



Arwood Machine Corporation
95 Parker Street
Newburyport, MA 01950

QUARTERLY MEETING

Minutes
Tuesday, June 25, 2014
7:30 AM

MEMBERS PRESENT:

Joseph Bevilacqua, Christine Bradshaw, Francisco Brea, Dr. Lane Glenn, Supt. John Lavoie, Peter Matthews, Michael Munday, George Noel, Ann Ormond, Donna Rivera, Michael Strem, Abel Vargas, Bob Westcott, Cal Williams, Ray Wrobel

MEMBERS ABSENT:

Edward Bartkiewicz, Melissa Cerasuolo, Ron Contrado, Evelyn Friedman, Brian DePena, Supt. William DeRosa, Atty. Wendy Estrella, Joe Gangi, Jr., Gary Hale, Robert Ingala, Susan Jepson, Steve Kfoury, Atty. Robert LeBlanc, Jeff Linehan, Alberto Nunez, Cindy Phelan, Steve Salvo, Lester Schindel, Jeff Sheehy, Stanley Usovich, Juan Yopez

GUESTS PRESENT:

Mayor Daniel Rivera, Arthur Chilingirian, Senator Kathleen O'Connor Ives, Hailey Klein, Amalia Perez del Pulgar for Susan Jepson

STAFF PRESENT:

Rafael Abislaiman, Cristy Gomez, Susan Almono, Odanis Hernandez, Mary Kivell, Tracy Myszkowski, Corina Ruiz, Barbara Zeimetz

1. Call to Order & Introductions

A quorum being present, Joseph Bevilacqua called the meeting to order at 7:45 AM. The Chairman stated that the MVWIB likes to hold its meetings throughout the region. Joe said that there is a special guest here today and welcomed Senator Kathleen O'Connor Ives.

Senator Ives said that her district includes Amesbury, Salisbury, Merrimack, Methuen and North Andover. She serves as vice chair of the Committee on Community Development and told board members that she is ready to serve as a resource on any front.

Joe mentioned that Chief Elected Official Mayor Daniel Rivera started a youth initiative as a building block to putting kids to work and it has gotten off to a good start. Joe also referenced an article in the Boston Globe on manufacturers that faulted them for not tapping vocational schools and other programs. He further mentioned the new synergy with Northern Essex Community College.

2. Welcome

Arwood Machine Corporation COO Mike Munday welcomed board members to Arwood Machine and offered a tour of the facility at the conclusion of the meeting. Mike said that Arwood does precision manufacturing for medical, communications, satellite, semi-conductor, aerospace and defense components and that it has contracts with many different entities. Mike said that Arwood has been in business for 42 years with the last 19 years being at the present site. He said that there are a variety of jobs at his company in addition to those in manufacturing. He said that he is pleased to host today's meeting.

3. Approval of the May. 6, 2014 Minutes & Chairman's Report

Joe said that the legislature is looking to reauthorize a new version of WIA with some changes. The reauthorization will be called the Workforce Innovation and Opportunity Act (WIOA.) Joe said that the State WIB, of which he is co-chair, will meet tomorrow at Salvatore's in Lawrence and he invited everyone to attend as his guest as there will be an update on WIOA at that time. Joe also said that he would like to commend Chili and the staff at ValleyWorks Career Center for the amazing work they do.

Chairman Bevilacqua then asked for a motion on the minutes of the March 12, 2014 quarterly board meeting.

Motion by Cal Williams to approve the minutes of the March 12, 2014 meeting as submitted. Donna Rivera seconded the motion and motion passed unanimously.

4. FY'2015 MVWIB Annual Budget Recommendations

Joe then called on Tracy Myszkowski, Finance Director, to present the FY'2015 MVWIB Annual Budget recommendations. Tracy referred to an updated handout and the second page where it breaks down the \$7.3 budget. She said that \$633,000 is for the WIB; \$525,000 for DGA; ValleyWorks \$2.7m; DCS \$1.6m; and training is allotted \$1.8m. There are 70 staff in the organization and 66 full time employees.

Tracy continued by stating \$108,000 is the current retiree health insurance cost and there is also a 2.5% union COLA included in staffing costs. Mayor Rivera asked who bargains with the union and Rafael said that in the past the Career Center Director and the former Title I Administrator negotiated and the Board and Mayor approved or disapproved negotiated outcomes. Recently there was a three year COLA plan bargained by the Career Center Director and the former Title I Administrator which was approved by the Board and Lawrence Mayor but then rejected by the State Receiver. Then after pressure was applied at the State level by the Union, a larger COLA was granted by the State Receiver. This year's 2.5% increase is the last of the increases he instituted through a somewhat irregular process.

Tracy referred back to the budget summary and the vacant positions which she said have been budgeted for 10 months with salary and fringe to allow recruitment time. Mayor Rivera asked if staff are enrolled in the GIC insurance plan and Rafael said that they are. Tracy said that there is a 9% increase in WIA funding; 1% increase in Wagner/Peyser and quite a bit for Summer Youth this year. We also have a new funding source through a Philips Mersen National Emergency Grant. The budget includes a WIA Adult increase of 5% and related training received a \$100,000 increase. She said that they are hopeful that the year round Youthworks program will receive and increase similar to Summer Youth funding. We also have \$1.2m in trade funding to serve people who worked at companies that moved their operations to other countries.

Rafael said that of the \$3m total training budget the state retains a portion but Career Center staff advise on which customers should receive funding. He said that Chili has two types of employees - 1/3 paid via the State and 2/3rds paid via the City of Lawrence. This is the first time in 10 years there was a WIA increase. Rafael said that the statewide increase was 18% but locally our increase was only 8% because our unemployment numbers are better than many other regions. The fact that people are not counted as unemployed after they exhaust their UI benefits may become a serious problem for us. Poor people in the Merrimack Valley have language barriers that most regions do not face. Our low income people may exhaust their UI benefits more than the State norm.

Motion by John Lavoie, seconded by Cal Williams, to approve the FY'2015 MVWIB Annual Budget as presented. Motion passed unanimously.

5. Reports of Committee Chairs

• *Planning Committee*

Planning Committee Chair Peter Matthews said that his report would review the FY 2014 Third Quarter Merrimack Valley Workforce Investment Act report that's in the meeting package. The report covers the period from July to the end of March. The Labor Exchange numbers on the page immediately behind the cover page counts all of the people who are career center members and who visited our career center at least once during the period covered. Those numbers indicate that we were behind schedule at the end of March. Peter said that the reduction in volume is primarily due to three things. First, the downtown Haverhill career was closed and we subsequently had a small one room location at NECC. That has now changed with this month's reopening of a Valley Works Career Center at the NECC campus. Although the new site is considerably smaller than our prior downtown Haverhill location, we expect a substantial increase in numbers compared to the first nine months of this Fiscal Year.

The second reason for not meeting planned numbers as of March 31st was a decrease in in-person visits as a result of UI-Online's growing use. UI-Online allows people to file and then follow their unemployment insurance applications via the Internet or by phone. Although the system has had many problems, about 90% of users experienced little or no problems. Phone wait times are going down as the State dedicates more and more staff to call centers and fewer State staff to regional career centers. UI on-line is bound to reduce the number of UI visitors even further. People on UI form the bulk of our dislocated worker training recruits and some of our Adult category numbers. Some UI people qualify under the Adult category because their UI benefits are nearing an end or because their UI payments are very small.

The third and final reason was last year's Federal Sequester which froze Federal Dislocated worker and Adult category funding for the first three months of FY2014. Without the possibility of qualifying for intensive WIA funded classroom training, some people just didn't go to Career Centers throughout the Commonwealth and country.

The report also indicates a substantial increase in the number of repeat employers served. The 41 count difference between the 826 total served number and the breakdown of employer numbers in the section below it is an anomaly in the State's data recording system. That 41 difference should have been added to the 276 in the other category for a total of 317 others. So called critical employers are those in our regional target areas of manufacturing, health care and green or green-related companies.

The next page, titled participant characteristics, shows that people with high school diplomas or GEDs form our largest educational level group and that, though 19 to 45 year olds comprise our largest service groupings at 52%, 46% of our customers are people who are 46 and older. Although it looks like an error, we've checked and there really were exactly the same number of clients aged 46 to 54 and aged 55 and older. It's worth stressing that only 54% of our customers are presently collecting UI.

3% of our career center members are 18 years old or younger and our non UI Claimant Count stands at 46%. That means that fully 43% of our customers are not counted in the formula that the State uses to determine WIA funding per region. As previously stated, Dislocated Worker and Adult Category WIA funding per region is based on the number of people on UI. Almost half of the people served by ValleyWorks are largely uncounted in the methodology currently used to determine regional WIA allocations.

Lawrence has by far the largest number of people receiving face to face services. For the next report of this sort, the Planning Committee will obtain information on the number of people receiving UI per city, town and area. If some communities provide inordinately high numbers of customers who are not being counted in the methodology used to determine regional WIA allocations, the accomplishment of our mission is being weakened and we'll try to take the issue up with the State.

Under the Adult Category people are normally collecting some type of public assistance and/or have not worked within the past two years. As with our overall numbers, we are behind plan for new training enrollments and total entered enrollments. The hope is to catch up in this category during the last quarter. This year has not been free of performance issues and we are trying to accomplish four quarters of work in three.

As in the past, females form the vast majority of clients in the Adult category. In the past the female to male split was closer to 80-20 and now it's at about 70-30. This seems to indicate that more males are going without work for longer lengths of time. Only about a third of new participants enrolled were basic skills deficient. The Commonwealth's definition of basic skills deficient means that a person has below ninth grade level academic skills. Recruitment for future trainees is likely to be easier now that we've lowered this region's minimum Individual Training Account academic threshold from grade 7.9 to grade 6.9.

Peter said that we are on-track in our overall dislocated worker enrollment numbers but behind in new participants and ahead in carry-ins. Dislocated workers are people collecting UI who VWCC staff determined to be in need of intensive services or training. We're on track on the number of people planned to exit out of this category but a bit behind in the number of planned entered employments. Negative exiters are people who we no longer work with but who we have no record of their finding a job. They are usually people who we can no longer contact because they've moved, changed their phone number and won't respond to emails. Some of these people may be working in the gray economy, or they may have decided to retire. Although we have a much higher average than planned exit wage, the people who we've helped find jobs are earning 16% less on average than what they earned in the past. We ask whether this decrease in earning will persist or if these reemployed people's salaries will increase in real terms.

The employment wage news is a little better for youth. Our average youth exiter started to earn \$9.79 per hour in their job, or 11% higher than we had thought they'd earn in their first job. But we're behind in the number of exiters and in the number of youth enrolled in ITAs. This is largely

due to our academic 7.9 grade threshold for youth. We will do some catching up in the fourth quarter but we also need to do a better job of recruiting youth who qualify under our threshold criteria. Dr. Paul Harrington showed us how youth who work at least part-time in high school have a much better chance of earning good wages as adults. Young people who work part-time in college also have a higher graduation rates than kids who don't. Our growing connections with Northern Essex Community College and the Lawrence Boys and Girls Club is likely to help us increase both in- and out-of-school youth enrollment and job placement numbers.

Rafael spoke about people graduating from our EPA funded program. 39 have so far exited and 21 are employed. He anticipates that we will have about a 75-80% positive completion rate. Unfortunately, many of the jobs are in construction and seasonal.

Bob Westcott asked if it is possible to obtain a list of what clients are looking for as he feels that if this was available to employers they would know if they have openings who may match. Rafael said that Jobquest contains customer resumes. Chili added that JobQuest is a sort of bank listing what unemployed people and employers are looking for and it also lists training programs. Bob opined that some people's desire for a job is gone and that they need to be asked if they are willing to train for any type of position. Chili said that they use all sorts of assessments of skills to help move folks to their next job positions.

Lane Glenn said that Rafael's point that the career center budget is declining is a problem that can be helped through partnerships with the college to help folks get training. Barbara Zeimetz said that it's sometimes a problem to get clear and accurate information from employers on what they are looking for. We have resources for customized training and OJTs that are underutilized because of disconnects between employers who are hiring and workers who want to work. We often get criticized for sending job seekers who say they are interested but don't meet employer expectations. Chili spoke about a recent request from the City of Lawrence for 25 laborers. He said that ValleyWorks referred 10 or 12 people. Most employers are looking for 1 person at a time.

Bob said that the process could work without public funding. He said that if employers are willing to train for very specific skills, then more connections could be made between specific employers and specific candidates. Chili added that we could help with customized training funds for employers.

Francisco Brea said that there are still some problems with the new UI system but he is getting fewer calls and thanked Chili for Labor's good relationship with the Career Center. He also thanked the Secretary of Labor.

Mayor Rivera said that it is on us to follow-up with employers. Staff should go in and assess what employers really need. He mentioned that some employers state English is necessary but if you go on the floors of local businesses everyone is speaking Spanish and the floor manager speaks both English and Spanish. He said that we should reach out to employers and to limited-English people. Also, referring to the written reports listing career center served people with high school diplomas or GEDs, the Mayor said that we should be getting them into the community college. There should be a concerted effort and a full or half time person should be dedicated to that effort.

Chili said that ValleyWorks has a NECC Navigator on-site three days a week. Anyone who is interested to be a candidate for NECC is referred to the Navigator. The Mayor said that it needs to

be a concerted effort to encourage people to further their education. He said that there are certificate programs that could benefit economically disadvantaged people's opportunities for employment if we expanded our efforts with the college. Joe said that he understands what the Mayor is saying about the importance of getting folks to go to college.

George Noel spoke about different strategies to avert layoffs by citing an example of a successful training program for Polaroid employees when the company was closing and a partnership between a pharmaceutical company and a technical school. Ken Messina worked on this partnership and the employees were ready to begin work at a new company the Monday after Polaroid closed.

Rafael said that nationwide, 80% of current high school graduates will attend college but only about 30% will graduate with some sort of degree after six years. We might question the usefulness of the resources spent on 50% of the high school graduates. Superintendent John Lavoie spoke about the relevance of career connections to colleges. He said that community colleges need to be more connected to the workforce and recognize their role in preparing people for it.

Mayor Rivera said that there are a lot of certificate programs relevant to employers right now. Joe suggested a meeting with Lane Glenn. Mayor Rivera said that isn't necessary, we just need to meet with career center staff and make college applications part of the VWCC intake process. He said this is a critical issue. We need to get more high school degreed customers into college to raise low income people's wages. The Mayor then excused himself because he needed to attend another meeting.

Peter Matthews mentioned that in the past the board has authorized the Planning Committee to review the Annual Plan and act on behalf of the board to approve the plan for submission due to the State's timeframe for submission.

Motion by Francisco Brea, seconded by Mike Strem, to approve delegating MWIB Annual Plan approval to the Planning Committee. Motion passed unanimously.

- ***Youth Council***

Youth Council Chair Cal Williams stated that this has been a very busy quarter at the Merrimack Valley Workforce Investment Board and ValleyWorks Career Center. Staff members have been visiting schools and area community based organizations in efforts to outreach, gather and review Summer YouthWorks Employment Applications. The Massachusetts legislature approved \$9 million dollars for this program statewide. This region's allocation was increased to \$592,713 and with it we will provide state subsidized employment for 309 youth in Lawrence, Haverhill and Methuen.

Alongside the subsidized program, this year Mayor Rivera and two non-profits, the Lawrence Boys and Girls Club and Greater Lawrence Community Action Council, are working with us to create a private sector subsidized program. These summer programs provide a great opportunity to make a big difference in a young person's future by providing a summer job and we encourage all board members to participate. This year, board members Mike Strem, Juan Yopez, Ron Contrado and Evelyn Friedman are each paying for the summer employment of at least one youth via donations from their companies. Our board chair's Merrimack Valley Chamber of Commerce also made a donation.

Staff are working to ensure that each youth placed in a job is equipped to succeed. Prior to

starting a job, youth attend an intensive 15 hour program that includes training in work readiness skills, job safety and health issues, and foundation skills. They also interview with the companies where they want to work so both youths and companies have a say in who works where.

Cal said that if your organization would like to hire a youth this summer or in the future, please contact Susan Ingham, ValleyWorks Business Service Representative at 978-722-7048 or check with any WIB staff member after the meeting.

In other business Cal mentioned that we have submitted several proposals designed to help us continue to provide quality workforce services to Merrimack Valley youth. In the past month a proposal was submitted to the Division of Elementary and Secondary Education for the continuation of the Connecting Activities Program in our region. Also, we've submitted a request for a \$181,063 to provide up to 325 at-risk, Merrimack Valley youth with quality work and learning experiences and career development activities.

This year the State asked us to expand our Connecting Activities proposal. New funding will make Connecting Activities programming available to the five districts where the student population have the greatest need. These are the Lawrence, Methuen, Haverhill, Triton, and parts of Newburyport. In past years we focused on Lawrence, Haverhill and Methuen.

Partnering with the Lawrence Department of Youth Services, the Merrimack Valley Workforce Investment Board and the ValleyWorks Career Center again submitted an application to conduct a FY'2015 Bridging the Opportunity Gap (BOG) Program. These programs help youth that have documented court involvement due to misdemeanors and some felonies. VWCC proposed Summer and Year Round BOG Work-based Learning Programs that will offer career readiness and subsidized employment components. They have requested a \$30,000 grant for the summer and \$90,000 for the Year Round component. A total of 30 youth will be served thru this grant. The In School Youth programs provided guidance, ancillary education and employment services to economically disadvantage in-school youth with the aim to increase the numbers of at-risk senior class students who remain in school until graduation.

Cal also reported that program outcomes again to be strong in both the Haverhill and Methuen programs. They were not able to establish a Lawrence program due to at-risk students in Lawrence High School's extended day. Cal said that next year they will explore Saturday activities as an alternative. This year there was a new program run by LARE in Methuen and a second year program in Haverhill.

The Senior Success LARE Program enrolled and served 10 economically disadvantaged at-risk Methuen High School Seniors. LARE program provided each youth with individualized guidance and counseling. In addition the program components included:

- 16 weeks of Education- homework assistance, math, science and technology aspects of STEM awareness.
- Career Exploration/Subsidized Work Experience- students were introduced to a wide range of career options, including Business Technology, Health Career & Manufacturing.

LARE's program Outcomes to date:

- All 10 students graduated high school on June 6 and received their High School Diploma.
- 2 enrolled in Middlesex Community College for the Fall Semester.

- 7 will be seeking occupational skills training in HVAC, Medical Assistant, Auto Mechanic & Electronic Assembly
- 1 student relocated to Salem, MA upon graduating but is working with North Shore CC.

The Students Need a Plan Haverhill High School Program enrolled and served a total 15 at-risk Haverhill High School Seniors utilizing their existing Access 21 Internship and Violence Intervention and Prevention Programs. Haverhill High School SNAP provided each youth with career exploration and job internships, leadership training and mentoring. Students also received:

- Worksite placements as part of their Internship component.
- STEM Career Opportunities awareness.
- CPR/First Aid certificates

Haverhill High School SNAP program Outcomes to date:

- 15 of 18 students were enrolled.
- 13 students graduated high school and received their High School Diploma.
- 2 other students received a Certificate of Attainment (did not pass MCAS)
- 8 are planning to enroll in Northern Essex Community College for the Fall Semester
- 4 will be referred to VWCC youth counselor to explore occupational skills training since they do not have any plans for college. One student is interested in CNC.
- 1 student relocated to Florida upon graduating.
- A total of 7 youths are currently working part time.

MVWIB staff met with both LARE & SNAP program staff on June 18, 2014 to discuss program outcomes and began discussion on steps towards program extensions.

Cal again said that the hope is that all board members can find ways to help hire a youth this summer or during the year and to let him, WIB, or Career Center staff know if you can help. Having work experience is the one of the most reliable indicators of future success for young people.

Motion by Christine Bradshaw, seconded by Abel Vargas, to accept the Youth Council report as presented. Motion passed.

6. Report of Executive Director

Rafael Abislaiman distributed a handout that outlines the employment status of the civilian population by race, sex, and age. He obtained the information from U.S. Bureau of Labor Statistics. Rafael noted that nationally youth labor force participation by youth has gone down to Recession era levels. Most young high graduates do not get jobs and are not in the UI count. Over the past year, there has been a 1.6m increase in the non-institutional workforce but a 506,000 decrease in youth participating in the labor market. Rafael said that the job growth has not matched the population growth and the employed number increase of 1.6m doesn't match civilian non-institutional population growth. There is a 2.1m increase in people who are not recorded as working. Rafael said that we need to focus on people who want to get work because there's little money to persuade those who don't. He opined that much of the decrease in UI rates is because people are timing out of UI.

Donna Rivera asked if the national job growth is concentrated on older and better educated workers. Ralph answered that educated people have much better employment search and retention numbers but many of the jobs being created are low level jobs.

Rafael said that the problem with unskilled labor is that they earn as much collecting and working in the gray economy. Cal asked if there was data for the Merrimack Valley and Rafael said that it is difficult to cull certain information on grey sector jobs.

7. Other Business

Ray Wrobel then informed the board that he has been elected Chair of the Lowell WIB and read a letter of resignation from the MVWIB.

Christine Bradshaw informed the membership that JobCorps has received additional funding and will be offering courses on security and doubling their carpenters program in partnership with Mt. Wachusetts Community College.

Rafael then thanked Ray for all his work as a member of the board and thanked Mike Munday for hosting today's meeting at Arwood Machine Corporation.

8. Adjournment

Having no further business Cal Williams made a motion to adjourn and John Lavoie seconded the motion. Motion passed and meeting was adjourned.

Respectfully submitted,

Mary Kivell

Recorder