



**PLANNING COMMITTEE MEETING
Minutes**

**Tuesday,
December 15, 2015
8:00 a.m.**

Merrimack Valley Workforce Investment Board
Lawrence, MA 01843

- Members Present: Juan Yepez, Chairman
Ron Contrado, Dennis DiZoglio, Andrew Herlihy, Bob Westcott, Abel Vargas
- Members Absent: Rosalin Acosta, Mike Munday
- Staff Present: Rafael Abislaiman, Mary Kivell
- Others: Arthur Chilingirian, Amy Weatherbee

I. Approval of Minutes of November 17, 2015

A quorum being present, Juan Yepez called the meeting to order at 8:10 a.m. Chairman Yepez then called for a motion on the minutes of the November 17, 2015 meeting.

Motion by Bob Westcott, seconded by Ron Contrado, to approve the minutes of the November 17, 2015 Planning Committee meeting as submitted. Motion passed.

II. Performance Summary as of 10/31/15

Executive Director Rafael Abislaiman said that, apart from our usual chart, we have included a dashboard with performance numbers as the state prefers that format. Rafael also said that we are on track to make most planned numbers. The only concern is our youth enrollment which is a little low. He said that we would talk about that later in the meeting as we may have a possible solution. Other than that we are doing a little bit better than expected for this time of year.

Chili said that at meetings with other career centers, discussions indicate that youth numbers are decreasing and the economy is getting better across the State. Also, a lot of folks on UI are enrolling on line. Bob Westcott wondered if the decrease in numbers could be due to budget cuts.

Rafael said that was possible and that WIOA mandates serving fewer people with more intensive services in training for a longer period of time. He said that his understanding is that there may be small increases in WIOA funding for a couple of years but whether that holds true remains to be seen. Amy Weatherbee explained that the federal government allocates to each of the states depending on how they are doing and then the state allocates across the regions.

Rafael said that there is something of a bias against people who can't get a job and have timed out and there is no way to capture those numbers. Ron Contrado spoke about a newspaper article listing the states and the amount of possible benefits people who are not working can receive. It is possible to receive an average of \$28 per hour in benefits which he feels is grossly unfair. Bob Wescott said that is workforce developments competition. Those with low skills who take advantage of all the benefits they can receive now have a standard of living their skills wouldn't buy. He said that there is no training that can take someone from minimum wage to a \$20 per hour job. He said that people need graduated off ramps.

Amy spoke about changes in the benefit system and a transition to work that continues their child care voucher for one year. Chili said that Welfare to Work is coming back and food stamps are being tightened up. Andy said that what they are seeing in Haverhill now is a greater use of food pantries and UI going down. He explained that the recession had kept rents low and now that rents are going up, with more people working, they don't have the additional money for the rent increases and food.

Dennis DiZoglio said that when the MVPC did their cluster analysis they learned that companies in the food business have trained employees working 20 hours per week and want to increase their hours to full time. The part-time employees declined since it will reduce their free benefits. Rafael said that they may not want to lose their health benefit. Dennis said that the employer offered insurance but Mass Health is better than what he could offer.

Amy said that this is also a problem for employers under Obama Care who can offer part-time work and not pay insurance. Workers don't want to lose their insurance and/or food stamps. Rafael said that he feels that there needs to be a political solution to the work issue because there is likely to be even fewer jobs for Americans due to automation and job exporting. Market forces alone will not solve the issue.

Dennis said that he feels that they should raise the minimum wage and if they raise the minimum wage so all people have enough to live on and wages go up then taxes will go down. This would require a paradigm shift but he thinks over time the minimum wage should be raised. Juan Yopez said that would be a hardship for small business who have expenses to meet. Chili also said that if they raised the minimum wage then they would have to raise all the workers' wages.

III. Budget Update

Rafael said that we are still a little underspent five months into the year but we are making headway. He said that typically we have a little carry-over for unexpected budget cuts or

expenses. He feels we are on track. Bob Westcott said that he is trying to get information from Tracy a little differently. He said that he would like to know the different funding sources each period rather than redo this each time. Rafael asked if he wanted this information on top of what we have been reporting and Bob said yes. He said he could make a nice chart out of that.

Hearing no other questions on the Budget Report for FY2016 as of 11/30/15 Juan moved on with the agenda.

IV. Discussion on Out of School Youth Group Procurement

Chili explained that we have been struggling to get youth into WIOA programs especially with the high unemployment in Lawrence. We are now only doing ITAs and some youth have no GEDs or no high school degree. There is also a lack of vendors and training programs for males. If you look at our programs, most are in health care and fit females more than males.

Chile proposes that we offer a group program that combines academic remediation with occupational skills. He said that the Salem and Metro North WIBs have both issued Group RFPs. He noted that the board policy is only those with a high school diploma can be placed in ITAs. We would like to try to gauge interest in a group program open to other youth.

We could define the training purpose, put out an RFP for a group program, and recruit 10 or so youth participants to make our numbers. We are not seeing a lot of people come in. Bob Westcott asked if this something the vocational schools could be doing. Chili said that Rafael has worked with Lawrence Vocational and they are ready to commit to programming. Whittier may soon be ready.

Rafael said that there were two youth in-school group programs two years ago, in Haverhill and one in Methuen. Now we may need one for out-of-school youth. He said that with the new WIOA youth ages go up to age 24. We may want to think about a youth group program for college and not high school drop outs. Nationwide, 80% of high school graduates go on to college but only about 30% graduate after six years. He did say that we need to do something different, maybe with NECC, because a lot of youth are not coming in.

Juan Yopez said he thinks it is a good idea to look at group training to see what we can do. Whatever we can do to train the youth and adults to qualify for jobs is good. Chili also said that we will continue to do ITAs as well. Chili said that he heard a rumor that Raytheon is going to be hiring electronic assemblers and if we can get a contact perhaps we could do a training for them.

Amy Weatherbee said that there is a pool of youth who have a GED or high school diplomas and do not meet our 9th grade level academic criteria. In a group recruitment, we could have a vendor attach academic remediation to occupational skills and leadership development. Bob Westcott said that if we structure things around what a vendor will do and the curriculum is in line with business need, that would be good. Amy said that we could ask for vendors with strong connection to employers and require that their employer be willing to hire or interview

participants who complete the training. Juan said that we can reach out to current trainers stating this is what we can afford. Chili said that most group programs are cheaper and the WIB will monitor the programs. Juan said he feels it is a good idea to train people but perhaps not in the food service or health care but something so they continue on a path to excel and not just a twelve to eighteen month job and then go elsewhere. Rafael said that is unfortunately the norm for many young people. He said that often young people don't appreciate their good fortune when they get training for a union job or for other jobs with career possibilities, and just walk away from it. Also Job Corps and Youth Build group training lasts for months but they still look to us as a resource for their trainee job placements. Sometimes they want to enroll them in out training after they've already received theirs.

Amy mentioned that ValleyWorks is ratcheting up outreach with our partners as a next step to trying to involve more youth. Juan asked what we need to do to take this to the next level and Rafael said that we should come back to the next meeting with more details parameters and that perhaps we could consider lowering the academic testing grade level while retaining the HS diploma or GED/HiSet requirement as an intermediary solution. We could, for example, lower the minimum academic test threshold from 8.9 to 5.9. He wondered if that was still too high. Amy said that ours is often higher than the vendors and said she would get information from the vendors.

Juan said that we ask Chili to come up with parameters for the next meeting to move this forward. We should consider dropping the grade level test score and putting out an RFP for a specific training. Rafael said that the MVWIB would write the RFP but that we need better and more timely State job info. Our LMI is inadequate because of confidentiality issues. But we can hear what training vendors say and what they may be willing to offer.

Our biggest WIOA training area is health care. But we have other types of programming through the EPA and manufacturing training grants separate from WIOA. Juan said that the food industry is basically restaurant work and Chili said that there was a Food Processing program we did with Northern Essex with 20 slots and only 11 were filled as these jobs are often in very cold working conditions.

There was discussion on food services. Andrew said that Hans Kissle sends folks to Salem for training and he felt that Haverhill could do something with training, even food to table training.

Abel said that this may not be a solution but it seems that most of the systems in place are for people who are already by definition in need of these low level programs whether it be Youth Build or others. He said that there is no system in place to identify people who have had a decent job and could do a little bit better with additional training. Those people with basic skills could go from \$12 to \$15 per hour but never get into the pipeline. They get stuck at \$12 per hour but have to pay their bills. Abel said that we always worry about people in most need and that we should want to help them but wondered how we can also help the people who have worked move up a rung.

Rafael agreed that we need to get to help the working poor but federal guidelines most often dictate that we cannot serve those who are employed. The solution would be to look for money that is flexible to allow us to do that or to help train them for the next step when they become unemployed.

Juan said that we need to keep in mind that small business owners would love to pay \$20 per hour but the margins just aren't there. We need to train folks in areas where they will be able to grow because of bigger margins. Amy said that the state does have supports for businesses such as the Workforce Training Fund and she mentioned that two companies in Lawrence just received awards for incumbent worker training.

Chili said that when Lucent closed years ago there were 12,000 dislocated workers. Almost all of them had a difficult time realizing that they could not start at the same rate of pay. Now with Polartec, we have workers who were making \$18, \$20, and \$22 per hour but they will be hard pressed to earn those wages starting over. Rafael said that the Mayor mentioned that Polartec is not closing entirely. They will utilize some of the space for corporate headquarters and R&D but 180 Lawrencians will be displaced with more from Methuen and elsewhere.

Bob Westcott said that even if employers bring someone in a \$15 or \$16 per hour, with overhead and insurance the employee needs to produce double that amount for the employer to break even.

Abel Vargas said that perhaps we should be more selective in who we choose to train and suggested reaching out to LCW, first time home buyers, and churches to try and get the right youth through the door. Amy also suggested HiSet test sites and reaching out to those who score high in math.

Rafael wondered if someone just taking one course at a college would be eligible for WIOA youth training. Chili said Out of School Youth cannot be in any course. Juan asked why go against the OSY rule. Rafael said that Paul Harrington's research states that a college student who works 15 hours per week tend to stay in school. The solution may be to help them get a job and training just before they enroll in college.

Andy said that we need to diversify our training. Juan said let's see what they can come back with. Chili said that Metro North highlighted four areas. Rafael mentioned lowering the academic entrance criteria but keeping the high school/HiSet criteria. Juan said this has been a great discussion and to come back with a plan for next meeting.

Amy said that they would come back with recommendations adding remediation, leadership development and work. If the WIB agrees they will go out to bid. Rafael said that we need to do a lot to reach out and draw those kids who are out of school and in need of a job/training.

V. Site RFP Update

Rafael reported that our space RFP has been released and is on the city website for those who want to register. To date seven have registered and the closing date in December 28th. Bob

Westcott asked if the board will be involved in the decision. Rafael said that people from the board will be on the review committee but ultimately the Mayor will have the final decision as the City of Lawrence has the financial liability.

Andrew Herlihy said that he wanted to salute the WIB on the WCTF grants received and applied for. Susan Almono is submitting a proposal tomorrow to train 27 underemployed or unemployed people as commercial truck and equipment operators. Andy suggested putting grant updates on the Planning Committee agenda in the future and Rafael said that Susan Almono would provide the updates.

VI. Other Business

Treasurer Bob Westcott said that he has reviewed the bylaws and made some corrections where needed. He asked if this committee would like to revisit them. Rafael said that we are still waiting for further clarification from the state on how to proceed with bi-law compliance under WIOA. Rafael said that any significant changes will have to be approved by the board but we don't have clear direction as yet.

VII. Adjourn

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

Respectfully submitted,

Mary Kivell,

Recorder