



Lawrence High School Library
70-71 North Parish Road
Lawrence, MA 01843

QUARTERLY MEETING

Minutes
Tuesday, June 18, 2013
7:30 AM

MEMBERS PRESENT:

Sven Amirian, Joseph Bevilacqua, Ron Contrado, Dr. Lane Glenn, Susan Jepson (electronically), Melissa Lachance, Peter Matthews, Michael Munday, George Noel, Ann Ormond, Donna Rivera, Bob Westcott, Cal Williams (electronically), Ray Wrobel

MEMBERS ABSENT:

Patrick Blanchette, Brian DePena, Supt. William DeRosa, Atty. Wendy Estrella, Joe Gangi, Jr., Gary Hale, , Robert Ingala, Steve Kfoury, Supt. John Lavoie, Atty. Robert LeBlanc, Melissa Lachance, Jeff Linehan, Eric Mane, Alberto Nunez, Kevin Page, Cindy Phelan, Lester Schindel, Steve Salvo, Jeff Sheehy, Evan Silverio, Michael Strem, Nancy Tariot, Stanley Usovicz, Len Wilson, Juan Yopez

GUESTS PRESENT:

Paul E. Harrington, June Black – Tsongas’ office, Arthur Chilingirian, Susan Chory, Lisa Coy, April Lyskowsky, Dennis Marcelo – Sen. O’Connor Ives’ Office, Mary Rose Mazzola – Sen. Finegold’s Office, Barry Pett – Sen. Tarr’s Office, George Moriarty, Amelia Perez del Pulgar, Donna Perez, Chuck Phair, Linda Piergeorge, Ann Shaw, Megan Shea, Jonathan Vogt – Eastern Bank, Ed Warnhuis, Ellen Weinhold

STAFF PRESENT:

Rafael Abislaiman, Barbara Zeimetz, Mary Kivell, Corina Ruiz, Susan Almono, Cristy Gomez

1. Call to Order

A quorum being present, Joseph Bevilacqua called the meeting to order at 7:50 a.m.

2. Welcome & Introductions

Joe then asked for introductions around the table.

3. Approval of Minutes of April 30, 2013

After introductions, Chairman Bevilacqua asked for a motion on the minutes of the April 30, 2013 quarterly board meeting.

Motion by Ron Contrado to approve the minutes of the April 30, 2013 meeting as submitted. Ray Wrobel seconded the motion and motion passed unanimously

4. Reports of Committee Chairs

- *Planning Committee*

Planning Committee Chair Peter Matthews stated that the previously mailed package contained a legal paper sized Excel spreadsheet indicating the difference between our FY 2013 and FY2014 budgets. The information illustrates the very significant cuts we're experiencing. He asked the board to note that most of the WIA cuts occur during the first quarter so there will be serious cash flow issues from July to September. He explained that Ralph appeared before the Lawrence City Council several times and that we expect that the City will be able to front us funds if needed under the City's normal cost-reimbursement guidelines. This possibility has caused the City Budget Director to again insist that we follow City fiscal processes. But those processes are not as complete and clear as our current, separate ones and the State will need to approve them. Ralph is negotiating with the City to narrow that obligation to only WIA and Wagner Peyser funds.

Fortunately, organizational spending has already been adjusted to deal with some of the listed cuts and we are also looking for other funds to increase the budget. Last week we received notice that we will receive a two year, \$200,000 EPA grant which is already reflected in the spreadsheet. Our proposal was ranked amongst the top five in the nation. Congresswoman Tsongas is issuing a press release announcing the EPA award. Private sector grants such as the \$10,000 that Eastern Bank generously provided us will also help.

Peter said that we must also make other spending cuts. We are leaving our current Haverhill site four months early and will be moving to Northern Essex Community College's Haverhill campus at the end of this month. We expect to barter client services with the College and pay little or no rent. Our Haverhill space costs will go down dramatically and that may save us over \$200,000 per year. We are grateful to NECC President Lane Glenn and his trustees for their generosity. Our partnership with the College is clearly a win-win situation.

In the fall, we will also RFP our Lawrence site and, though we may stay where we are currently located, its cost will need to be less. Please also remember that the new, Statewide, UI-on line system will ultimately mean that fewer staff provide fewer face-to-face services. Consequently we are likely to require less space in both Haverhill and Lawrence.

With the current spending adjustments and not counting a less expensive Lawrence Career Center site, we still need to address a multi-hundred thousand dollar income to expense gap. Employees have been asked whether any are interested in a voluntary reduction in hours, especially for the summer months, or if any want a voluntary lay-off. Yesterday was the cut-off date for a response to those questions and the fiscal staff is currently calculating what the savings will be as a result of those voluntary agreements.

The remaining budget gap will be addressed via involuntary furloughs and lay-offs. Chili and Ralph are currently negotiating this issue with the municipal union. A furlough day per month will save us a under \$100,000. Each lay-off will save us only about \$25,000 because, as public entities, we are responsible for paying unemployment insurance.

But Peter said that the situation may quickly improve as there are several sizable proposals out and the largest one is for about \$450,000. If that proposal is successful most of the immediate financial issues will be defused but we should expect budget reductions to continue. This was the

first year of the ten year sequester process and there will be more cuts if Congress cannot agree to cut elsewhere.

Because the financial picture is still changing this year, I again request a motion stating that final Annual Plan development be delegated to the Planning Committee. Our Annual Plan must be submitted to the Massachusetts Division of Career Services and the Labor Secretary by July 10. Peter then asked for a motion.

Motion by Bob Westcott seconded by Dr. Lane Glenn to approve the Annual Plan Development delegation to the Planning Committee. Motion passed unanimously.

- ***Youth Council***

In the absence of Youth Council Chair Cal Williams, MVWIB Deputy Director Barbara Zeimetz gave the Youth Council report. Barbara said that this has been a very busy quarter as the Merrimack Valley Workforce Investment Board and ValleyWorks Career Center staff has been visiting schools and area community based organizations in efforts to outreach, review, and gather Summer YouthWorks Employment Applications. Barbara said that we have received and processed 600 completed applications – 398 from Lawrence: 159 from Haverhill, and 43 from Methuen. Last year the Massachusetts legislature approved \$7.5 million dollars for this program. We received \$521,000 in funding and were able to provide employment for 272 youth in the three cities. As of today the only money available for the Youthworks program this summer across the State is \$1.25 million which was carried over from last year. The State Senate and House have not agreed on additional funding for this summer although we are still hopeful. However, it is unlikely that even if there is additional money allocated we will receive anything near last year's funding level.

With the \$87,000 we are currently slated to receive we will be able to provide subsidized employment opportunities for only 43 youth – 30 youth from Lawrence and 13 from Haverhill. For this reason, we hope that board members seriously consider hiring an area youth this summer. We all agree that our youth must build employability skills through job readiness training, employment experience, and job coaching. Paul Harrington will be providing you with a great deal of information about youth employment in this region and its relationship to continued education and future employment opportunities.

This summer provides a great opportunity for you to make a big difference in a young person's future by providing a summer job. Our staff will ensure that each youth placed on a job is well equipped to succeed. Prior to starting the job each summer youth will attend an intensive 10 hour program which includes work readiness skills, career exploration, safety and health issues on the job, and financial literacy prior to being referred to your business. If your organization would like to hire a youth this summer, please contact Cristy Gomez, MVWIB Youth Workforce Program Manager at 978-722-7086 or check with any WIB staff member after the meeting

Barbara continued stating that we have submitted several additional proposals designed to continue quality workforce services to youth of the Merrimack Valley. In the past month we have submitted a proposal to the Division of Elementary and Secondary Education for continuation of the Connecting Activities Program in our region. We have requested a \$110,000 grant which will provide services to 325 students. Connecting Activities is a comprehensive program that helps at-risk Merrimack Valley youth become college and career ready. It will also offer teachers professional externship

opportunities in a number of private sector settings that will help them better contextualize for students how area companies and workers use STEM skills every day.

With hands-on information, teachers are better able to show their students the connection between “work” and “learning” in the classroom. The proposed funding provided will make Connecting Activities programming available to five districts in our region where the student population has the greatest need. These are the Lawrence, Methuen, Haverhill, Triton, and Newburyport districts.

Partnering with the Lawrence Department of Youth Services, the MVWIB and the ValleyWorks Career Center also submitted an application to conduct a FY 2014 Bridging the Opportunity Gap (BOG) Program. Together we will serve thirty youth transitioning from Department of Youth Services care back to their families and general society. We proposed a Summer and Year Round BOG Work-based Learning Program that will offer career readiness and subsidized employment components. We will enroll ten youth into our BOG Summer Program. Anticipated outcomes include completing ten (10) hours of career readiness and 150 hours of subsidized work experience.

In our BOG Year Round Program we will aim for at least an 80% completion rate for the 20 DYS youth to be served. Program outcomes will measure the number of job referred and job placed program completers who gain employment in unsubsidized jobs. Program components include ten (10) hours of orientation, a minimum of ten (10) hours of career readiness and youth development sessions, completion of a Youth Career Portfolio, and up to 200 hours of subsidized employment for all participants. Youth will also receive an industry recognized credential and referral to an educational program if appropriate.

We are also pleased to report that our In-School WIA Youth Program at Haverhill High school – Students Need a Plan (SNAP) – met all of their planned performance goals. The program’s primary goal was to retain high risk students in school, improve the graduation rates of these students, and upon graduation pursue post-secondary education, training or employment. Over the past school year the program served twenty three (23) students and provided the following services: Academic and social support, Financial literacy workshops, Weekly mentoring, Public speaking (VIP), Internship experiences at a variety of employers, Guest Speakers, Employer and college Field trips, College and financial aid application assistance.

Twenty one (21) out of the twenty three (23) students graduated and 15 have been accepted to college! One student will continue with on-the-job training via Mass Rehabilitation. Last but not least, on April 11, 2013 the Merrimack Valley Workforce Investment Board appointed Mr. Francisco Brea, Rapid Response Union Specialist – Massachusetts AFL-CIO as a Youth Council Member for three years. As a Youth Council member Mr. Brea will work with other Youth Council members to forge partnerships and encourage coordination among youth serving agencies.

Again, we hope you will consider hiring a local youth this summer. Truthfully the extent of the cuts to these funds means that this may be the smallest summer program for area youth in many years. We will have over 500 youth who have completed applications that we have no options for. Please let any of the WIB or Career Center staff know if you can help us and them. As I’m sure Paul will affirm having work experience is the one of the most reliable indicators of future success for young people.

5. Report of Executive Director

Rafael Abislaiman thanked everyone for coming today. He said that due to funding cuts we are in a bind as are all WIB regions. Unlike Massachusetts, the state of New York is seeing UI go up a little but our smaller unemployment numbers and the sequestration cuts mean that we are receiving about an 18% WIA cut.

Rafael said that he wanted to thank Northern Essex Community College for their timely offer of space which will save us at least four jobs. He said that we are starting negotiating personnel cuts with the union. We have five volunteers for a reduction in hours and three staff have left and not been replaced. We anticipate a possible reduction of seven or so staff sometime next fiscal year.

Rafael continued stating that we are the only fully unionized Career Center in the state and the union insists in seniority bumping. We are hoping to qualify that somewhat as some of our junior staff are bilingual and some senior staff don't speak Spanish. Our goal is to be as fair and equitable as possible. There may be controversies which we hope to minimize by continuing to provide excellent services.

The state's UI on-line system will change the way our workforce system provide services. We anticipate considerable complaints from clients, especially Spanish speaking ones because the internet bases system is currently only in English.

Joe Bevilacqua said that the cuts you heard about today are the results of mandated cuts and the actions are in response to those cuts. Rafael and staff are trying to make the cuts work but Joe said that funding will never be the same as it was in the past.

Rafael said that Mayor Fiorentini was adamant about maintaining a Career Center in Haverhill but the consequences of continuing with the current Haverhill Career Center site were not positive because it would have meant additional staffing cuts. He said that staff is working very hard and that ValleyWorks Career Center numbers have reached unprecedented highs. Over 17,000 people were served on site and many of those people visited often. There is a lot of need out there.

Donna Rivera said she was concerned with the new policies regarding using computers and Ralph said that career center staff have been told not to minimize how much they help people apply for and sustain their UI benefits.

Rafael closed by saying that it was an honor and pleasure to introduce Dr. Paul Harrington who Ralph first met when he heard him speak at a NAWB conference in Washington when he started as WIB director and how that Paul's presentation was one of the highlights of his professional experience at the WIB.

6. Presentation: Dr. Paul E. Harrington, Director, Center of Labor Market Studies Drexel University, Goodwin College of Professional Studies

Dr. Harrington thanked Rafael and said that last year, after he conducted a focus group on youth employment with Nancy Snyder, Joe Bevilacqua, George Moriarty and others participating, Rafael asked him to prepare a paper on the current employment and educational status of Lawrence and Haverhill youth as compared to suburban youth.

He said that he did labor market comparisons of 16-21 year olds in Lawrence and five gateway cities using a variety of measures. What he found is that if a 16-17 year old youth is not in school, working, or in the military, there is solid evidence that this status will have long term impact on their future employment.

If a youth is working while in high school there is a likely 22% increase in earnings more than ten years later. There is also a much greater likelihood that that youth will complete college. Data shows that working community college students improve their grades and their graduation rates. Work and college attendance reinforce each other.

When youth work, they gain interpersonal experience, self-control and maturity which all contribute to their future productive capacity in the job market. Work increases their chances of enrolling and completing a degree.

Paul also said that there is also a large employment gender gap. Nationally for every 100 boys completing community college there are 200 girls completing it and for every 100 boys completing a bachelor's degree there are 135 girls.

Paul said that prior to 2000 he used the US Census data but that he now basis his findings on both the regular census and through analysis of American Community Survey (ACS) public use micro data files. The American Community Survey is an annual survey of about 3 million households conducted by the U.S. Census Bureau. The ACS data are based on a large sample that is sufficient to produce annual statistically reliable estimates at the national and state level. Its information also works for large sub-state areas like the MVWIA.

However, single year ACS data file sample sizes for smaller subgroups of the population in a smaller geographic area (16- to 24-year olds in the city of Lawrence) are not large enough to produce statistically reliable estimates. Therefore he used combined 5 years of ACS data files (2007 to 2011) to produce all estimates presented today.

Under the Labor Force Participation Rate of 16-24 year olds in Lawrence, fewer than one half are actively engaged in the job market which means that youth in Lawrence have a very low attachment to the labor market and subsequently reduced likelihood of future employment. The UI rate in the area is low due to the low rate of participation. UI is accurate if people previously worked but since Lawrence youth have not worked they are not counted in UI numbers.

Paul said that if you want a hit you need to get up to bat and Lawrence youth are not getting a chance at bat. He said that teens in Lawrence have big long-term problems because of high unemployment and their consequent current idleness. He said that he put together a paper for Commonwealth Corporation and the percentage of kids working has fallen by one half in these bad economic conditions.

He noted that in the 1990's UI was 3%. Since 2001 we have had two different recessions and the recovery is not strong. For employers, personnel compensation costs have risen due to health insurance and retirement costs but their employees' actual wages have not risen. The UI among 16-24 year olds averaged 12.6% with only 28% employed at any point in time. Also, among those enrolled in school, relatively few worked. But, worse, only one half of 16-24 year olds were enrolled in school.

Dr. Harrington spoke about the economy and how household savings have gone negative with a 40% decline in home values. When wealth declines folks quit spending and start saving which created an environment of deflation. When folks see prices dropping they wait to buy. The last time we had deflation like this was in the 1930's. People are trying to hold on to their savings.

He continued stating that the reason employers are not hiring kids is because they don't need to. Kids are at the bottom of the labor queue. In the 1990s almost all youth could get a job but now they don't as they are being pushed out by older workers. Of this year's college graduates, only 45% will get jobs in their degree field. The reason kids are at the bottom of the labor queue is not a skill deficiency but rather because employers find their behavior unacceptable. Many of today's youth irregularly show up for work and have self control and initiative issues.

Human resource departments apprise candidates not only on their ability, skills and knowledge but also on whether their attitude present risks. Dr. Harrington further stated that attendance and behavior in high school are early warning signs of future problem, as are English and math grades. These predicts who is likely go to and stay in college and have the traits to succeed there. He said that we need to put systems in place in high school and community colleges that allow youth to mix work and school for a better opportunity to succeed in both endeavors and in order for them to have a successful career.

Joe Bevilacqua said that many businesses are aware that not too many kids are going to school and recognize the value of mature workers. He wondered what the prognosis is. Paul said that this is what the immigration debate is about, relying on foreign labor supply while youth don't have jobs sends a bad signal. Joe said that another issue is family structure. Part of the problem was recognized in the past with the disparity of MEP (precursor of MCAS) scores. Superintendents said give us more money and we'll fix it; education said give us great teachers and we'll fix it; and teachers said it is a family and home life issues that are interfering with education.

The most powerful and persuasive comment comes from the teachers. With 40% of children born out of wedlock, that is almost a sentence to poverty. The genie is out of the bottle and it is a very fundamental and difficult issue which public policy can't answer.

Dr. Harrington said that we need to get the focus on kids that can make the best gains as we can't save everybody. We need to set priorities as we can't be all things to all people. Ed Warnhuis commented that public schools have to take all kids when kids walk in. Paul Harrington said that there is an explosion of charter schools in Philadelphia and more and more share the view that public schools haven't adjusted to current problems. He said that at the end of the day he bets on kids having a chance of success and supports dropout prevention initiatives. Rafael commented that the leadership class in Europe went to prep schools and that parents weren't as involved in their upbringing. Paul said that we have Job Corps which takes kids out of their environment and teaches them things needed in the working world.

Lisa Coy opined that with 50% of college kids underemployed the price of a college education shouldn't just keep rising as it has been. Paul Harrington said that in 2000 the earnings for a college graduate averaged \$42,000; high school graduate \$25,000. In 2010, the average college graduate earned \$37,000 and the high school graduate \$20,000. College graduates lost 13% in income and the high school graduates 25%. Those with the ability to pay saw the highest number going to college and last fall that started going down. He cited an example of Bunker Hill College offering a midnight algebra class. He said that we can't be all things to all people.

Joe said that Dr. Harrington would be staying after the meeting if anyone had other questions. Susan Almono asked what the definition of youth participation in the job market is and Paul said if a youth is working for one hour or more and being paid for that hour at age 16 to 21. Peter Matthews asked how the employment rate is calculated. Paul said that the employment and UI rate can both go down if the rate of participation in the job market goes down. It is more accurate to count the number of people working than the number of people unemployed. A good employment rate is 64% and we have not reached that number since 2007. If the job market was normal and at that level we would have 10M more jobs.

Folks were offered a tour of Lawrence High School by Youth Council member Ed Warnshuis.

7. Adjournment

Having no further business Ray Wrobel made a motion to adjourn and George Noel seconded the motion. Motion passed and meeting was adjourned.

Respectfully submitted,

Mary Kivell

Recorder