28.37 for the occupational title of Wealth Advisor in Job Number 1 and \$15.60 for the occupation title of Mortgage Lending Sales Staff in Job Number 2. Commission for these occupations is based on a percentage of services rendered and sold as well as company profits.

Wealth Advisors – Wealth Advisors receive a variable commission based on a percentage of SAFE Credit's labor rate, volume of sales, volume of gross appointments, member satisfaction ratings, and the level of employee expertise plus years of service. Monthly commission for the 10 Wealth Advisors in Job Number 1 for the last twelve consecutive months (1/1/15 – 12/31/15) were at least \$58.71 per hour.

Mortgage Lending Sales Staff – Mortgage Lending Sales Staff receive a variable commission based on a percentage of SAFE Credit's labor rate, sales referrals, number of real estate loans, and the level of employee expertise plus years of service. Monthly commission for the 20 Mortgage Lending Sales Staff in Job Number 2 for the last twelve consecutive months (1/1/15 – 12/31/15) were at least \$45.48 per hour.

“The Panel may use commission earnings to determine a trainee's hourly wage, if there is a reliable history of commission payment by the employer and if actual payment can be verified. As used herein, “commission” means a percentage or proportion of the sale price, for services rendered in the sale of goods or services, paid to employees whose principal job duty is sales.”

Commitment to Training

Safe Credit represents that ETP funds will not displace the existing financial commitment to training. The Company's annual training budget per facility is approximately \$49,000 and includes Asset Liability Management, Budgeting & Forecasting, Accounts Payable, Customer Service, and Bank Secrecy Act, IT Security, OSHA and Leadership training.

➤ Training Infrastructure

The Senior Corporate Trainer will be the primary project administrator and will work with a second Senior Corporate Trainer and the Training Manager to schedule training, enroll trainees, track training hours and coordinate meetings with the ETP staff. Currently the Company is in the process of creating a position and hiring an employee to solely manage and complete the ETP project successfully.

Impact/Outcome

ETP funding will substantially contribute to SAFE Credit's ability to increase revenues, raise efficiency levels, and provide a higher level of customer satisfaction. In addition, funding will allow the Company to implement extensive training for newly hired and incumbent trainees needed to respond to changing technologies and capabilities in the financial loan industry. Staff may also receive the following certifications:

- Governance of Enterprise IT
- Risk and Information System Control
- Cisco Certified Network Professional
- Cisco Unified Wireless Networking

LMS

Staff has reviewed and approved SAFE Credit's use of a Learning Management System for recordkeeping.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

- Credit Union National Association of Madison, WI will provide Business Skills training.
- Birst of San Francisco will provide Business and Computer Skills training.
- Salesforce of San Francisco will provide Business, Commercial and Computer Skills training.
- TRC Interactive of Harrisburg, PA will provide Business, Commercial and Computer Skills training.
- DocuSign of San Francisco will provide Computer Skills training.

Other trainers will be identified for ETP record-keeping purposes, as they are retained by SAFE Credit.

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

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Accounts Payable
- Advanced Core Sales
- Advanced Epicor Training
- Advanced Hyperion Planning
- Agile/SCRUM
- Brand Promise Initiative
- Business Writing for Banking
- Call Center Advance Sales
- CAPM Boot Camp
- Career Engagement
- Collection System Training
- Communication with Power
- Conflict Management/Communication
- Creating Customer Loyalty
- Challenging Conversations
- Epicor/Doc Link Admin Training
- Extreme Promise
- Financial Workshop
- Incorporating Big Data into Your Business
- Lean Six Sigma Green Belt
- MBA-Intro to Secondary Marketing
- Motivation
- New Product Roll-Out
- Payments Training
- Presentation Workshop
- Program Management Fundamentals
- Project Management
- Rolling Forecasts
- Sales Leadership Strategies
- Strategic Risk Management
- Team Building
- Time Management/Productivity

COMMERCIAL SKILLS

- Understanding Dispute Resolution
- Master Dispute Case Filings
- Omega - Financial Accounting for Lenders
- Omega - Commercial Loans to Small Businesses
- Omega - Commercial Real Estate Lending
- Financial Accounting for Commercial Lending
- Appraisal Review Course
- Verafin User Training
- CUNA BSA Training
- ACAMS Training

- Fraud Updates
- Auditing

COMPUTER SKILLS

- MS Office Suite (Intermediate/Advanced)
- DocuSign Administration
- Certified in Risk and Information System Control Boot Camp
- FOR508: Advanced Digital Forensics and Incident Response
- SEC617: Wireless Ethical Hacking, Penetration Testing and Defenses
- Cisco Certified Network Professional Boot Camp
- Cisco Unified Wireless Networking Boot Camp
- Certified in the Governance of Enterprise IT Boot Camp
- FOR572: Advanced Digital Forensics and Incident Response
- SEC575: Mobile Device Security and Ethical Hacking
- Cisco Voice Boot Camp
- Analytics Training
- HTML Version Training
- eCommerce Strategies
- Content Management
- Developer Track 450
- Service Cloud Admin
- DocuSign API Development
- Scrum/Agile/SharePoint Courses
- Birst Undergrad Package
- DocuSign Salesforce Administration
- Software Development
- RHCSA Rapid Track Course (RH199)
- MCSE: Messaging Boot Camp
- MCSA: Windows Server 2012 Boot Camp

MANAGEMENT SKILLS (Managers Only)

- Sales Leadership Strategies
- Presentation Workshop
- Financial Education
- Team Building
- Conflict and Communication
- Career and Engagement
- Motivation
- Communication Styles
- Coaching
- Rewards and Recognition

CBT Hours

0-40

BUSINESS SKILLS

- Omega - Financial Accounting for Lenders (25 hours)
- Omega - Commercial Loans to Small Businesses (40 hours)
- Omega - Commercial Real Estate Lending (40 hours)
- Regulation E and Z (4 hours)
- Trail Head (40 hours)
- Product Knowledge (3 hours)

- Business Writing for Banking (4 hours)
- Project Management (36 hours)
- Time Management (6 hours)
- Project Management (36 hours)
- Communication with Power (9 hours)
- Regulation Training (8 hours)
- eCommerce Strategies (40 hours)
- Content Management(40 hours)
- Strategic Risk Management (8 hours)
- Program Management (6 hours)

COMPUTER SKILLS

- MS Office Suite (Intermediate/Advanced) (36 hours)
- IT Security (2 hours)
- HTML Version Training (40 hours)
- Scrum/Agile/SharePoint Courses (40 hours)
- Software Development (40 hours)

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.