



PLANNING COMMITTEE MEETING

Wednesday, July 27, 2011

7:30 a.m.

Merrimack Valley Workforce Investment Board
Lawrence, MA 01843

Members Present: Peter Matthews, Fred Carberry, Rosemary Chandler, Ron Contrado, Atty. Robert Leblanc, Michael Munday, Juan Yopez

Members Absent: Kevin Page, Joseph Bevilacqua

Staff Present: Rafael Abislaiman, Odanis Hernandez, Deborah Andrews, Susan Almono, Mary Kivell

Guests Present: Arthur Chilingirian, Tracy Myszkowski

I. Approval of Minutes of June 15, 2011

A quorum being present, Peter Matthews called the meeting to order at 7:35 a.m. Peter then called for a motion on the minutes of the June 15, 2011 meeting.

Fred Carberry made a motion to accept the minutes of the June 15, 2011 meeting as submitted with Mike Munday seconding the motion. Motion passed.

II. Review of Annual Plan Executive Summary, Plan Numbers and Budget

City of Lawrence Title I Administrator Fred Carberry said that we are required to submit an Annual Plan to the state each year with the budget and workforce development goals for the Merrimack Valley. At the recent MVWIB board meeting in Newburyport, the board voted to empower the Planning Committee to give final approval to the annual plan numbers and budget. Fred gave an overview of the budget stating that the total projected revenue is \$7,555,995. Of that, \$632,842 is allocated for the WIB, \$495,123 for DGA, \$3,056,140 for ValleyWorks Career Center (VWCC) and \$2,058,929 for the Division of Career Services (DCS – state employees).

Fred said that overall, there is a decrease in WIA funds of 5 ½% from last year. He said that the budget tried to strike a balance between continuing client vendor training opportunities and continuing client case management and in-house training in a way that best meets the large number of clients coming to the career center. He said that we are using a variety of other funds from NEG and Rapid Response to shift staff to

other grant specific in-house duties and maintain services without layoffs. Our goal is to continue the high level of support customers receive at VWCC. VWCC's performance is one of the best in the state. The State also dedicates a considerable amount of training funding to this area via National Emergency Grants and other programs and VWCC must case manage those trainees as well. Although, we have had to reduce our WIA funding for training, we hope to make up some of that difference with separate trade and dislocated worker funding.

Fred said that we have come out pretty well and have managed to keep staff intact even though ARRA funding has expired. He said that he, Ralph, Tracy, Barbara and Chili worked hard to come up with the best balanced plan possible. He said that the Executive Summary which is posted on the WIB website lists the priorities outlined in our strategic plan and goals for FY'12.

Peter Matthews asked if future funds would be earmarked for training since costs and salaries are fixed for this year. Fred said that there are grants in process and if grants are awarded to the MVWIB, the largest part of those funds is for out-of-house training related activities. DGA Finance Director Tracy Myszkowski said that there is a YouthWorks grant with 70% going to training and the EPA grant which is almost all for training. In addition to those two, we expect others. Fred said that the majority of grants are for training with a much smaller amount for overhead.

Rafael said that if we are fortunate enough to get the H1B grant, 15% is for staff to service the grant and 85% is for training related activities with the bulk of funding going to client salaries while they are being trained. Rafael also noted that there is state funding of \$10m available for five communities to address youth who have committed or are victims of serious crime. Lawrence Community Development is applying for about \$2m. Much of the WIB portion of that grant will be for training youth and their related family members that have committed or been victims of serious crimes.

Bob LeBlanc said that he feels this is a waste of money as he deals with this issue daily. He said the dollars would be best spent on prevention and education. He said that most youth crime is drug related with gangs in competition for drug sales or a crime of passion. Bob said that Judge Newman of Juvenile Court is an excellent resource on this issue. Rafael said that he agrees that prevention and education are excellent ways to spend dollars but we are the jobs people so how can we say "no" if the Governor is earmarking funds for youth already involved in crime. We will hopefully help prevent future crime by these individuals. Rafael said that he had met with Art McCabe of Community Development along with Susan and that they had listened into a conversation with Judge Newman. He supports what Lawrence Community Development and we propose to do.

Bob LeBlanc asked if there were any new in-house positions or upgrades. Rafael said that there is \$50,000 in the HPWIB budget for board related activities which we may use for board development and to create a new blueprint. Bob also asked how

companies might be involved in on-the-job training and other activities that might help them. Fred said that OJT programs pay 70% of the salary and Ralph said that the H1B would pay up to 90% of a small company's employee cost during training or up to about \$25K per employee.

Bob said that his concern is that we need to get people jobs and help employers to hire. OJTs are a good vehicle toward that end. Rosemary Chandler said that ITA and Trade money can be used for OJT and that use is driven by demand and grant eligibility requirements.

Discussion followed on the expense and payment method for OJTs. Tracy said that they are paid on a cost reimbursement basis but ITAs can be paid up front after a student is in a program for 30 days. Chili also said that the Business Service Reps inform all the businesses they meet with about OJT.

Fred said that OJTs are costly and you need to find a suitable candidate for the employer. Bob LeBlanc said that perhaps we should consider forming a manufacturer's subcommittee to get more employers involved. Rafael also mentioned new WTF guidelines which offer the possibility of group training for employers and employees in the same field. He also mentioned that there is some controversy at the national level on OJTs being anti-union. By using OJTs, some employers avoid paying salaries and simply dismiss people at the end of their training. That is not the case in this region.

Peter Matthews said that we have been discussing OJTs in this committee for a couple of years and he would be glad to host a meeting of employers at his facility. He said that the challenge with the reduction in funding is the numbers of people still coming into the career center. If we cut their, those clients could be badly affected. Fred Carberry said that the need to provide core services is still there. With trade funds and grants reinforcing training, we are right to dedicate more WIA funds to in-house services. Bob LeBlanc said that we are supposed to get people "working and not shirking."

Peter said that after we vote to accept the budget and plan and that final approval goes to the Mayor/CEO.

Mike Munday said that it looks like the 5.5% reduction is all from training and wondered if any expenses are up or down from last year. Fred said that there are no changes in the WIB and that any salary increases would be subject to collective bargaining negotiations as the union has been without a contract since July, 2009. DGA was reduced by one executive assistant, VWCC reassigned an executive assistant and eliminated one job developer, and DCS eliminated three re-employment specialists.

Rafael said that since January, the WIB has had two vacancies and the lag money was reassigned to training. Those vacancies are budgeted for part of this year and that any lag would go to training. He also restated that the board should expect clearer value metrics on how career center and WIB staffing balances out against using more funds

for client training at area vendors. More metrics and information on 'continuous improvement' should be available for next year's budget deliberations.

Juan Yepez asked about the line item of \$60,000 for equipment and whether we could save money on this item. Tracy explained that this line item is for copiers, faxes and postage for Lawrence and Haverhill through leases negotiated from the state provider list. There is no flexibility in these contracts unlike private industry.

Rafael reminded the board 'Trade' money is not in our budget and there are a lot of area unemployed people being trained using those funds. He cited about 400 unemployed from Deb Staffing and Solo Cup, businesses that closed their doors and whose former staff are now being trained using funds that are off our books but which the Career Center staff case manage.

Motion by Bob LeBlanc seconded by Mike Munday to approve the budget and FY'12 Annual Plan and numbers as presented. Motion passed unanimously.

III. Issues around the Federal Budget and Possible Impact on Local Workforce System

Rafael Abislaiman said that there is still no clarity on the debt ceiling being resolved by the drop dead date. If there is no resolution, we would need to determine how to continue to pay employees and serve the unemployed. The so called "rainy day fund" would tap-out after about three or four months and then we would have no money to pay our own employees' accrued vacation days. It would also assume that the City of Lawrence would take on our own employees' unemployment payments. Another item we are now responsible for is our retirees' health insurance and the City would need to pick that up as well. If things get bad enough at the State or Federal level, the City may go broke in its turn.

Discussion followed on the possibility of overdraft protection or a credit line where we bank. Ron Contrado asked why we don't bank locally. Fred said that the city banks with the Bank of America. We would need to work these changes out with the city treasurer as Tracy has stated that we were denied a line of credit separate from the City of Lawrence in the past. Bob LeBlanc said that Bank of America has a heavy mortgage investment in the city.

Peter Matthews said that we will see what the impact will be next week. Ralph said that depending on what the federal government does we could be in a world of hurt. In any eventuality, it is almost certain that we will see cuts in the years ahead.

IV. Report on successful EPA Grant and other Development Efforts

MVWIB Resource Development Manager Susan Almono reported that we were one of 21 grants nationally selected to receive a \$300,000 EPA over two years. This is similar to the Brownfield grant we received in 2006 but which has been expanded by the EPA. This is for a broader field of training types but still in the same rough category. The grant is for forty-five workers who are unemployed or underemployed to train for

deconstruction, recycling, and sustainable landscaping. We are partnering with Groundwork Lawrence and one third of the funds (\$100,000) will be for the WIB and DGA admin and VWCC for recruiting, case management, and job placement. Susan said that we have reached out to several businesses such as Go Green (recycling, Wheelabrator, Thompsons and the City of Lawrence DPW.) Sustainability landscaping will be done with us working with Groundwork Lawrence that is already working on the Spicket River Greenway. On deconstruction remediation, Susan said that we will connect with the asbestos and lead removal companies that often do demolition and which are under pressure to do more recycling. Trainees will receive certifications and trainings will be for ten weeks.

Bob LeBlanc suggested Richard Bonanno and Bill Fitzgerald from Methuen as knowledgeable about farming and opined that the \$100,000 was high for admin.

Susan said that we plan to recruit 75 with 45 entering the program and an entered employment of 30. We are currently negotiating the contracts and will start in October as we need to wait until the spring growing cycle for the landscaping. This is a two year grant for three different training cycles. Ralph explained that the \$100,000 is not just admin but includes client recruitment and outreach and direct services such as job counseling and placement follow-ups.

V. Building Board Membership

Rafael said that we need to provide the state with our current board list. He may ask for an extension. He discussed this with board chair Joseph Bevilacqua who suggested sending a letter to board members who have not been attending and ask if they wish to continue as board members. That has been done. Ralph said that he has also sent information on whose terms have expired or are expiring soon to the Mayor. The Mayor has the appointing authority and may keep some or all existing members and add others. Ralph asked committee members to feel free to share private sector member prospects with him noting that the Mayor has final approval.

Bob LeBlanc said that he would like to see the list and propose candidates for board membership. Fred Carberry said that some of the seats are required by law and we need to look at the requirements and maintain a balance of private sector members.

VI. Adjourn

Having no further business Fred Carberry made a motion to adjourn the meeting seconded by Rosemary Chandler. Motion passed and the meeting adjourned.

Respectfully submitted,

Mary Kivell

Recorder