



**PLANNING COMMITTEE MEETING
Minutes**

Tuesday, November 17, 2015

8:00 a.m.

Merrimack Valley Workforce Investment Board
Lawrence, MA 01843

Members Present: Juan Yepez, Chairman
Ron Contrado, Dennis DiZoglio, Andrew Herlihy, Mike Munday, Bob Westcott

Members Absent: Rosalin Acosta, Abel Vargas

Staff Present: Rafael Abislaiman, Mary Kivell

Others: Arthur Chilingirian, Amy Weatherbee

I. Approval of Minutes of October 20, 2015

A quorum being present, Juan Yepez called the meeting to order at 8:15 a.m. Chairman Yepez then called for a motion on the minutes of the October 20, 2015 meeting.

Motion by Bob Westcott, seconded by Dennis DiZoglio, to approve the minutes of the October 20, 2015 Planning Committee meeting as submitted. Motion passed.

II. Performance Summary as of 9/30/15

Executive Director Rafael Abislaiman said that we are continuing to make progress. The reason that some items are under goal is because the number of people in training and those exited are low at the start of the FY. Overall participation numbers are down in some categories are down because of UI On-line. Other parts of the number slide occurred over the past five years because of WIA/WIOA funding reduction. We now have additional, non-WIOA funding sources that are not on this report. Pell grant funding has also been increasing and some people argue that caused more people to go to college rather than vocational training.

Ron Contrado wondered if there is a correlation with the fact that the economy has improved in the country the last couple of years. Rafael said that we can question if the economy has improved in a sustainable way. Globally, market forces are working but growth is occurring elsewhere and we in this country have a \$1 trillion yearly deficit that in part goes to creating or sustaining jobs. No one knows how long we can continue with these deficits.

Ron said that there has always been an underground economy that may be growing. Some people may take advantage of a Pell grant to take a shot at going to college. Last month we were reading about robots that are going to have a big impact on UI in the coming years. Japan, Germany, France, Italy and the United States will have a problem.

Chili said that the job participation rate is very low with the majority of workers holding two part-time jobs. A major impact is that companies are not bringing in new workers or increasing wages. When UI drops we are not seeing wages increasing.

Mike Munday said that information from the Bureau of Labor Statistics states that the participation rate is the lowest it's been since the 1970's. The reality of UI improving is that about 55% of people are on entitlement and 45% work. That will continue to grow the debt. He has had to farm out work to other small shops. He is down to 90 employees from 100 and has many difficulties with people the past five years. Mike said we need to start thinking about what kind of jobs there will be with technology constantly changing.

Chili wondered who will replace the baby boomers as lots of companies have aging employees. Mike said you need young computer savvy employees and mentioned a couple of internships at his company for students who are going on to college for engineering. We need to figure out the transition from old school to the high tech that's coming along.

Rafael asked Mike how many employees his small manufacturer subcontractors have and Mike said five to twenty people with the owner usually working alongside them. They have smaller overhead infrastructure and lower costs. Mike said he is acting more as an intermediary as they don't have the different certifications needed to bid on government contracts.

Mike then spoke about the insurance costs for his business. He said that companies are supposed to be pooled and he has Blue Cross that doesn't really pool and constantly increases his rates. He said that if you have an employee with a high cost illness then the rates go up. Older workers are more susceptible to illness.

Bob Westcott said that public policy will be stressed with a population that doesn't work and those numbers increasing with more robots. It's as if people will be surplus. He also mentioned the drive to increase the minimum wage. Rafael said that the situation will need a political and not an economic solution. Mike Munday said the next five to ten years will bring a major swing.

III. Budget Update

Rafael said that there are no significant changes and that we are slightly underspent on budget but have obligated a lot more money than indicated because a lot of training vendors haven't billed us yet. He said that for the next month's update he has requested that fiscal include an accrued column to capture obligated funds. He then mentioned the line item for tuition reimbursement which is \$2,015 for staff job-related education. He wondered if we should consider requiring public colleges for job related training.

Juan asked if there is a course at Harvard could they go there as opposed to NECC. Rafael said that was possible within the reimbursement cap. He said that reimbursements are based on the A, B, C grades received and staff often go to colleges that give easy A's. Chili said that most go for courses in counseling. Amy also mentioned that tuition reimbursement is negotiated through the union contract. She said that each course has to be reviewed and approved by the supervisor and executive director.

Juan also said that if a public college doesn't have a course, or not at the time they want to take it, they could say that we're limiting access to education. Dennis asked if tuition reimbursement is open ended and Rafael said it is part of the budget proposed in the annual plan. Amy said that it is a line item projection from prior years use and not open ended.

IV. Site RFP Update

Rafael reported that our space RFP has been released by the city and said that we must restrict conversation on the RFP and refer questions to the city purchasing agent Rita Brousseau. He said that we took Dennis' advice and more generally stated that we prefer an urban site that would increase inner city job numbers because federal regulations restrict citing a specific geographic location. The proposals are due December 14th.

Dennis asked about our current lease and if it allowed enough time to make a move. Rafael said that our current lease is month to month and is through June 30, 2016. Bob Westcott asked if we accepted a bid from here, our premises expense might go down. Rafael said currently we are paying \$15 per square foot including utilities and Haverhill is at \$12 per square foot including utilities. Juan said that wherever we go the landlord would have to incorporate the build out in the square foot charge.

Andrew Herlihy asked if any of this would have any impact on the Haverhill lease. Ralph answered no. Chili said that there is less customer flow than expected in Haverhill and that we are not getting enough traffic at NECC. We are seeing few college students and now serve fewer than 1,500 people per year when we used to see 3,500.

Juan noted that the college is pretty far from downtown. Bob Westcott said that they have excellent bus service to the college. Juan wondered if we should consider moving back downtown as we need to see more people. Chili said that we have a resource room with computers there and workshops twice a month but they need to come to Lawrence for seminars.

Chili said they are not seeing the numbers we had from either Haverhill or Newburyport and he has been talking with Ann Ormond. He said they only had 90 participants at a recent job fair and they used to be in the 100s. He also mentioned a site break-in where a computer was taken. Amy said that we had good numbers when we were downtown.

Rafael said that this is something we may want to revisit but that WIOA encourages us to work with the community college. They and we need to develop ways to increase numbers.

Rafael said at the start of WIOA the state opposed the WIB giving preference to NECC. We should have let geography do the work and generically informed our new UI clients of Pell and other things at the start of UI without overtly focusing on NECC. Andy said that in the long term the city wants a NECC presence downtown. Dennis said that although there has been success downtown the rents may be higher. Amy spoke of Connecticut and the fact that due to consolidation they have gone from 11 career centers down to 6 and laid off 100 people.

Dennis then returned to the process on the RFP for lease space and asked who would be on the review committee. Rafael said that not everything has been entirely worked out but that he thinks that there will be a five (5) person review team consisting of Rafael, Abel Vargas, someone from the state (probably Eddie Bartkiewicz), and probably another board member but he doesn't know who.

Dennis wondered if they the full board would receive the recommendation from the review committee. Rafael said that the review committee would give their selection to the Mayor for approval. He did state that in some ways the state may have veto power because they have employees in the career center. He mentioned that a proposal to change career center space in Worcester has been delayed for a year.

Rafael said that bids are due in mid-December. Site visits would probably occur sometime in January. Juan said that site visits should occur sooner rather than later as the move may require a lot of build out. There was discussion on moving the cubicles and Amy said that they were purchased fourteen years ago and were refurbished when purchased. Rafael said that we are likely to need mostly new cubicles at another site.

V. Other Business

Andy said that he wanted to inform committee members that Haverhill has an economic development study done by Mass Tech Collaborative Innovative Institute identifying critical and emerging industries. Andy then referenced the MVWIB 2007 Labor Market Blueprint as being out of date and recommended exploring doing an updated blueprint. Andy said perhaps we could incorporate it into next year's budget. Rafael said that not one finding in the 2007 Blueprint proved accurate due to the economic crash that happened immediately after it was completed. He said that it is difficult to accumulate real time or accurate data in this environment and that with a growing, \$17 ½ trillion national debt, and Federal support for manufacturing, health care and environmental remediation, it is difficult to predict how things will go. He said that eastern Massachusetts receives the fifth largest defense contract dollar amount in the country and the federal sequester will ultimately reduce it. We don't want to do a blueprint that won't work but he will see how it might be done. Chili said once a blueprint is done it is outdated. Dennis said that perhaps the WIB could work together with the MVPC. Rafael liked the idea. Amy said that the Business Service Reps try to identify jobs and they have no access to real time information from the State.

Andy said that Haverhill and Waltham are exactly the same size but Haverhill has 22,000 jobs and Waltham has 60,000. Dennis said that Andover and Newburyport lead in jobs in this region whereas in the past Lawrence and Haverhill had the most jobs.

Rafael said that at a recent Massachusetts WIOA presentation, also attended by Chili and Amy, it was stated that the state is interested in serving the hardest to serve. Those on Welfare, in DMH or in Mass Rehab will get service priority. Staff training was touted as the tool to be used to help staff quickly choose the most readily employable people from those categories. Training is supposed to help staff quickly refer those we can't serve to more suitable service entities. This is a tall order because staff most often want to spend time with and help those most in need. He cannot see how the new system will be more responsive to employers or to people who are simply poor or low-income.

Bob Westcott said that he raised the question at the Devens conference and the issue that most disabled workers seem to work in Home Depot, CVS and supermarkets. Someone with a vision problem for example may be quite functional but how are we supposed to deal with people who are not functional. Rafael stated that the head of MRC wants her staff to help people who have the most problems and not the ones who are most employable. Amy said that the State is eliminating sheltered workshops so there are many folks who will not be working and need jobs.

VI. Adjourn

Having no further business Mike Munday made a motion to adjourn the meeting. Andrew Herlihy seconded the motion and the meeting was adjourned.

Respectfully submitted,

Mary Kivell,

Recorder