



PLANNING COMMITTEE MEETING

Wednesday, January 26, 2011

7:30 a.m.

Merrimack Valley Workforce Investment Board
Lawrence, MA 01843

Members Present: Peter Matthews, Fred Carberry, Atty. Robert Leblanc, Juan Yepez

Members Absent: Ron Contrado, Michael Munday, Kevin Page, Joseph J. Bevilacqua

Staff Present: Rafael Abislaiman, Odanis Hernandez, Ruth Marrero, Deborah Andrews, Susan Almono

Guests Present: Arthur Chilingirian

I. Approval of Minutes of December 15, 2010

A quorum being present, Peter Matthews called the meeting to order at 7:40 a.m. Peter then called for a motion on the minutes of the December 15, 2010 meeting.

Fred Carberry made a motion to accept the minutes of the December 15, 2010 meeting as submitted with Juan Yepez seconding the motion. Motion passed.

II. Quarterly Performance Report

Ruth Marrero presented the Second Quarter report stating that future reports will have a comparison to the same time period the previous year. Ruth said that under "job seekers served" the Annual Plan calls for 15,000 and "actual to date" is 9,575 so we're at 64%. In FY2010, entered employments were 2,300 with 954 at this time of year. Current total entered employments stands at 1,307 so we're at 61% of plan. New employers to Career Center are at 39% of plan but repeat employer use of the Career Center is at 130% of plan.

Bob LeBlanc wondered how we decide the numbers for the Annual Plan and if our numbers are good at the end of the second quarter due to low plan numbers. Ralph Abislaiman explained that most numbers were slightly raised from last year. They are normally based on projections from the previous year's numbers. Bob then asked how many employers are not being served. Chili said that in order for an employer to be

counted we must provide a service such as a Workforce Training Fund presentation or a job posting. He stated that we have six Business Service Representatives (BSRs) using software identifying contacts and making visits during the week. Several companies come into the Career Center and do recruitment such as Comcast, Raytheon and Nestles for example.

Bob stressed that contact with employers is important and that we should be increasing the network of employers served. Chili said that statewide we have the highest employer contact rate and that an employer must be new to the Career Center and never in the database in order to be counted as a new contact.

Ruth continued her report citing the participant characteristics. Male customers are at 52% compared with 54% last year and Whites are at 5,477 compared to last year's 4,908. Hispanics or Latinos are at 3,447 while last year they were at 3,213.

She next cited total customers by city and town for a total of 9,480. At the end of the second quarter Haverhill had 1,814 compared to 1,169 last year. Lawrence had 3,079 and last year had 2,918. Bob LeBlanc said that looking at the coast and other towns he wonders how many are missing.

Chili said that you would have to know how many will want services when their UI is ending.

Ruth said that Title I Adults we are well below the entered employment plan. The WIA Title I Dislocated Worker Program is ahead of plan. Ralph explained that the "Adult" category encompasses the long term unemployed who have lost unemployment benefits or people who have never worked while the "Dislocated Worker" category consists of people who were collecting unemployment and had previously been employed.

Ruth concluded her report citing that WIA Title I Youth is at 71% of plan with the Average Exit Wage at 120% of plan. NEG Sonoco/Debbie Staffing 'Trade' numbers are draft because the program is still beginning but enrollment is at 55.8% and those who have gotten jobs have a wage rate of 107.6%.

III. Letter to Commonwealth Corporation re: Youth Eligibility Criteria

Ralph Abislaiman said at the last planning meeting it was decided that he should write a letter requesting that the state legislature reconsider the criteria for youth subsidized summer jobs. Ralph said that he wanted to check the legislation and could find no information on the existing law. It instead appears to be a line item in the annual budget. to help poor kids with additional requirements set up by Commonwealth Corporation. Ralph said that he has a meeting scheduled for tomorrow with Commonwealth Corp to discuss this issue. From his perspectives it seems shameful to be denying subsidized summer jobs to poor youth who are in-school and achieving average or above average grades while we provide school dropouts and underperforming youth with subsidized summer jobs. The youth unemployment rate

for latinos and black youth is 85% and inner-city poor kids who are trying in school should not be excluded from summer jobs.

Bob LeBlanc said that the regulation would be easy to change and we could write a draft of the enabling language for the legislators and get it to Senator Baddour, who is deputy Chair of the Senate Ways and Means Committee. Ralph said that's a great idea. We are also trying to prepare a youth RFP that would like do this at the local level.

The state is not unified on this issue. He mentioned that Undersecretary James appears to think that the situation should be changed, others may not.

Deborah said that YouthWorks subsidized summer employment is allocated to communities with comparatively high poverty rates. In this region they consist of Haverhill, Lawrence and Methuen. If the legislature and governor approve the legislation, funding for those communities is automatic and we don't need to apply to receive a contract.

Atty. LeBlanc said that the education incentive rewards good behavior in youth that are still poor but trying to move up. He said that the line item has no legislative intent other than providing the funds for subsidized summer youth jobs. It then depends on what the administration wants to do via Commonwealth Corporation. Chili said that he believes the regulation states at risk youth and not poor youth.

Bob continued by stating that the poverty rate hasn't changed much since President Johnson though a lot of money has been spent. Getting out of poverty through education, hard work and daily sacrifice is the way to move up.

Deborah said that her perspective is different as to why people come up or do not come up but she accepts that we will need to adjust to create programs for those who work hard and that there will be more of a buy in if we serve youth who are perceived as working hard.

IV. MVWIB – ValleyWorks Career Center Vendor Monitoring Process Update

At the request of Atty. LeBlanc, Ralph addressed the question of how the WIB executes its federally mandated role of oversight and monitoring. He stated that in monitoring the career center, the MVWIB staff attempt to replicate what the state does annually on a monthly basis. We use MOSES to check client flow and interact with the training vendors and customers to gauge progress. We should perhaps be more flexible on what marketability means in the middle of a recession and get appropriate people into training faster.

A broader question is whether the current system is as effective as it could be. Nationally and locally, there are so many economic questions that we sometimes feel as if we're navigating in a fog. We are talking about multiple layers of people at the federal, state, regional and local levels who often have very different perspectives.

For example, there are discussions on whether 50% of WIA funds should be used for training, whether most training should occur at community colleges. This is a complex situation and perfection will never be found but that doesn't mean that there can't be reasonable improvements. Problems always arise but we shouldn't use solutions that have repeatedly proven to be ineffective.

At the national level, there's controversy over whether OJTs unduly favor employers because some might save money by just cycling subsidized trainees through their work site without hiring enough of them. It is a difficult balancing act.

Community Colleges are often mentioned as the premier workforce training entity but, nationally, their cost rate is often higher than private vendors, they're being part of government, there are bureaucratic issues that prevent them from responding quickly to private employer needs.

There should be a place for private vendors alongside Community Colleges. Ralph asked "why is LARE currently our sole youth training vendor" and the only one who has recently replied to RFPs. He then stated that this is because it is super difficult to succeed at youth training under the current system and because LARE has worked very hard at succeeding. He also wondered whether college tuitions would rise even further if WIA funds could regularly be used to supplement college Pell grants.

V, De-Obligation of Funds – Under enrolled Programs

Odanis Hernandez reported that, in conjunction with our fiscal agent DGA, we looked at group trainings under WIA and ARRA. There are four programs not fully enrolled several weeks after a new cycle has begun. We are looking to modify those contracts and de-obligate the funds associated with the individual student costs like books or individual testing fees.

Bob LeBlanc expressed concern that we de-obligated \$58,000 last meeting but Ralph noted that was because no one was enrolled in that particular program. Juan Yepez asked how the funds will be redistributed. Ralph said that money would go towards ITAs. ITAs are easier to fill than group programs because we don't have to find a group of people who all want to learn the same thing to get a job.

Chili said that ITA enrolled people still need to meet eligibility requirements. Discussion followed on ITAs and the \$15,000 cap and whether anyone has gotten off welfare through an ITA. Chili said that he knows of 4 or 5 in the last thirty days. Chili also mentioned that the Governor is rumored to be cutting training dollars entirely out of the welfare budget.

Odanis returned to the contracts at hand stating that all the vendors have been notified that this item is on today's agenda. Odanis handed out material with the specific dollar amount. Juan Yepez asked about what a retake fee is and Odanis said for those who

don't pass the first certification test, this allows them to retake the test. Then they are usually successful.

Chili also mentioned that he anticipates that the entire amount of the separate \$58,000 youth money which was de-obligated at the last meeting will be spent on youth ITAs by the end of next month.

Motion by Robert LeBlanc seconded by Juan Yopez to authorize the de-obligation of funds as presented. Motion passed.

VI. High Performing WIB Budget

Ralph Abislaiman reminded members of previous HPW discussions. He stated that we must submit a budget to the state to receive the \$100,000. He has suggested using some of funds for a ½ day board meeting in April and another part for the executive committee to attend the NAWB conference in Washington, DC. He outlined a draft \$100,000 budget as follows: \$15,000 for board development with the ½ day seminar and the NAWB conference in Washington using part of that money; \$25,000 to increase the hours of the Resource Development Manager (Susan). He stated that this position really requires a full time person. He stated that the remaining \$60,000 could be divided among the three HPW employment sectors - manufacturing, health care, and green initiatives.

Ralph noted that green is difficult to define but there are opportunities to combine manufacturing with green. He said that the spirit of the budget corresponds to the HPW action plan.

Fred Carberry said that the \$25,000 is a one year amount and asked how would we be able to sustain the Resource Development position after that. Ralph said that the money was already budgeted then the resource development manager stated that she could only work part-time. We subtracted \$25,000 from that position to pay for Barbara Zeimetz contract.

Peter Matthews mentioned that it appeared that the full board had ideas at the recent quarterly meeting and wanted to weigh in on how the funds are utilized. He wondered if the motion could be flexible enough so we could set the general guidelines today to obtain the funds and set the actual budget at a later date.

Ralph said that is a good idea but he wondered how much unanimity there is among the board as there were lots of comments but most of them were from manufacturers. The representatives from health care were largely silent.

Bob LeBlanc said that he feels it is a decision of the Planning Committee but stated that he felt after a two year process we should be able to very clearly develop a budget achieving goals and objectives set forth in the grant application. He said he is troubled to be asked to vote on a rhetorical budget with no form or format. What we need to achieve in the next year is increase the value of board participation, increase

partnerships with the private and public sector to define and address the persistent high rate of unemployment in our population. He said that he is not comfortable voting for the budget today.

Ralph mentioned that \$100,000 out of a \$10M budget is a small drop in the bucket and inadequate to solve the problems facing the unemployed. The key is board development which is an ongoing process without specificity and clarity. The only clarity is that we want to strengthen regional manufacturing, health care, and green but no one knows what green is. Since health care is 20% of the nation's economy, it is inevitably important. While manufacturing has been evaporating nationwide it is still a significant part of this region's economy. Green is the flavor of the month and of potential long-term importance so we chose that as well.

At the quarterly meeting, most of the board seemed indifferent to more than a ½ day information sharing seminar. In the past board members have gone to NAWB where a lot can be learned. This year, we are only sending the executive committee. Ralph said that there is very little planning clarity at the federal and state level. The budget shortfall has put people in a fog and workforce development planning is more of a work in progress than it usually is.

Arthur Chilingirian said that he would like to withdraw his previous request for funds for staff. He said that in December there was a power failure in the building and the IT switchers and routers are fifteen years old. Cisco doesn't make the parts anymore. Fortunately, we were able to have the state get us back up and running in a couple of days but if we don't address the IT problem we could face another failure. We need money for IT improvements because a band aid approach may leave us vulnerable to a major failure that could shut us down for two or three weeks. Chili said that he has some Wagner Peyser lag money he can use but would like to request additional money as the cost is \$45,000 - \$60,000.

Juan Yopez said to speak with him before they decide to purchase anything as they have contacts all over the world. He asked for the model numbers and said he may be able to get parts from Cisco.

Ralph said that this may be a pressing need but out of a \$10m budget \$100,000 dedicated to board development is only 1%. Chili said that he has his lowest budget in years now. Ralph said that we are short one person in the budget. The Mayor has indicated that he wants to keep the Deputy Director position open but in the past two months we realized a \$18,000 lag. Juan wondered about putting that money towards Susan's position but Ralph said that we may fill the Deputy Director position and we should work with lag.

Fred Carberry talked about the three focus areas and the possibility of doing a summer youth pilot, more loosely regulated, as a board study of the effectiveness of the changes. Ralph said that is a great idea.

Ralph said that it is critical to do board development with attention to the categories in the action plan. We need to improve the youth employment pipeline and have the board focus on the three fields. Juan Yepez suggested working with other groups such as GroundWorks Lawrence who employ youth in green jobs.

Peter Matthews said that we need to prioritize infrastructure IT problems because a failure there could close the career center for weeks. It is dangerous to pay for the executive committee to attend NAWB when the career center might have to close down.

Robert LeBlanc made a motion to table discussion on the High Performing WIB budget to a special planning committee meeting on a mutually agreed upon day next week to allow staff time to prepare a more specific budget. Juan Yepez seconded the motion and motion passed.

There was a brief discussion on unfunded liability for retired employees.

VII. Other Business

Peter Matthews said that things will go more smoothly if we have information prior to the meeting, even the day before.

Bob LeBlanc asked about the Ex Offender Strategic Plan final report which he raised at the last meeting. Ralph said that he has received the report and will send it out to the board via email. Another question Bob had was what the impact of Evergreen would be on the region. Chili said that Rapid Response is in Devens and since the jobs have gone to China, employees are trade eligible.

Bob then said that the graphs which Ralph distributed at the last meeting were great information and wondered if the information could be broken down by town. Chili said that we get that the raw numbers from the state and that he would inquire about the possibility.

Ralph said that he would like to apologize for not giving more paperwork in advance and explained that the current workload has been a handful.

VIII. Adjourn

Having no further business Bob LeBlanc made a motion to adjourn the meeting seconded by Juan Yepez. Motion passed and the meeting adjourned.

Respectfully submitted,

Mary Kivell

Recorder