



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Lollicup USA Inc.**

**Agreement Number: ET16-0334**

**Panel Meeting of:** January 22, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

### PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	San Bernardino	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: 214	U.S.: 219	Worldwide: 219	
<u>Turnover Rate:</u>	18%			
<u>Managers/Supervisors:</u> (% of total trainees)	12%			

### FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$248,664		\$0		\$0		\$248,664

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$320,342
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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	Business Skills, Comm. Skills, Computer Skills, Cont. Imp., HazMat, Mgmt. Skills, Mfg. Skills, Literacy Skills	172	8-200	0	\$1,062	\$15.60
				Weighted Avg: 59			
2	Retrainee Priority Rate Job Creation	Business Skills, Comm. Skills, Computer Skills, Cont. Imp., HazMat, Mgmt. Skills, Mfg. Skills, Literacy Skills	55	8-200	0	\$1,200	*\$12.77
				Weighted Avg: 60			

\*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 Number 1: \$15.60 per hour for San Bernardino County.  
Job Number 2 (Job Creation): \$12.77 per hour for San Bernardino 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 \$2.60 per hour may be used to meet the Post-Retention Wage in Job Number 1 and up to \$2.77 per hour in Job Number 2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Administrative/Support Staff		5
Corporate Trainer		3
Drivers		16
Transportation Dispatcher		2
Machine Operators		33
Department Coordinators		10
E-Commerce Specialist		4
Quality Control Technician		4
Receptionist/CSR		5

Accounting Assistant		6
Graphic Designer		3
Inventory Control Assistant		2
Sales Account Executive/Specialist/Coordinator		39
Team/Shift Leads		12
Supervisors/Assistant Managers/Managers		27
Budget & Financial Analyst		1
<b>Job Number 2</b>		
Administrative/Support Staff		17
Warehouse/Machine Operator Assistant		10
Machine Operators		10
Transportation Dispatcher		3
Quality Control Technician		5
Drivers		7
Budget & Financial Analyst		3

## **INTRODUCTION**

Founded in 2000, Lollicup USA Inc. (Lollicup USA) manufacturers, and supplies premium beverage and disposable food service products. The Company is headquartered in Chino and opened a new 300,300 square foot facility in 2013. Lollicup USA offers two brands of bubble tea supplies, powdered/liquid drink mixes, and food service disposables (plastic and paper cup), Tea Zone ® and Karat ®. This will be Lollicup USA's first ETP Agreement

## **PROJECT DETAILS**

Lollicup USA has experienced a 35% increase in sales over the last few years. This expansion is due to an increase in customers, additional products and greater production capabilities in the new facility. Lollicup USA plans to train its workforce to increase efficiencies and improve employee skill sets to handle increased productivity levels.

The Company will have installed four new machines by March 2016: Thermoforming Sheet Extrusion Line, two Thermoforming Machines, and one Paper Cup Forming Machine. The Extrusion Line will replace two less efficient machines currently used in manufacturing. Training will be delivered to ensure Production Staff can operate all new equipment to complete work orders and maintain efficiency.

Manufacturing Skills training will include safer practices, materials and manufacturing processes. Additional training will focus on organizational skills in an effort to increase productivity.

Training in Continuous Improvement, Business and Computer Skills will improve employee performance and skills. With recent hiring over the last year, it has become imperative that the Company develop a training plan to ensure workers are familiar with production procedures and operations. Certifications attained include Manufacturing Practices Certified Manufacturing Facility, Microsoft Certified Office Staff, and Six Sigma Certified Quality Control Staff. All training will take place at the Chino facility.

## Training Plan

**Business Skills (20%):** Training will be offered to all occupations to ensure workers meet customer needs and improve in areas such as time management. Training delivered includes Business Writing, Customer Service Skills, and Planning and Development.

**Literacy Skills (5%):** Training will be offered to all trainees who speak English as a Second Language. Courses will improve trainee ability to communicate amongst fellow staff members and complete job tasks expected of their occupation.

**Commercial Skills (10%):** Training will be offered to Transportation Drivers on driving standards and operations to transport Lollicup USA products nationally. Training topics are job specific for the occupation.

**Management Skills (20%):** Training will be offered to Supervisors/Managers to increase managerial skills and communication with employees. Trainees will learn to become better leaders and motivate staff.

**Computer Skills (15%):** Training will be offered to all occupations in computer programs used on a daily basis. Course topics offered include Microsoft Office and NetSuite Training.

**Manufacturing Skills (10%):** Training will be offered to Machine Operators, Quality Control Technicians, Inventory Control Assistants, Team/Shift Leads and Supervisors/Managers. Workers will learn how to operate new production machinery and equipment.

**Continuous Improvement (15%):** Training will be offered to all occupations to improve overall capability to problem solve. Trainees will participate in Conflict Resolution courses to increase employee ability to resolve issues without interrupting production flow.

**HazMat (5%):** Training will be offered to Machine Operators, Team/Shift Leads, Warehouse/Machine Operators, and Supervisors/Assistant Managers/Managers. Training is a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from “first responder” to “incident commander.”

## 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.

Lollicup USA has committed to hiring 55 new employees (Job Number 2), to accommodate new growth in sales. To meet customer demand, the Company plans to hire and train new employees to ensure they are able to execute job duties assigned on a daily basis. Training to be delivered will increase efficiency and productivity levels, and improve manufacturing practices. Trainees will learn how to operate machinery, use company computer programs, and learn customer service techniques.

Lollicup USA 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.

## Commitment to Training

Lollicup USA spends approximately \$20,000 annually in training at their Chino facility. Training delivered is company-wide and job specific.

Lollicup USA represents that 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 Company has designated Human Resource Department staff for ETP Agreement administration. Staff will schedule training, track training hours, enrollment and meet with ETP Staff. Lollicup USA employees will be educated on all ETP documentation requirements to remain in compliance.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

N/A

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Planning and Development Skills
- Phone System Knowledge Skills
- Customer Service Skills - How We All Can Improve
- Time Management
- Business Writing for Employees
- The Power of Listening
- Turning Satisfied Customers into Repeat Customers
- Maintaining a Positive Attitude
- Effective Meetings

**COMMERCIAL SKILLS**

- Avoiding Back Injuries
- Defensive Driving for Commercial Motorists
- Defensive Driving for Non-Commercial Motorists
- Attendance Management

**COMPUTER SKILLS**

- Microsoft Office Bootcamp
- NetSuite Training Module
- Email Best Practices for All Employees
- Effective Electronic Storage and Security

**CONTINUOUS IMPROVEMENT**

- Train-the-Trainer
- Conflict Resolution for All Employees

**HAZARDOUS MATERIALS**

- Fire Extinguisher Training
- Hazard Communication
- MSDS/PDS Reading
- Safe Chemical Handling

**MANAGEMENT SKILLS** (Managers/Supervisors Only)

- Leadership Training
- Time Management
- Emotional Management
- Motivating Employees
- Writing Effective Job Descriptions

**MANUFACTURING SKILLS**

- Handling Raw Materials Properly
- Proper Protective Equipment

**LITERACY SKILLS**

- English as a Second Language
- Effective Reading Strategies
- Train Your Brain to Sight Read
- Understanding Machinery Manuals

Literacy Training cannot exceed 45% of total training hours per-trainee  
Safety Training cannot exceed 10% of total training hours per-trainee  
(This cap does not apply to Hazmat)

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