

**PLANNING COMMITTEE MEETING**

**Wednesday, March 27, 2013**

7:30 a.m.

Merrimack Valley Workforce Investment Board

Lawrence, MA 01843

Members Present: Peter Matthews, Ron Contrado, Juan Yepez

Members Absent: Atty. Robert Leblanc, Kevin Page

Staff Present: Rafael Abislaiman, Barbara Zeimetz, Arthur Chilingirian, Mary Kivell

**I. Approval of Minutes of January 15, 2013**

A quorum being present Peter Matthews called the meeting to order at 7:40 a.m. and called for a motion on the minutes of the January 15, 2013 meeting.

**Motion by Juan Yepez seconded by Ron Contrado to approve the minutes of the January 15, 2013 Planning Committee meeting as submitted. Motion passed.**

**II. State’s Plan to Reduce UI Walk-in Services and Replace with UI Online Computer-based and Phone-based Systems**

Arthur Chilingirian reported on the State’s plan to reduce UI walk-in services and replace them with UI online-based and phone-based systems. He said that he is part of a workgroup that has been meeting on this matter. Over the past two years, the state has had UI online in-place through a phone call center. An Internet version has long been under development. Unemployment is running out of money and the Federal and State government feel that the change will provide a cheaper, better way to provide UI services.

Last year, Chili attended an Internet-based demonstration and even our IT person couldn’t get through it. This year that UI system is easier to use but there is still a significant amount of reading involved and that could prove a barrier to our population which may lack both computer and English language literacy skills. The plan is for the mandatory change to begin on July 1st. The State is doing one more test before that date.

Chili said that he has informed State officials that if they want UI in the ValleyWorks Career Center they need to support it with funding. He said that he is very concerned with this transition because his staff will not be able to serve clients and that will cause security issues and customer complaints to elected officials. Clients who come to the Career Center will be told that they can use a computer and that staff cannot assist them.

Fortunately we have two security guards outside our doors but other centers do not. Currently, we have 900-1,000 walk-ins per week and their best demo takes 30 minutes to complete. There will be many unhappy folks if they are waiting for a computer. At a recent fiscal meeting UI said that they will have funding but they don’t know how much and the state doesn’t have money. We have the second highest amount of client traffic in the state. The most trafficked center, the one in Boston, is likely to get a special arrangement.

Chili then said that UI Director Michelle Amante visited the Career Center on a recent Monday and she how busy it was. She commented that UI clients could use the computer resource room and Chili said that often all computers are busy with Career Center members looking for jobs. Later in the day she observed that was the case. Chili said that he is considering putting three computers up front. He also said that the State has not done any marketing of the new system except for telling customers that they can obtain a debit card or direct deposit.

Chili feels that we need to talk to the CEO and legislators so they know what is going to happen. Most clients still believe that the Career Center is the Unemployment Office. He said there is a meeting of the work group next week but he let them know that unless the talk is about money and funding we won’t be able to participate in a meaningful way.

Peter Matthews wondered if this change is mandatory and Barbara Zeimetz said that customers can still come in but without funding staff are unavailable. Chili said this was tried ten years ago and within a week the legislature mandated that they must maintain walk in services in the state. Rafael Abislaiman said that he has spoken with the CEO and that we must soon inform local legislators.

Chili also noted that several area businesses are laying off so unemployment is still happening in our region. He also said that one third of the client numbers are initial claims which take the longest. Barbara Zeimetz said that UI is hiring 60 seasonal call center personnel and 45 adjudicators. She also said that we have lobbied that they do the transition over a period of time and not all at once to no avail.

Juan Yepez asked why they don’t roll out the change by site as opposed to the whole state at once to see how it works. Ron Contrado wondered if folks scream loud enough whether there could be relief and Barbara said they will only listen to political pressure. Peter Matthews suggested talking to Rep. Brian Dempsey, Chair of the Ways and Means Committee. Barbara said that the Secretary has also proposed a conference call with the 16 CEOs to explain funding.

**III. Change to Summer Youth Employment Selection Process**

Rafael Abislaiman said that historically many more youth apply for subsidized summer jobs than are available. In the past we have dealt with by implementing a lottery amongst youth who meet eligibility requirements. We would like to take this one step further and allocate 40 slots out of approximate 280 of them to youth who are already involved in our programs who are doing a good job. These 40 slots would allow us to offer the first right of refusal to these youth for available summer jobs.

**Motion by Ron Contrado seconded by Juan Yepez to allocate 40 slots for the Summer Youth Employment selection to youth already involved in a program who are doing a good job offering them the first right of refusal. Motion passed.**

**IV. Update on WCTF Manufacturing Proposal**

Rafael said we have submitted our WCTF Manufacturing proposal which will be funded but the amount is up the air between $450,000 and $600,000. This is the only proposal accepted by CommCorp from this region. Compass for Kids was rejected without a Workforce Investment Board or Career Center signature. Barbara Zeimetz said that she is meeting with them today for lunch and Rafael has also met with Susan Ferraro.

Barbara said that the issue is not that we weren’t supportive but that we became aware of their proposal too late and that it didn’t fit the RFP criteria very well.

Barbara also said that she is attending a meeting on a Working Cities Challenge grant for $700,000 over three years with sixteen cities and towns eligible that include Lawrence and Haverhill. She said that there are a large number of interested participants in Lawrence so she doesn’t know how it will work in that City.

Barbara said that we expect an announcement next week on the WCTF Manufacturing proposal.

**V. City of Lawrence/MVWIB Fiscal Merger Status**

Rafael said that he has gone before the Lawrence City Council several times which has never happened any other time to this organization. He said that other Lawrence city departments operate in that mode and we are now expected to do so when there are union or contractual issues. This change may or may not continue in the future.

Ralph said that the City Council approved the 3% COLA approved by the WIB two years ago. In a separate contract presented to the city council and much to his surprise, there is an additional 2.5% COLA in both FY ‘14 & FY ‘15, which is totally irregular because the Board has not discussed and approved it as a recommendation to the Mayor.

It is possible that the fiscal overseer went to the Governor in response to union pressure to add the additional l2.5% COLAs for both FY’14 and FY’15. But the COLAs were not negotiated, recommended or approved by the WIB. This is against WIA law which dictates that negotiated, recommended increases go from the WIB to the Mayor/CEO, for approval or adjustment.

He will not sign and forward a new union contract with the COLAs unless there is more clarity about the Career Center Director’s ability to select employees within the Union seniority bumping process. We should revisit the contract issues before there is something more than the COLA MOAs.

Peter Matthews said that over the years the Planning Committee, along with everyone else, tried to do the right thing regardless of what happens. Juan Yepez agreed. Chili said that we only negotiated up to FY’13. Ralph said that budget issues should come to the board first. We need to remind people of this necessary step under WIA.

Peter agreed and said that since it is our responsibility under WIA, budget proposals should be brought to the Board first.

Barbara said that the reason the contract took so long is because the overseer rejected the COLAs negotiated through FY’13. Chili said that no one asked about our budget which is being reduced. Ralph said that we need to take time to build the argument in face of severe cuts. Peter again said that we need to go on record as following the law.

**VI. “Amp It Up” Contest Results**

The “Amp It Up” Program is a marketing program on manufacturing careers that will inform youth in Lawrence, Haverhill, Methuen and Newburyport high schools. We held a marketing event and are getting the word out on manufacturing careers because manufacturing is expected to rebound in the United States. With the aging of manufacturing workers, there is an opportunity for youth to get into manufacturing.

Peter Matthews said that it appears that the word is getting out as he hears more and more people talking about it. Juan Yepez suggested talking to Cambridge College regarding training to take advantage of open space at Cambridge College in the day as their focus is on night school.

Barbara Zeimetz said that we are using Cambridge College during the day for our EPA program and that community colleges have been targeted for manufacturing courses and are creating programs. Juan said that Cambridge College is looking to expand and work with the community where they are. Ralph said that we would be willing to talk with them.

Ron Contrado mentioned the fact that the low cost of energy in America is contributing to manufacturing’s resurgence and Rafael said that there may be a short-term downward bump in manufacturing because of Congressional sequester’s impact on defense spending.

**VII. Other Business**

Rafael then said that he saved the worst for last. Because of sequestration and the UI reduction in Massachusetts, we will have at least a $400,000 budget cut going into the FY 2014 fiscal year. That is why we want to work with the Union to reconsider seniority bumping parameters after layoffs. There will still be significant budget cuts and significant staff lay-offs.

Pete Matthews then asked if the UI rate is the best way to measure need. He has looked at the employed rate which has not been rising while the UI rate has been declining. If unemployment rate is going down we are not seeing it.

Juan said that UI numbers have always been questionable since, once folks come off UI, they are not counted in the unemployment numbers. Chili also mentioned that the state is using old census data to determine allocations. Ralph said we are looking at about a 24% reduction in dislocated worker funding. Ralph also said that Congressman Tierney and Tsongas will ask the state about the formulas used in areas where there is clearly substantial unemployment.

Barbara said that Secretary’s staff should explain is how they calculated the cuts. Juan noted that State unemployment is at 7.1 and this region’s is much higher, something isn’t right. Barbara said that they need to look at the workforce and who is getting a living wage and conduct a more general analysis of what people are doing. Barbara said that in the past the State used a regression model but it is not using it anymore.

Ralph said that we may need to change the location of the Haverhill office to smaller, less expensive space and have informed Mayor Fiorentini of the same.

It was agreed to postpone the next scheduled Planning Committee meeting to a date to be determined based on planning needs.

**VIII. Adjourn**

**Having no further business Juan Yepez made a motion to adjourn the meeting. Ron Contrado seconded the motion and the meeting was adjourned.**

Respectfully submitted,

Mary Kivell,

Recorder