

DELEGATION ORDER



Training Proposal for:

Lumentum Operations LLC

Agreement Number: ET16-0396

Approval Date: March 24, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: L. Lai

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Santa Clara	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: 768	U.S.: 1,029	Worldwide: 1,867
<u>Turnover Rate:</u>	0%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$99,000		\$0	\$0		\$99,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$282,535
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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, Computer Skills, Con't Improve, Mfg. Skills, HazMat	275	8-200	0-100	\$360	\$17.02
				Weighted Avg: 20			

Minimum Wage by County: \$17.02 per hour for Santa Clara 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 \$0.76 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
IT/Engineering/Research and Development Staff		74
Sr. IT/Engineering/Research and Development Staff		53
Manufacturing Staff/Technicians		55
Sr. Manufacturing Staff/Technicians		25
Marketing/Sales Staff		5
Sr. Marketing/Sales Staff		5
Operations/Support Staff		20
Sr. Operations/Support Staff		10
Supervisor/Manager		20
Sr. Supervisor/Manager		8

INTRODUCTION

Headquartered in Milpitas, Lumentum Operations LLC (Lumentum) is a manufacturer of optical and photonic products enabling optical networking and commercial laser customers worldwide. The Company's optical components and subsystems are part of virtually every type of telecom, enterprise, and data center network. The Company spun off from JDS Uniphase in late 2015. The Company has two locations in San Jose, and one in Milpitas, where training will take place. It also operates in Connecticut, Canada, France, Switzerland, Thailand, China, and Japan.

The Company operates through two segments: Optical Communications (OpComms) and Commercial Lasers (Lasers). The OpComms portfolio includes products used by Telecom and Datacom nanoelectromechanical systems (NEMs) and both traditional and cloud/data center

service providers. The Lasers portfolio customers are in manufacturing, biotechnology, graphics and imaging, and precision machining.

PROJECT DETAILS

There are tremendous growth opportunities in the data and telecommunications markets, driven by the rapid expansion of cloud networking, data center infrastructure, and high-performance lasers. Lumentum's goal is to become a global leader of optical components and subsystems for these markets. The Company is also focused on growing its 3D sensing and commercial lasers business, and expanding into new market segments.

To achieve these goals, Lumentum must continue to research, design and manufacture cutting-edge products to meet the expanding, highly technical and diverse needs of its customers. Hence, it is critical that employees receive supplemental training to keep pace with technology upgrades, standardize manufacturing procedures, and implement continuous improvement practices.

Training Plan

Lumentum employees from three facilities in Milpitas and San Jose will receive the proposed training, delivered via Class/Lab and CBT.

Business Skills (15%): Training will be offered to all occupations as it relates to their specific job function. Topics include communication skills, customer relations, meeting management, and negotiation skills. Training will improve workers' ability to communicate with internal and external customers and effectively organize and meet work commitments.

Computer Skills (30%): Training will be offered to all occupations. Topics include a variety of complex systems, programming tools, and technology that are used for operation and product design purposes. Software applications are a critical component of how the Company operates and employees need to be proficient in the systems.

Manufacturing Skills (15%): Training will be offered to Manufacturing Staff, Technicians, Supervisors and Managers. Topics include Failure Mode Effects Analysis, Laser Technology, Optical and Photonic Product/Process, and Optical Systems. Staff will gain the requisite skills to quickly adapt to new technological changes to manufacture high quality products efficiently.

Continuous Improvement (35%): Training will be offered to all occupations. Topics include 5S/Six Sigma, Agile Product Lifecycle, Statistics, Process Improvement, and Quality Assessment. Training will enable workers to provide the best quality and service to customers, deliver innovative products and improve processes for production and quality assurance.

Hazardous Materials Skills (5%): Manufacturing Staff, Technicians, Supervisors and Managers will receive this training to learn how to properly handle, label, store, and dispose of hazardous materials.

Commitment to Training

The company's annual training budget is approximately \$300,000 and is used for ethics, diversity, security practices, compliance, anti-harassment, basic computer skills, new employee orientation and on boarding training.

ETP funds will not displace existing financial commitments for training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Lumentum has one main point of contact that will be responsible for managing the scheduling, delivery, and documentation of training. This dedicated staffer will also serve as liaison between ETP staff and Lumentum's third party administrator.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Lumentum retained Training Funding Partner in Fountain Valley to assist with development of this proposal for a flat fee of \$5,900.

ADMINISTRATIVE SERVICES

Training Funding Partner will also perform administrative services in connection with this proposal for a fee 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

- Communication Skills
- Conflict Management
- Customer Relations/Support Skills
- Decision Making Skills
- Meeting Management Skills
- Negotiation/Influence Skills
- New/Updated Optical and Photonic Product/Process (for non-production staff)
- Time Management Skills

Computer Skills

- .Net
- ADO.NET 4
- Adobe Skills
- CISSP – Certified Information Systems Security Professional
- Computer Programming/Language Skills
- Configuration Management
- EBS R12 Administration
- General Coding Best Practices
- GUI design
- HTML
- Intermediate/Advanced Microsoft Office
- LINQ and XML with ADO. NET
- Linux
- Maintaining Quality Code
- Microsoft Access
- Mobile Applications and Security
- Network Security/Administration
- Object Oriented Coding Best Practices
- Oracle database
- Oracle System Skills
- Programming Techniques and Strategies
- SDN
- SharePoint
- SQL servers
- Taleo Talent Acquisition System Skills
- VISIO
- Workflows

Continuous Improvement Skills

- 5S/Six Sigma
- Agile Product Lifecycle
- Change Management

- Coaching/Feedback Skills
- Data Management Skills
- Delegation Skills
- Finance/Accounting/Audit skills
- Goal Setting/Motivation Skills
- ISO 9001
- Leadership Skills
- Lean Manufacturing
- Process/Performance Improvement Skills
- Root Cause Analysis/Statistical Analysis
- Project/Program Management Skills
- Quality Assessment/Quality Control
- Statistical Process Control
- Statistics
- Teamwork/Collaboration Skills
- Troubleshooting/Problem Solving Skills

Manufacturing Skills

- Failure Mode Effects Analysis
- Laser Technology/Safety
- New/Updated Optical and Photonic Product/Process
- Optical Systems
- Product Testing
- Production/Inventory Management
- Supply Chain Management

Hazardous Materials Skills

- Hazardous Materials, Handling, Labeling, Storage and Disposal

E-Learning Hours

8-200

Business Skills

- Communication Skills
- Conflict Management
- Customer Relations/Support Skills
- Decision Making Skills
- Meeting Management Skills
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- Lean Manufacturing
- Process/Performance Improvement Skills
- Root Cause Analysis/Statistical Analysis
- Project/Program Management Skills
- Quality Assessment/Quality Control
- Statistical Process Control
- Statistics
- Teamwork/Collaboration Skills
- Troubleshooting/Problem Solving Skills

Manufacturing Skills

- Failure Mode Effects Analysis
- Laser Technology/Safety
- New/Updated Optical and Photonic Product/Process
- Optical Systems
- Product Testing
- Production/Inventory Management
- Supply Chain Management

Hazardous Materials Skills

- Hazardous Materials, Handling, Labeling, Storage and Disposal

CBT Hours*

0 – 100

Business Skills

- Operations/Communication Skills (1-20 hours)

Computer Skills

- Cisco (8-80 hours)
- Cloud Computing (4-20 hours)
- Desktop Computer Skills (8-28 hours)
- IT – Desktop (8-28 hours)
- Office 365 (2-8 hours)
- Oracle (8-80 hours)
- VMware Workstation (4-24 hours)
- Networking and Telecommunications Configuration (2-12 hours)

Continuous Improvement Skills

- Agile (2-12 hours)
- Organizational Design (2-8 hours)
- Professional Development (2-12 hours)
- Project Management (2-12 hours)
- Leadership and Strategic Management (8-28 hours)
- Process Improvement Skills (2-12 hours)

*There are approximately 1,000 CBT courses/modules. Listed above are generic CBT course topics. An Excel spreadsheet listing specific CBT courses/modules including standards times must be provided to ETP staff prior to uploading into the Panel's Tracking System.

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.