



**Retrainee - Job Creation
Training Proposal for:
Monster City Studios**

Small Business ≤ \$50,000

ET16-0160

Approval Date: August 18, 2015

ETP Regional Office: Sacramento

Analyst: L. Fraizer

CONTRACTOR

- Type of Industry: Manufacturing

- Priority Industry: Yes No

- Number of Full-Time Employees
 - California: 12
 - Worldwide: 12
 - Number to be trained: 14
 - Owner Yes No

- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 10%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$15,600
- In-Kind Contribution: \$16,000

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 SB<100	Business Skills, Computer Skills, Cont. Imp., Hazardous Mat., Mfg. Skills, PL-Mfg. Skills	12	8-60	0	\$1,040	\$11.30
				Weighted Avg: 40			
2	Job Creation Initiative HUA Priority Rate SB<100	Business Skills, Computer Skills, Cont. Imp., Hazardous Mat., Mfg. Skills, PL-Mfg. Skills	2	8-60	0	\$1,560	*\$9.25
				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 statewide minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table.

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Fresno
- Occupations to be Trained: Manufacturing/Fabrication Staff, Administrative Staff, Artist, Owner
- Union Representation: Yes
 No
- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: Strategic Business Solutions, LLC in Visalia assisted with the development of this project for a flat fee of \$1,090.
- Administrative Services: Strategic Business Solutions, LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

INTRODUCTION

Founded in 2012 and located in Fresno, Monster City Studios (monstercitystudios.com) is a corporation that manufactures and fabricates theme-based environments. The Company uses cutting-edge technology in foam, clay and other materials to make 3D facades, sets and characters. Customers are in the entertainment industry and commercial markets such as restaurants.

Need for Training

Over the last two years, Monster City Studios has expanded to meet industry demands from metropolitan areas such as Los Angeles. The Company competes strongly in the market due to the lower overhead available in the Central Valley.

The Company recently invested in new equipment and developed a business plan to provide a flexible, high performance workplace. In particular, Monster City Studios purchased a new CNC/Lathe machine and software for the art and administration departments. The CNC/Lathe machine uses computer controls to cut and shape different materials, and the software programs are used for 3D Sculpting, modeling and graphics.

Training will allow Monster City Studios to reach greater efficiencies, improve business skills and enhance customer satisfaction. To achieve these goals, the Company must improve processes and procedures while developing trainee skills through formal training. Training will help Monster City Studios gain an advantage over their competition while fostering growth of the business.

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.

In this proposal, Monster City Studios has committed to hiring 2 new employees (Job Number 2). Monster City Studios 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.

The Company is projecting 15% - 20% growth and is hiring staff to meet customer and industry demand. The Company is increasing their production capacity due to the purchase of new machinery. Monster City Studios has invested in a new CNC Lathe machine, new ZBrush software and 3D software. These new workers will require ample training to develop the requisite skills to become proficient in the new equipment and facilitate this anticipated growth.

Training Plan

Trainees will receive up to 60 hours of Class/Lab and up to 10 hours of Productive Lab (PL) in the following:

Business Skills: Training will be offered to all occupations to improve communication skills, increase proficiency and improve productivity. Training will include Accounting and Cash Flow Principals, Customer Service Skills and Developing Project Management/Strategic Planning. Training will support the Company's growth strategies to increase sales and improve customer service.

Computer Skills: Training will be provided to all occupations and focus on job specific software programs. The entertainment industry is constantly transitioning to the most advanced tools and staff needs training in all necessary software programs to ensure expertise. Training topics include Photoshop/Illustrator Software, ZBrush Software and Frog 3D Software, Microsoft Office and Quickbooks.

Continuous Improvement: Training will be offered to all occupations to maintain quality, improve efficiency and reduce waste. Training includes Lean Manufacturing, Process Improvement, Strategic Planning and Quality Control Principles. Training will provide the skills to analyze and improve production processes, solve problems, and implement sustainable processes.

Hazardous Materials: Training will be provided to Artists and Manufacturing/Fabrication Staff to ensure that hazardous materials are handled and disposed of properly. Training topics will include Proper Disposal, Emergency Clean-Up, and Application, Handling, Labeling and Storage of Chemical Substances.

Manufacturing Skills: Training will be offered to Artists, the Owner and Manufacturing and Fabrication Staff. Training topics will include Computer assisted Machinery Operation (Frog Mill CNC Lathe), Foam Molding/Sculpting, Mathews Paint System Operation/Setup and Repertory Protection and Equipment. Training will focus on upgrading trainee skills, improving efficiency and increasing production to reduce lead times and waste.

Productive Laboratory-Manufacturing Skills

The Panel recently adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor is a subject matter expert dedicated to training delivery during all hours of training.

Up to 10 hours of PL training will be provided to Artists and Manufacturing/Fabrication Staff to supplement Class/Lab training. PL training is necessary to strengthen skills to produce life scale facades and figures. Training will focus on the set-up, safe operation, cleaning and resetting calibration functions of the Frog Mill CNC/Lathe Machine. During the PL training the trainer-to-trainee ratio will not exceed 1:2.

High Unemployment Area Modification

All trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages.

The Company's location in Fresno County qualifies for HUA status under these standards. Monster City Studios is requesting a wage modification to \$11.30 per hour in Job Number 1, and a wage modification to \$9.25 per hour for Job Number 2.

RECOMMENDATION

Staff recommends approval of this proposal.

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

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

- ❖ Accounting and Cash Flow Principles
- ❖ Customer Service Skills
- ❖ Project Management/Strategic Planning

COMPUTER SKILLS

- ❖ QuickBooks Software Training
- ❖ Microsoft Office Suite Training
- ❖ Frog 3D Software Training
- ❖ Photoshop/Illustrator Software Training
- ❖ ZBrush Software Training

CONTINUOUS IMPROVEMENT

- ❖ Quality Control Principles
- ❖ Teambuilding/Leadership
- ❖ Time Management
- ❖ Process Analysis Principles and Tools

HAZARDOUS MATERIALS

- ❖ Labeling
- ❖ Handling
- ❖ Storage and Disposal

MANUFACTURING SKILLS

- ❖ Computer-Assisted Machinery Operation (Frog Mill CNC/Lathe)
- ❖ Foam Molding/Sculpting
- ❖ Clay Maquette Molding/Sculpting
- ❖ Mathews Paint System Operation and Setup
- ❖ Materials Handling Equipment Training
- ❖ Height Training/Fall Protection
- ❖ Respiratory Protection and Equipment

Safety Training cannot exceed 10% of total training hours per-trainee.

Productive Lab Hours

0-10

MANUFACTURING SKILLS (Ratio 1:2)

- ❖ Computer-Assisted Machinery Operation (CNC/Lathe)
 - Set-Up & Calibration
 - Programming
 - Fabrication
 - Finish Procedures

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. PL is capped at 10 hours per-trainee.