

**DELEGATION ORDER**



**RETRAINEE - JOB CREATION**

**Training Proposal for:**

**Skyworks Solutions, Inc.**

**Agreement Number: ET15-0413**

**Approval Date:** April 16, 2015

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** A. Nastari

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing Technology/IT  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Santa Clara, Orange, Ventura	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: 1,055	U.S.: 1,950	Worldwide: 6,398
<u>Turnover Rate:</u>	7%		
<u>Managers/Supervisors:</u> (% of total trainees)	13%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$41,760		\$0	\$0		\$41,760

In-Kind Contribution:	100% of Total ETP Funding Required	\$82,228
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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, Continuous Impr, Mfg Skills, HAZWOPER	165	8-200	0	\$144	\$15.14
				Weighted Avg: 8			
2	Retrainee Job Creation Priority Rate	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, HAZWOPER	50	8-200	0	\$360	\$15.14
				Weighted Avg: 18			

**Minimum Wage by County:** Orange: \$16.02; Santa Clara: \$16.44; Ventura: \$15.07  
**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  
 Although employer provides health benefits, it is not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
IT/Engineering Staff		40
Sr. IT/Engineering Staff		50
Managers		10
Sr. Managers		8
Directors		7
Operations Staff		5
Sr. Operations Staff		5
Quality Staff		10
Sr. Quality Staff		10
Technician Staff		20
<b>Job Number 2</b>		
IT/Engineering Staff		10
Sr. IT/Engineering Staff		10
Managers		2
Sr. Managers		1
Directors		1
Operations Staff		10
Sr. Operations Staff		5
Quality Staff		5
Sr. Quality Staff		2
Technician Staff		4

## **INTRODUCTION**

Skyworks Solutions, Inc., (Skyworks) together with its consolidated subsidiaries Advanced Analogic Technology Corporation (Advanced Analogic Technology) and Isolink, Inc. (Isolink) will participate in this proposal. The Companies design and manufacture high performance analog and mixed-signal semiconductors. Their products consist of low-noise amplifiers and switches for WiFi connectivity; battery chargers and DC/DC converters for smartphone and tablet applications; components for routers, smart meters, home appliances, and security systems; and radio frequency subsystems used in global position systems and medical, military, and wireless transmissions. Customers include Cisco, Ericsson, Foxconn, Fujitsu, General Electric, Google, Honeywell, LG Electronics, Netgear, Nokia, Northrop Grumman, Rockwell Collins, and Samsung.

Headquartered in Woburn, Massachusetts, Skyworks and its subsidiaries are worldwide enterprises with engineering, manufacturing, sales, and service facilities throughout Asia, Europe and North America. In California, there are four manufacturing and design centers: Newbury Park and Irvine (Skyworks), Santa Clara (Advanced Analogic Technologies), and Milpitas (Isolink).

### **Green/Clean Operations**

Skyworks and its subsidiaries have a line of Skyworks Green™ products which are lead-free, Restriction of Hazardous Substances (RoHS) compliant, conform to the EIA/EICTA/JEITA Joint Industry Guide (JIG) Level A guidelines, and are free from antimony trioxide, and brominated flame retardants. Skyworks and its subsidiaries have received certifications such as “Sony Green Partner Certification” and the “Samsung Electronics Eco-Partner Certification” These certifications are a testament to Skyworks’ and subsidiaries’ performance and partnership with its customers.

### **Nanotechnology**

Skyworks and its subsidiaries manufactures its products using nano materials and nano technology to meet customers’ product development.

## **PROJECT DETAILS**

This is the second ETP Proposal for Skyworks and its subsidiaries. During its first Agreement, Skyworks established its in-house training plan, which primarily focused on setting Continuous Improvement processes and delivering a structured curriculum in Computer Skills (specifically in computer languages and quality systems to its Engineers, IT Staff, Production Technicians and Quality Assurance Staff). As a result of the ETP-funded training, Skyworks began implementing improvement processes. With updated skills, its engineering staff worked with clients to design new and upgraded prototypes.

This training proposal will update worker skills to keep up with technology through Class/Lab and E-Learning delivery methods. As quickly as products and systems are being upgraded, so too, must design, engineering, and manufacturing in order to remain competitive. Training will further enhance the skills of workers to design, engineer and manufacture products based on new technological advancements currently in demand.

### **Retrainee - Job Creation**

Under the Retrainee - Job Creation program, 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, Skyworks and its subsidiaries have committed to hiring 50 new employees (Job Number 2). Skyworks 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.

Skyworks and its subsidiaries have been experiencing high demand for products, especially for components of high performance analog wireless system solutions, network cloud, and supporting infrastructure. For example, the increasing functionalities of smartphones and tablets require an extended battery life. Research shows that annual shipments of smartphones will surpass one billion units by 2016, up from 491 million units in 2011, while shipments of tablets are expected to grow from 73 million units in 2011 to over 250 million units by 2016. Skyworks and its subsidiaries will need to hire in order to meet those demands. Additionally, content providers such as Google, Microsoft, Netflix, Pandora and Amazon, continue to build cloud-based systems and communication technologies (such as Bluetooth and GPS) that require on-demand, high-speed connectivity. Skyworks and its subsidiaries will need to train engineers to keep up with the changing technologies.

Within the next several years, Skyworks and its subsidiaries aim to expand into emerging markets:

- Smart Energy – Smart Grids offering real-time, two-way communications in assessing usage, energy load, and efficiency to utility companies and the consumer;
- Power Management – Integrated circuit products driven by camera LED flash drivers, LED backlight drivers, battery chargers, DC/DC converters and other related analog devices in smartphones, e-book readers and displays, cable modems and LED lighting;
- “Internet of Things” - The Internet continues to evolve as IT and Design Engineers find that most anything can be connected to networks via software and sensors. For example, currently only a small percentage of cars have mobile communications. However, with technological advancements, all new cars are expected to have some form of mobile connection from public safety alerts and reduced fuel consumption, to enhanced entertainment features and increased integration into consumer's smartphone.

## **Directors**

Skyworks and its subsidiaries will train Directors who do not set company policy, and report to Sr. Directors. The Directors participate with other senior managers to establish corporate strategic plans and objectives, and they are involved in the overall responsibility for planning, budgeting, implementing and maintaining costs, methods and employees. They may also interact with customers during negotiations. Directors may have direct reports, which varies by function and department.

## **Temporary to Permanent Hiring**

Skyworks and its subsidiaries estimate that approximately five to ten trainees in Job Numbers 1 and 2 may come under Panel guidelines for “temporary to permanent” employment. Skyworks and its subsidiaries will retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-

retention wage requirements cannot be satisfied until after they have been hired by Skyworks or its subsidiaries. Until then, the Companies will not receive progress payments.

## Training Plan

**Business Skills (20%):** Training will be offered to all occupations to enrich written and oral communication, improve conflict and meeting management, and improve presentation preparation and delivery skills. Training in product knowledge, cross-functional design and process requirements will increase workers' understanding of products and usage.

**Computer Skills (20%):** Training will be offered to IT/Engineering, Sr. IT/Engineering, Quality Staff, Sr. Quality Staff, Managers, Sr. Managers, Directors, and Technician Staff. Training will provide the skills necessary to design and implement engineering plans and testing of products.

**Continuous Improvement (25%):** Training will be offered to all occupations in analytical decision-making, critical thinking, project management skills, cross functional teambuilding, leadership skills, statistics for design engineers, and certifications in APICS Supply Chain and Inventory Management. Training will provide skills necessary to work more effectively across functions and manage increased workload due to continued growth in its product lines and markets.

**Manufacturing Skills (35%):** Training will be offered to IT/Engineering, Sr. IT/Engineering, Operations Staff, Sr. Operations Staff, Quality Staff, Sr. Quality Staff, Managers, Sr. Managers, Directors, and Technician Staff. Training is required to keep pace with the technological innovation that customers demand.

## Certified Safety Training

Hazardous Waste Operations and Emergency Response Standard (HAZWOPER). This training is a series of courses specifically designed for workers who handle hazardous substances as first-responders, or clean-up as needed at a hazard disposal or emergency site. It consists of 40 hours of classroom or CBT training, for workers stationed at the hazard site; and 24 hours for workers who visit the site (e.g., engineers). Field training is also required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. Each certification requires an 8-hour annual refresher course. This coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. Skyworks represents that HAZWOPER 40 will be limited to trainees who are required to remove hazardous waste onsite, on a full-time basis.

Skyworks plans to deliver HAZWOPER skills to trainees in the occupations of IT/Engineering Staff, Sr. IT/Engineering Staff, Operations Staff, Sr. Operations Staff, Quality Staff, Sr. Quality Staff, Manager, Sr. Manager, and Technician Staff. These occupations come in contact with hazardous materials in performing their jobs including designing RoHS (Restriction of Hazardous Substances) compliant products.

## Commitment to Training

The Companies' overall annual training budget is approximately \$400,000, which is used to provide basic new-hire orientation, mandated harassment prevention, diversity and required OSHA training. In addition, it provides first aid/CPR/AED and other related training. It's further utilized to provide training in interviewing skills and conducting performance reviews to its management team. An array of self-paced online training is also available to its workforce. Skyworks and its subsidiaries will continue to provide the above-mentioned training at its own cost, along with any new training that may be mandated by the government.

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

Skyworks and its subsidiaries have a dedicated training staff throughout its California facilities consisting of five individuals responsible for training plan and content design, procurement, course scheduling, delivery coordination and tracking of completion. The Companies have designated two staff persons to meet with ETP staff and administer the ETP project in conjunction with its third party administrator.

## LMS

Skyworks and its subsidiaries utilize a Learning Management System (LMS), to assist with scheduling and completion tracking. ETP staff has reviewed and approved it for use on this proposal.

## PRIOR PROJECTS

The following table summarizes performance by Skyworks under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0234	Statewide	12/31/2012– 12/30/2014	\$92,800	*\$42,264 (46%)

\*Skyworks earned \$42,264 (46%). The Companies attribute low performance to an increase in workload, which didn't allow time to release workers for the planned training. The training plan developed in 2012 was based on workload expectations during the recession; however, in 2013 -2014 work picked up, and demand for its products increased. During that time, Skyworks and its subsidiaries hired 110 workers in California and 1,998 worldwide, but there wasn't sufficient time in the Agreement to provide training to the newly hired workers. Many started training but did not meet the minimum hours. Of the 242 enrolled, Skyworks and its subsidiaries had to drop 176 trainees, which resulted in only 61 trainees completing training. Although the Company retained a third-party to administer the ETP Agreement, it was the inability to release trainees for training that impacted its performance.

Training should be more successful with the new 8 hour minimum. The Company tracked a lot of training hours; however, many of the hours were not reimbursable because trainees did not meet the 24-hour minimum. This proposal has been right-sized, decreasing the weighted average to 8 hours for incumbent and 18 hours for newly hired employees. The Company's training sessions average 4.5 hours; thus 2 training sessions will ensure trainees meet the 8-hour minimum.

## DEVELOPMENT SERVICES

Skyworks and its subsidiaries retained Training Funding Partners in Tustin to assist with development of this proposal for a flat fee of \$2,750.

## ADMINISTRATIVE SERVICES

Skyworks and its subsidiaries also retained Training Funding Partners to 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 and E-Learning Hours**

8 - 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Building Relationships with Peers and Customers
- Communication Skills for Business
- Creating an Innovation Culture
- Creating Best Practices and Common Design Methodology
- Cultural Effectiveness in Business
- Finance for Engineers/Finance Workshop
- New Products and Devices
- Presentation Content and Delivery Skills
- Strategic Account Management
- Train-The-Trainer Skills
- Understanding Cross Functional Design and Process Requirements
- Writing Skills

**COMPUTER SKILLS**

- Introduction to JMP (Java Server Pages) Scripting data POWER Network Devices and Applications
- Design Application Skills
- Intermediate/Advanced Microsoft Office Skills (Word, Excel, PowerPoint)
- Programming Skills
- Quality System Application Skills

**CONTINUOUS IMPROVEMENT**

- Analytical Decision Making/Critical Thinking Skills
- Association for Operations Management (APICS) Certified Supply Chain Professional
- APICS Production and Inventory Management Certification
- Basic and Advanced Project Management Skills
- Coaching and Leadership Skills
- Cross Functional Teambuilding Skills
- Giving and Receiving Feedback
- Internal Auditor Training/Certification
- Resources Planning and Scheduling
- Root Cause Analysis/Problem Solving
- Setting Priorities
- Statistics for Design Engineering

**MANUFACTURING SKILLS**

- Advanced Engineering Skills
- Agile/Rapid Design
- Amplifiers
- Applied Radio Frequency (RF)
- Certified Interconnect Designer (IPC CID)

- Design Simulation Tools
- Design Tool Proficiency
- Engineer Cross-Training
- Integrated Circuits
- Multi Level Simulation Tools
- New Design and Engineering Methodology
- Potential Failure Mode Effects and Analysis (FMEA)
- Product Realization
- Semiconductors
- Shared WiFi standards
- Switches
- Technology Simulations for Technicians

**HAZWOPER**

- HAZWOPER

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.