



Southwick
25 Computer Drive
Haverhill, MA 01832

QUARTERLY MEETING

Minutes
Tuesday, January 26, 2016
7:30 AM

MEMBERS PRESENT:

Rosalin Acosta, Edward Bartkiewicz, Francisco Brea, Stacey Bruzzese, Sr. Eileen Burns, Ron Contrado, Dennis DiZoglio, Michael Fiato, Evelyn Friedman, Andrew Herlihy, Supt. John Lavoie, Jeff Linehan, Rosa Lopez, Supt. Maureen Lynch, Joselyn Marte, Peter Matthews, Michael Munday, Rosa Muñoz, Ann Ormond, Marianne Paley-Nadel, Carol Riemer, Donna Rivera, Fred Shaheen, Kathryn Sweeney, Abel Vargas, Bob Westcott, Cal Williams, Anita Worden, Juan Yopez

MEMBERS ABSENT:

Joseph Bevilacqua, Rachel Concepcion, Brian DePena, Atty. Wendy Estrella, Joseph Gangi, Jr., Dr. Lane Glenn, Susan Jepson, Steve Salvo, Stanley Usovicz, Ellen Weinhold

GUESTS PRESENT:

Michael Bevilacqua, Curt Clark, Arthur Chilingirian, Sky Contrado, Mayor James Fiorentini, Gary Fountain, Dennis Marcello for Senator Kathleen O'Connor Ives, Undersecretary Ronald Marlow, Undersecretary Stephanie Neal-Johnson, Mayor Daniel Rivera, Joseph Thibodeau for Senator Barbara L'Italien, Amy Weatherbee

STAFF PRESENT:

Rafael Abislaiman, Susan Almono, Cristy Gomez, Franklin Fernandez, Mary Kivell, Brian Norris, Corina Ruiz

1. Call to Order & Welcome

A quorum being present, Peter Matthews called the meeting to order at 7:50 a.m. He introduced Haverhill Mayor James Fiorentini. Mayor Fiorentini stated that he is proud to welcome folks to the City of Haverhill and that he's pleased that Lawrence workers came with Southwick to Haverhill. He said that Southwick employees come from forty-one different countries and are living the American dream. Southwick is the manufacturer of famous Brooks Brothers' suits. The Mayor said that although he is not a big fan of TIFs he is glad that it kept Southwick in Haverhill.

Southwick Director of Manufacturing Curt Clark then welcomed the Merrimack Valley WIB to Southwick stating that it is a privilege to support the community. He said that they moved into this facility in August and are still settling in. He noted that they have 500 employees and their space is 30% larger than their prior facility. Southwick offers ESL and other benefits for employees and is investing in their new building and on their workers. Mr. Clark said that he would be happy to offer a tour of the facility at the conclusion of the meeting.

2. Approval of Minutes of October 27, 2015

Peter Matthews then called for a motion on the minutes of the October 27, 2015 board meeting.

Motion by Cal Williams to approve the minutes of the October 27, 2015 meeting as submitted. Ann Ormond seconded the motion and motion passed unanimously.

3. Report of Chair

Peter Matthews welcomed board members and said that in addition to Haverhill Mayor James Fiorentini and Undersecretary Ron Marlowe, we are also honored to have present MA DOL Undersecretary Stephanie Neal-Johnson.

He said that last quarter's meeting resulted in 13 pages of minutes and folks will be grateful to know that his remarks will be brief. Last meeting Peter said that we were very pleased to hear Secretary Walker state that Governor Baker and his Workforce Cabinet seek to better coordinate and streamline government for the benefit of employers and Massachusetts workers. He highlighted how the middle class is getting smaller and even some of the top 1% of earners are now obliged to cut back.

Peter said that our Planning Committee Chair will soon discuss how the Committee is grappling with using our limited resources to strengthen workforce development training. In some ways, that issue boils down to whether we should focus on unemployed people with the most difficulties getting and keeping jobs or on unemployed people who can get back to work quickly, help us better compete globally, and start paying taxes. The ability to pay taxes is important particularly if our national debt continues to grow at about 1 trillion dollars per year, which is what has happened over most of the last decade.

Peter continued stating that today the Merrimack Valley Credit Union has assets totaling well over a half billion dollars, \$557 million; which pales in comparison to the national debt. Our 46,000 credit union members and their half-billion dollar plus assets would cover national debt growth for less than half a day. It's really closer to a couple hours.

While unemployment rates continue to fall, the participation rate is just 62%; so clearly, we need more tax paying workers. Part of federal workforce development, hopefully our part, must help make this happen. Workforce development must help workers know and reasonably estimate their value relative to non-workers and we must help all workers get ahead. Youth must know that study and work are worthy

endeavors. Parents must know that they are doing right when their kids study and work, sometimes long hours at difficult jobs.

Our country and region again need to promote work and study. We should help poor and low income people realize that they are intelligent and strong people able to capitalize on opportunities.

Peter continued stating that everyone at this meeting realize that each of us have been helped at some point in our careers and that we should help others. Luck and circumstances may not have as much of a role in individual success as hard work and drive. As a country and region we must promote work and drive alongside respect and compassion. Ultimately, to achieve the above, we must determine from our local employers the jobs of today, tomorrow, and the longer-term future. To the best of our ability, we must communicate employer needs to potential job applicants, high school and college students, and others.

4. Presentation – Undersecretary for Workforce Development –Massachusetts Executive Office of Labor & Workforce Development

Undersecretary Ronald Marlow greeted board members and said he would ditto much of what Peter said and speak a bit about the vision and mission of the workforce system. He encouraged folks to weigh during State plan comment period, including the 5016 Task Force working to understand certain populations and why their unemployment is so much higher than state or national rates. Massachusetts needs to look at how to meet them where they are and how to leverage the federal workforce system. We need to learn how to meet business needs better and improve the labor exchange system.

Mr. Marlow said that they have been working on closing out on WIA. Although WIOA was passed in 2013 we have until July, 2017 to implement it. He said that the transition is an opportunity for Massachusetts to continue to do what we do well and hit the reset button on those things that we need to do better.

The first order of business was to draft a combined plan and we are partnering with Mass Rehab, DESE, Elder Affairs and DTA to do so. He said that like Alice Sweeney at DCS, he is excited to knock down silos and let folks know there is no wrong door for workforce development services. If the service agencies do their job well and send ready, willing and able candidates to meet employers' needs, we have accomplished our job.

Mr. Marlow continued by stating that we all have a stake in workforce development and invited folks to contribute their thoughts. He then spoke about the Commonwealth's Demand Driven 2.0 and what it means. 2.0 is the next step after 'labor exchange 1.0' in which career centers did an excellent job connecting people with jobs. There were 160,000 people served last year and over one half found employment. But he said we know we can do better as we move beyond transactions and better understand employers' needs and build a relationship of trust.

There are different business engagement models and David Muldrew has been brought on board to fine tune the business service relationship to help businesses meet their staffing needs. He did note that each region is different and the model would be a foundation for work at the local level.

Mr. Marlow said that not everyone who wants a job is job ready as a lack of education, work experience, language, and social barriers stand in their way. He said that we can no longer ride the coattails of the federal government while serving those who need more. There are great challenges and we need to move away from systematic quasi-responsibility.

That is why, under Governor Baker's and Secretary Walker's leadership, the Commonwealth is providing more funding for the Workforce Competitive Trust Fund (WCTF sector based partnerships) and the Economic Development Fund (EDF using the WCTF model for training for jobs). The Governor's idea of allocating an additional \$5M with \$1M going to work in prisons and jails prior to prisoners release, is an example of the Administration's willingness to explore new models and see how they work. We need to try new things but at the same time be careful with the public's money. He then introduced his colleague Undersecretary & COO Stephanie Neal-Johnson who said that we are very willing to look for new ways to help people find the missing pieces they need to get jobs and better jobs.

Mr. Marlow said that we need to try new things and acknowledge when we don't do as well as we want to. The administration knows that the field has strong, good ideas and that they should not always be driven by downtown Boston. The Governor said that if 75% of folks are doing well, we must bring up the other 25%. Minorities are still lagging behind. We need to use transparency to see where they are lagging compared to their peer outcomes. He noted that they have spent 2015 planning, understanding, and laying the seeds for a great, powerful, impactful 2016. He then asked if anyone had any questions.

Cal Williams asked whether there a strategy for internships and apprenticeships to help build the new pipeline? Mr. Marlow said that there are multiple tools toward those ends. DCS recently received a Federal grant for 300 apprenticeships, as well as a Section 30 training opportunities program (UI extended while participant gets training). He said that they are tweaking Section 30 to incorporate OJT, and Earn While You Learn.

Mayor Fiorentini asked what the State is doing to help kids with a CORI. Mr. Marlow said that Hampden Career Point Future Works has a model that is working. Working with CBO partners they can seal off CORIs for non-violent or sex abuse crimes or other ones that are not troubling. There are also a number of employers who will hire ex-offenders realizing that nine times out of ten they have families to support and want to do the right thing. He said that the Governor included \$1M to expand it to other counties.

Mayor Fiorentini said that prisoners are working for free on the roads and wondered if any money is set aside for them as he feels they should be paid. Mr. Marlow said that he would explore that with a policy person who will contact the Mayor. Francisco Brea said that speaking of kids in jail maybe they don't know what opportunities are available to them and should be given information to think about opportunities. Mr. Marlow said that the State is there to meet returning citizens.

GLTS Superintendent John Lavoie said that licensing boards and regulations are making it more difficult for his graduates to get jobs as young apprentices. John wondered what could be done. Ron Marlow said that the State has challenged the direction of current license review regulations and is looking to streamline the process. Undersecretary & COO Stephanie Neal-Johnson reported on a national conference she attended in the fall which encouraged

eliminating those barriers to the middle class. It pushed that changes be made and approved across the country. She cited the example of licensing for cosmetology which require many hundreds of hours.

Susan Almono asked about the EOF component and Mr. Marlow said that the Governor committed \$2M to see if we are on the right path going forward to better help African Americans, Latinos, Disabled, Veterans and Native Americans. Also, to encourage and partner with employers and CBOs working to mitigate social barriers and to work to connect their clients to career centers as feeder systems. He said that we need to meet people where they are and give them a second chance. Then we can course correct and fine tune if needed.

Peter Matthews said that if financial institutions hire people with a CORI they lose their insurance. Jeff Linehan also mentioned that he had hired ex-offenders and was required to pay their worker's compensation. Ron Marlow said that the state is working on marketing federal bonding and will find better ways to reduce employer risk.

5. Reports of Committee Chairs

Peter then called on Juan Yopez to give the Planning Committee report.

- ***Planning Committee***

Planning Committee Chairman Juan Yopez said that the Planning Committee is trying to make balanced choices amongst various courses of actions that all have down and upsides. For example, WIOA promotes serving fewer hard-to-serve people with more intensive training for longer periods of time. Those trained would probably benefit from more intensive services. But this would also mean that fewer people receive training because we don't have unlimited funds. There are questions about who we should serve. WIOA encourages that we serve more people with barriers who have more than average problems getting a job. The assumption is that they need our help more than other poor or low income people.

Juan said that these are not black and white scenarios but instead grey ones. WIOA's emphasis could instead be to serve poor or low-income people who are unemployed but have had a job and could do a little bit better with additional training. Those poor and low income people could go from earning \$12 or \$14 to earning \$16 to \$18 per hour after training. Now, when many low-income or working poor become unemployed they are less eligible for training because they don't have documented barriers and are instead more likely to go back to work earning \$10 or \$12 per hour jobs and getting stuck there. Working poor people are the ones who pay their bills by working. Juan asked why we shouldn't help them get back to work, very possibly at a higher wage.

Mr. Yopez said that your Planning Committee continues to wonder if we should focus on the people with the most barriers who need the most help or instead encourage and help unemployed poor or low income people who have a record of work and who, if helped, might move up a rung or two in the economic ladder.

Some people who haven't worked or who rarely do so receive an average of \$28 per hour in benefits. In some ways, our workforce development system is in competition with those benefits. Many low skilled people who get all these benefits now have a standard of living

their skills can't buy. There are almost no training courses that can take someone from getting public benefits to getting a \$20 per hour plus job in the working world. It is probably unwise to try to design them.

When the economy improves, rents and other prices go up and working poor people are the ones most affected. Shouldn't we make work more attractive to all low income and poor people by focusing training and services on them, people who have a history of work, so that they can move up the work ladder and get more pay? With competing public assistance benefits as high as they are compared to low income wages, it's certainly advisable to consider graduated off ramps from public assistance systems to the world of work.

We often hear about employers who keep people on part-time schedules because they don't want to pay into affordable care act health insurance policies. Juan spoke about a recent analysis by the Merrimack Valley Planning Commission at area food processing businesses. Those companies have trained employees working 20 hours per week and, in many instances, management wants to increase their hours to full-time. The problem is that the part-time employees want to continue being part-timers because their health insurance benefits will be reduced if they go full-time. Employers offering health insurance providing fewer services than Mass Health.

Raising the minimum wage so all workers have enough to live on may be helpful. Work will be better rewarded and public wage subsidies to large corporations in the form of food stamps and other low income supports will be reduced. The Commonwealth is already taking this course of action to some extent. But significantly raising the minimum wage presents immediate hardships to small businesses with small margins. Raising the minimum wage also creates the need to raise all workers' wages. Some people also say that raising wages will just accelerate employers moving toward job reducing automation and robotics. It's increasingly clear that a political solution to the work versus benefits issue is necessary because there will likely be even fewer jobs for Americans if robotic automation and job exporting continue. Market forces alone will not solve our current situation.

On a separate issue, Juan said that we have been struggling to get youth into WIOA youth training programs. We now provide ITAs to kids who graduated from high school or who have GEDs or HiSets. Many area youth have neither a GED nor a high school degree. There are also too few training vendors and training courses for males. If you look at our current programs, most are in health care and fit females more than males.

The Planning Committee is considering offering a group youth training program that combines academic remediation with occupational skills. We would recruit ten to twenty youth with high school diplomas or GEDs but with lower academic skills. It could, in some ways, be 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. We need to do something different and better because lots of area youth are neither working nor going to school. Diversified youth training and more outreach to youth and their families at churches and civic associations may help.

- **Youth Committee**

Youth Committee Chair Cal Williams said that we started our FY'16 YouthWorks and Bridging the Opportunity Gap Year-Round programs this last quarter. Twenty-nine out-of-school youth in Lawrence will be enrolled in YouthWorks and twenty youth committed to the Department of Youth Services will get career development services and subsidized employment.

On Friday October 2nd, as part of National Manufacturing Day, MVWIB and ValleyWorks staff held a Manufacturing Company Youth Tour. 19 Connecting Activities-enrolled students from Haverhill High School's IT Pathways Academy toured Magellan Aerospace in Haverhill and CASA Systems in Andover and Lawrence. The field trip was part of a Commonwealth and national campaign to promote careers in the advanced manufacturing. As described on the Manufacturing Day website "Manufacturing Day addresses common misperceptions about manufacturing by giving manufacturers an opportunity to open their doors and show, in a coordinated effort, what manufacturing is — and what it isn't."

For the Haverhill High School's IT Pathways students this was a special occasion. The students were excited to learn about the different career opportunities at Magellan Aerospace and Casa Systems. It was evident from the reactions and questions posed by students and faculty that the events were a success from their point of view. Top management at both Magellan and Casa Systems were thrilled to host such an engaged group of students. It's hard to get to meet the top manufacturing people at most companies so we were surprised when the Site Manager, the Engineering Manager, and the Human Resources Manager at Magellan, and the Vice President of Manufacturing and the Engineering Manager at Casa all turned out to lead tours. They all want to connect with our local schools and students.

Cal continued stating that ValleyWorks and MVWIB non-WIOA staff continue to visit local high schools to help youth link with employers and workplace experiences that reinforce the connection between learning and work. We are currently looking for companies interested in supporting internships, job shadows, and youth mentoring. These opportunities provide great learning opportunities for our programs' participants. Although we strive to provide excellent career development services, we cannot replicate the world of work and life experiences represented by actual job sites and engaging employers.

Cal said that he respectfully requests that other employers here today get involved and support our youth programs by becoming work internship sites, by participating in the upcoming job shadow day, and by talking to other employers about our programs.

Unlike our successes in non-WIOA youth program, we are currently under enrolled and underperforming in WIOA funded youth ITAs. This year, 80% of our youth clients must be out-of-school and we are simply not seeing enough ITA eligible youth come through our career center doors. With our youth unemployment rate as high as it is, we really must do a better job of going out to see them. In the meantime, as Chairman of the Youth Committee, he supports the VWCC staff request that a youth group training RFP be issued by the MVWIB. The group training RFP would not waive the high school diploma, GED or HiSet requirement. It will instead lower the minimum academic aptitude requirement from our current 7.9 grade level to the 6.9 or 5.9 grade level, whichever level the Planning Committee finds appropriate

after it reviews current youth intake and rejection numbers. We really must act to improve our WIOA youth services.

- ***Nominating Committee***

Nominating Committee Chair Ann Ormond said that there was no Nominating Committee report this meeting.

- ***Finance Report***

Treasurer Bob Westcott presented an accounting spreadsheet. He said thank God for the fiscal staff as we transition from WIA to WIOA. Now WIOA requires accounting based on the many types of services provided to various demographics. This spreadsheet has fifty-two columns and would spread into multiple columns based on funding sources. It will take almost a year to transition and different cities have different software so it has been a cumbersome process. Bob said that at the next meeting folks would be able to see the changes.

Mayor Rivera asked how we are doing six months into the programs. Bob Westcott said that some programs are phasing out and some are just starting. WIA programs are phasing out and we are fiscal agent for a new grant NAMC manufacturing for four WIBs. We are on track and recognized as good fiscal administrators.

Peter Matthews referred to a dashboard in the meeting packets that highlights our performance as to December 31, 2015. It is a good indicator of where we are.

6. Report of Executive Director

Rafael Abislaiman said that he would defer his remarks to Mayor Rivera if he wanted to speak. The Mayor said that he is available for any questions but for Rafael to proceed with his remarks. Rafael said that he would like to second Undersecretary Marlow's remarks on the Governor's commitment to what we do. Adding \$5m to workforce development in this lean economic environment is a reflection of his commitment to workforce development, especially with the additional funding for vocational schools.

Rafael said that as Peter Matthews mentioned the \$500 plus million in assets in his credit union would do little to reduce the national debt of \$1 trillion per year since the mortgage leveraging meltdown. One half a billion covers the debt for one half a day. He said that some of the Sunday political talk shows are now talking about the possibility of a U.S. debt default as has happened in other countries. As Mr. Marlow, Peter, Juan and Cal mentioned in their remarks, we need to do a whole lot more with less dollars and be as creative as possible. Perhaps we should consider helping poor people who can get to work right away. Rafael said that he wonders about WIOAs emphasis on people with the most barriers. He referred to the Summer Youth Program and how youth felt that they needed to be troubled to participate. That has changed and the emphasis is now on low income kids. We need to be helping low income folks move up and create a system built on low income people's strengths rather than weaknesses. Rafael said that the pace of global change and increased global competitiveness puts us at risk and that the inclusiveness that this country has built is worth defending.

7. Other Business

There was no other business

8. Adjournment

Having no further business Francisco Brea made a motion to adjourn and Jeff Linehan seconded the motion. Motion passed and the meeting was adjourned.

Respectfully submitted,
Mary Kivell
Recorder

DRAFT