



**BOARD REPORT**

**September 8, 2011**

Prepared on  
August 26, 2011

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**North Shore Workforce Investment Board  
Meeting Minutes**

**May 12, 2011**

**Those in attendance:** David Baer, Arthur Bowes, Bob Bradford, Carol Couch, Brian Cranney, Tim Doggett, Kathy Duggan, Tony Dunn, Steve Falvey, Arlene Greenstein, Gary Secondino (for Susan Jepson), Bonnie Carr (for Cathy Latham), Tom Lemons, Mike McCarthy, Eric Noble, Mickey Northcutt, Diane Palter-Gill (for Wayne Burton), Roger Pilotte, Steve Shea and Nancy Stager.

**Those not in attendance:** Rich Bane, Jim Beauvais, Tom Daniel, Ann Louise Glynn, Peggy Hegarty-Steck, Beth Hogan, Stephanie Lee, Althea Lyons, Doris Murphy, Laurie Roberto, Suzanne Russo, Bill Tinti, Rich Viscay, and Thelma Williams.

**Staff:** Mary Sarris, Maquisha Alleyne, Ed O'Sullivan, Will Sinatra, Jane Colman, Shari Cornett, David McDonald, and Mike Medler.

**Special Guests:** Michaela Duffy of Congressman Tierney's office and Meaghen Hamill of Senator McGee's office.

The meeting begins at 8:10am.

A quorum is present.

Bill Tinti was not able to attend this meeting, so, Nancy Stager, Vice Chair, headed the meeting.

There is an amendment to the March 24, 2011 minutes. Tim Doggett was marked as not in attendance. Not only was Tim in attendance, he was an active participant as shown in the rest of the minutes.

Tom Lemons motioned to accept the March minutes as amended. The motion was seconded and approved by all in attendance.

**Federal and State Funding Status**

Preliminary information has been received that federal funding will be down 1% or 2%. Those numbers are indicative of the fact that our unemployment is less bad than elsewhere. State funding is a little more predictable. The one grant that causes worry is the Connecting Activities grant. This is the grant used to help students through the school year with career awareness activities, internships, etc. The Connecting Activities grant is vital, especially where students are not getting a lot of summer jobs and the important job experience that comes along with it.

A complication came out late yesterday that the Workforce Investment Act (WIA) has been cut nationwide. The language in the law indicated the cuts should come from the state and not the local level. No one knows exactly what that means. As you can

imagine the state folks are anguishing over that but are also very concerned about services at the local level. May 25 is the day allocations will be announced.

### **Advanced Manufacturing – Crystal Systems/GT Solar – David Baer**

Crystal Systems was founded in 1971 by Fred Schmidt of Marblehead, MA to support crystal growth for sapphire crystals. The primary materials product line is sapphire crystal. The characteristics of sapphire crystal is it has great clear optical qualities, the only thing harder is diamond, it is non-corrosive and has thermal stability. It is used as wafer carriers, for silicone on sapphire, in mechanical bearings where you don't want corrosion, for dental brackets like the Invisalign braces, and is used in oil well drilling. It has medical and defense applications, among others. The most promising application, right now, is its use in manufacturing LEDs. Crystal Systems manufactures other types of sapphire crystals which are used for many different applications.

In the Mid to late 1970's, Crystal Systems began focusing on silicon crystals used for the wafering process in solar cells. In the mid 1990's that silicon technology was licensed to a company by the name of GT Solar. GT Solar became the largest seller of silicon ingot growth furnaces. In the last couple years they have made roughly \$500 million a year in sales of furnaces to grow silicon ingots.

Some expansion was added in 2003 and 2004 in anticipation of the LED market, but the market wasn't there. In 2008, the LED market really took off. In order to capture that market an expansion was necessary. Crystal Systems started honing down their process and taking on more space to prepare for expansion, but knew that here in Salem they were capital constrained to take advantage of the market. In 2010, Crystal Systems was approached by GT Solar with interest in an acquisition. Crystal Systems was purchased in late July of last year by GT Solar, which is based in Merrimack, NH, for \$78 million in a combination of cash, stock, and an earn out. Immediately, GT Solar moved to inject capital to expand the Crystal Systems operation. The Shetland Park location was expanded by about 30,000sf. \$28 million plus has been put into the facility, the crystal growth capacity has been tripled, and there are about 54 new furnaces for sapphire growth to meet the LED demand. In addition, GT Solar has also embarked on a process to take the furnace technology and sell the furnaces themselves.

At the time of the acquisition the company had around 50 employees. The company now has around 80 employees in Salem and expects to have around 100 by the end of the year. Worldwide the company has around 500 employees.

### **Vote on Youth Contracts for FY 2012**

Every two years the WIB goes out to bid for our services through WIA for youth. The services include but are not limited to mentoring, occupational training, GED preparation and career exploration. The Youth Pipeline committee put together a sub-committee to oversee the process.

Steve Falvey was a member of the sub-committee and was very satisfied that the group took the process very seriously. He noticed two types of applications – ones with too much information and ones with not enough. The final decision reflected that the applicants that did really good work and could point to their success stood out.

Though enough votes were received (19 of 34 members voting yes) to approve the recommendations of the youth pipeline committee, a formal vote is in order. The recommendations were e-mailed to the full board and are a part of the meeting package for today's meeting. In brief:

- 1) 6 applications were received for WIA finding
- 2) The committee recommended three for funding, which based funding is prioritized as:
  - Catholic Charities – out of school program
  - Action, Inc. – in and out of school program
  - Girls Inc. – in school program
- 3) Three not recommended for funding included two new applications (CAEP and Training Resources of America) and one returning applicant (My Turn)

Tony Dunn didn't have a problem with the process for the most part and commended the sub-committee for their hard work throughout the process, but felt that there should be more focus on the smaller groups that did not get funded to let them know exactly what to do to get them where they need to be. Steve Falvey agreed to meet with any of the unfunded groups to show where they can strengthen their program.

Tim Doggett moved to accept the recommendations of the Youth Pipeline committee. Steve Falvey seconded the motion and the motion was approved by all members in attendance except Carol Couch who abstained from the vote.

### **Workforce Systems Committee Report**

In the fall of 2010, the Workforce Systems Committee set out to find more efficient way to deliver training to the people who need it by increasing available training dollars in order to train more customers and look at how and where customers are being trained, to broaden the impact.

The WSC started with a blank slate and researched and analyzed the following:

- WHO: Who are our customers? What are the demographics of our customer base? Where are they located?
- WHAT: What types of services are most successful? What are the spending rates?
- WHERE: Where are our locations in relation to where the jobs are? Where can regional transportation reach?
- WHEN: Can we change our delivery model to create easier/more timely access?
- HOW: Can we change how we deliver our services to reduce costs and increase training?

Charts and graphs showing the information analyzed by the Workforce Systems Committee were handed out to the full board and are available in a PowerPoint by request.

From the Workforce Systems Committee's research we can say:

- 1) Demand for our services continue to grow
- 2) Career Center customers are diverse from a gender, race, educational, and age perspective.
- 3) The North Shore Career Center of Lynn is our busiest site and is growing in terms of customer visits; Salem is the most geographically diverse; and Gloucester focuses primarily on Cape Ann residents. All three Centers serve many individuals from outside our region.
- 4) The opportunity to receive training has a large impact on a person's ability to find employment.
- 5) Unfortunately, training funds will be greatly limited in the future unless we re-design our service delivery mechanism.
- 6) North shore residents primarily rely on cars for transportation to and from Career Centers.
- 7) New access points are present in the community, e.g., public libraries.

After the WSC's research and analysis, they brainstormed what actions could be recommended. They considered actions such as:

- Reducing/combining career centers
- Negotiation with landlords on lower rents
- Partnering with public leaders to utilize existing public space
- Reducing and/or reorienting existing staff to provide enhanced core services that lead to jobs
- Utilizing technology to improve access and reduce costs per customer

After extensive research, analysis, and discussion, and in light of our objectives to:

- Increase available training dollars, so we can train more customers
- Look at how and where we train to broaden our impact

The Workforce Systems Committee recommends the following actions be taken in order to achieve our objectives to:

- Reduce square footage of all three Centers and/or find no/low cost rent
- Continue hiring freeze on staffing
- Relocate Business Services Unit to Lynn and Salem general space
- Reorient existing staffing into teams that can be cross-training and deliver training and services at remote locations on a regular basis
- Reduce reliance on ITAs for computer training and provide similar training through intensive service provided through existing staff

Making these changes is expected to reduce overhead by at least \$150,000 and provide computer training to over 350 additional individuals allowing us to better meet the needs of customers and businesses in our region.

Over the next couple meetings the WSC will come up with policy recommendations for the Board to vote on in September.

## **Committee Updates**

### **Youth Pipeline Committee**

FirstJobs is underway again. We are looking for jobs for teens or monetary donations to support a position in a non-profit. Art Bowes of the North Shore Medical center announced they will hire between 10-20 youth over the summer.

Due to time constraints, the Partnership Committee and the Skills Gap Committee updates will be sent out via email.

Steve Falvey motioned to adjourn the meeting. The motion was seconded by Tom Lemons and was accepted unanimously by the group.

The meeting adjourned at 9:18am.

The next meeting is scheduled for September 8, 2011.

Respectfully submitted by Maquisha Alleyne.

**CENTERS DIVISION**

**CAREER Customer Count**

*New Customers*

	June, 11		Actual YTD		June, 10 YTD
	Actual	Plan	Actual YTD	Plan thru 6/30/11	Actual
<b>Lynn</b>	435	361	5,187	4,331	5,051
<b>Salem</b>	322	236	4,341	2,836	4,205
<b>Gloucester</b>	71	59	808	708	986
<b>Total</b>	828	656	10,336	7,875	10,242

*Total Customers Served*

	June, 11		Actual YTD		June, 10 YTD
	Actual	Plan	Actual YTD	Plan thru 6/30/11	Actual
<b>Lynn</b>	1,511	602	8,296	7,219	8,092
<b>Salem</b>	1,033	394	6,095	4,725	4,672
<b>Gloucester</b>	589	98	1,454	1,181	1,732
<b>Total</b>	3,133	1,094	15,845	13,125	14,496

**Customer Placements (#/% of total customers served)**

	June, 11		Actual YTD		June, 10 YTD
	Actual	Plan	Actual YTD	Plan thru 6/30/11	Actual
<b>Lynn</b>	115/8%	78	1,538/18%	938	1,430/18%
<b>Salem</b>	89/9%	51	1,013/17%	614	784/17%
<b>Gloucester</b>	20/3%	13	254/17%	154	316/18%
<b>Total</b>	224/7%	142/13%	2,805/18%	1,706/13%	2,530/17%

**Customer Satisfaction – Results for May-June 2011**

*Job Seeker*

<b>Gloucester (n=22)</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Were you satisfied with the results of your visit?	19 (86%)	2 (9%)	1 (5%)	0 (0%)

<b>Lynn (n = 56)</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Were you satisfied with the results of your visit?	28 (50%)	21 (38%)	5 (9%)	2 (3%)

<b>Salem (n = 47)</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Were you satisfied with the results of your visit?	17 (36%)	23 (49%)	4 (9%)	3 (6%)



<b>System-Wide (n = 125)</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
<b>Were you satisfied with the results of your visit?</b>	64 (51%)	46 (37%)	10 (8%)	5 (4%)

*Employer*

<b>System-Wide (n = 12)</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
<b>Overall satisfaction with Career Center services.</b>	8 (67%)	3 (25%)	1 (8%)	0 (0%)

**Employer Services**

*New Accounts*

	<b>June, 11</b>		<b>Actual YTD</b>		<b>June, 10 YTD</b>
	<b>Actual</b>	<b>Plan</b>	<b>Actual</b>	<b>Plan thru 6/30/11</b>	<b>Actual</b>
<b>Lynn</b>	25	18	490	220	597
<b>Salem</b>	27	23	157	275	196
<b>Gloucester</b>	7	5	72	55	61
<b>Total</b>	59	46	719	550	854

*Total Employers Served*

	<b>June, 11</b>		<b>Actual YTD</b>		<b>June, 10 YTD</b>
	<b>Actual</b>	<b>Plan</b>	<b>Actual</b>	<b>Plan thru 6/30/11</b>	<b>Actual</b>
<b>Lynn</b>	50	40	928	480	1005
<b>Salem</b>	68	50	289	600	374
<b>Gloucester</b>	20	10	125	120	97
<b>Total</b>	138	100	1,342	1,200	1,476

*Total Number of Employers Listing Job Orders*

	<b>June, 11</b>		<b>Actual YTD</b>		<b>June, 10 YTD</b>
	<b>Actual</b>	<b>Plan</b>	<b>Actual</b>	<b>Plan thru 6/30/11</b>	<b>Actual</b>
<b>Lynn</b>	33	14	608	165	488
<b>Salem</b>	13	26	117	308	105
<b>Gloucester</b>	3	6	61	77	66
<b>Total</b>	49	46	786	550	659

**Preferred Vendor Performance (top 6 vendors in terms of enrollments)**

Vendor	Number Served	Placement Rate	Average Wage	Number Served in FY 10
North Shore CC	102	89%	16.36/Hr	112
NSCAP	24	100%	16.61/Hr	51
Millennium	22	100%	13.38/Hr	28
Spectrum	20	100%	10.87/Hr	24
Salem State College	17	75%	29.55/Hr	59
American Red Cross	17	92%	11.36/Hr	35

**YOUTH DIVISION**

**Workforce Investment Act Programs**

Vendor	Number Served	Number Exited	Number placed/Average Wage	Number Served in FY 10
Action, Inc.	34	16	12/8.78	34
Catholic Charities	45	21	6/9.13	52
Girls, Inc.	33	8	1/8.50	31
My Turn, Inc.	32	19	11/8.40	30

**School-to-Career**

**Connecting Activities / MCAS Remediation (program connects students and employers in brokered jobs and internships across the region)**

	Goal	Actual
Student Work and Learning Experiences	200	506

**Work and Learning Experiences for High School Youth**

- Connecting Activities Staff for the 2011 fiscal year worked with 144 employers total and had a return rate of 90 Work Base Learning Plans. From third quarter to fourth quarter we collected 65 Workbased Learning Plans from employers. Compared to 2010 fourth quarter report CA Staff increased WorkBased Learning Plan collection by over three times the amount (24-90).
- CA Staff increased the amount of services for level C Work and Learning Levels. The amount of Level C Work and Learning Level participants from 2010 to 2011 is up by over 20 youth. The amount of instructional hours for Level C Work and Learning Levels are up significantly as well.

- The CA Staff is identifying students for the 2012 fiscal year through our First Jobs Summer Initiative. Staff are building relationships with new employers and providing training on the Workbased Learning Plan. Staff is well on the way with new private sector placements this summer. This initiative will increase our goal to place 100% of placements on a Workbased Learning Plan.
- During this reporting period Connecting Activities Staff connected with youth, school staff and a variety of North Shore businesses. CA staff successfully reached Beverly High School and Danvers High School by providing them with job readiness workshops, job search and job development on site during school hours This is a great accomplishment for Connecting Activities because our Business Service Unit has invested time to develop new business relationships in the Beverly, Ipswich and the Cape Ann area of the North Shore to increase our private sector placements.
- CA Staff and Youth Career Center Staff have serviced approximately 800 youth who are looking for possible employment opportunities. From the week of April 4<sup>th</sup> to May 9<sup>th</sup> work readiness workshops were given twice a week in the Youth Career Center. The beginning of May 16<sup>th</sup> to June 30<sup>th</sup> work readiness workshops were conducted three times a week. During this time 182 youth participated in workshop 1 and 162 youth participated in workshop 2. Connecting Activities Staff is looking forward to the outcome of the First Jobs Summer Initiative and developing new private sector relationships.

**Budget-Actual Summary by Expense Category**  
**As of June 30, 2011**

	Budget	Actual	Obligations	\$ Remaining	% Rem.
<b><u>REVENUE</u></b>					
Current Year Grants	\$ 3,989,828	\$ 2,633,438	-	\$ 1,356,390	34.0%
Current Year Income	92,669	66,579	-	26,090	28.2%
Prior Year Carry-in	3,499,579	2,227,368	-	1,272,211	36.4%
<b>Total Revenue</b>	<b>\$ 7,582,076</b>	<b>\$ 4,927,385</b>	<b>-</b>	<b>\$ 2,654,691</b>	<b>35.0%</b>
<b><u>EXPENSES + OBLIGATIONS</u></b>					
<i><u>Admin Expenses</u></i>					
Personnel	\$ 350,798	\$ 347,601	-	\$ 3,197	0.9%
Expenses	131,761	118,190	-	13,571	10.3%
<b>Total Admin Expenses</b>	<b>\$ 482,559</b>	<b>\$ 465,791</b>	<b>-</b>	<b>\$ 16,768</b>	<b>3.5%</b>
<i><u>Program Expenses</u></i>					
Personnel	\$ 1,717,649	\$ 1,463,699	-	\$ 253,950	14.8%
Individual Training Accounts	1,197,710	841,183	58,484	298,043	24.9%
Supportive Services	10,906	7,609	-	3,297	30.2%
Youth Jobs	523,300	314,272	-	209,028	39.9%
Other Training	1,436,179	1,013,955	419,719	2,505	0.2%
Other Program Costs	932,333	530,337	162,279	239,717	25.7%
Business Services Costs	135,276	100,256	-	35,020	25.9%
<b>Total Program Expenses</b>	<b>\$ 5,953,353</b>	<b>\$ 4,271,311</b>	<b>\$ 640,482</b>	<b>\$ 1,041,560</b>	<b>17.5%</b>
<b>Total Expenses &amp; Obligations</b>	<b>\$ 6,435,912</b>	<b>\$ 4,737,102</b>	<b>\$ 640,482</b>	<b>\$ 1,058,328</b>	<b>16.4%</b>
<b>Planned Carry-Out</b>	<b>\$ 1,146,164</b>				

**Budget-Actual Summary by Program**

**As of June 30, 2011**

Program Name	FY Budget	FYTD Spent + Obligated	Amount Remaining	Percent Remaining
<b><u>Federal Funds</u></b>				
ARRA: Health Care Skills Gap	\$ 206,450	\$ 204,996	\$ 1,454	0.7%
ARRA: Re-Employment Services	13,805	13,805	-	0.0%
ARRA: State Energy Sector Partnership	394,729	388,116	6,613	1.7%
ARRA: Supplemental Rapid Response	108,891	108,891	-	0.0%
ARRA: Supplemental Summer Youth	20,518	15,286	5,232	25.5%
ARRA: Wagner Peyser 10%	7,361	7,361	-	0.0%
ARRA: Wagner Peyser 90%	4,557	4,557	-	0.0%
ARRA: WIA Administration	43,299	50,801	(7,502)	-17.3%
ARRA: WIA Adults	133,243	130,447	2,796	2.1%
ARRA: WIA Dislocated Worker	168,283	158,505	9,778	5.8%
ARRA: WIA Youth	316,164	319,372	(3,208)	-1.0%
DESE Adult Educ. Career Ctrs: Fund 342 - FY10	16,506	3,711	12,795	77.5%
DESE Adult Educ. Career Ctrs: Fund 342 - FY11	26,752	21,259	5,493	20.5%
DOL Health Care Learning Network	123,215	117,709	5,506	4.5%
DUA Unemployment Insurance	37,163	37,163	-	0.0%
DOT - SETPNS - FY09 JARC	110,721	33,476	77,245	69.8%
DOT - SETPNS - FY09 New Freedom	93,716	22,815	70,901	75.7%
DOT - SETPNS - FY11 JARC	103,465	97,580	5,885	5.7%
DOT - SETPNS - FY11 New Freedom	103,465	96,937	6,528	6.3%
E-Team Machinist Program	20,000	18,162	1,838	9.2%
High Performing WIB Award	53,523	53,523	-	0.0%
Rapid Response - State Staff	8,186	8,186	-	0.0%
Rapid Response Set Aside - Machinist OJT	104,350	12,593	91,757	87.9%
Rapid Response Set Aside - N.S. Companies	200,000	8,858	191,142	95.6%
Re-Employment Eligibility Assessments	5,583	5,583	-	0.0%
Re-Employment Services	14,497	14,497	-	0.0%
Vets: Disabled Veterans Outreach Program	8,186	8,186	-	0.0%
Vets: Local Veterans Employment Representative	4,555	4,555	-	0.0%
Wagner Peyser ES 10%	4,036	4,036	-	0.0%
Wagner Peyser ES 90%	42,454	42,454	-	0.0%
WIA Formula Funds: Administration	291,413	285,791	5,622	1.9%
WIA Formula Funds: Adults	664,048	578,389	85,659	12.9%
WIA Formula Funds: Dislocated Workers	759,922	654,036	105,886	13.9%
WIA Formula Funds: Youth	872,783	810,789	61,994	7.1%
WIA Incentive - FY10	20,000	19,183	817	4.1%
WIA Incentive - FY11	20,000	18,033	1,967	9.8%
<b><i>Total Federal Funds</i></b>	<b>\$ 5,125,839</b>	<b>\$ 4,379,641</b>	<b>\$ 746,198</b>	<b>14.6%</b>

**Budget-Actual Summary by Program**  
**As of June 30, 2011**

**State & Local Funds**

DESE: Adult Basic Education	\$ 113,641	\$ 113,368	\$ 273	0.2%
DESE: Connecting Activities	75,000	74,662	338	0.5%
DTA CIES	134,476	134,939	(463)	-0.3%
Earned Funds	24,637	24,637	-	0.0%
Racing Stabilization Grant - FY11	39,700	10,936	28,764	72.5%
Shannon - Year 3 Carry-Over	5,700	5,700	-	0.0%
Shannon - Year 4	17,301	16,810	491	2.8%
Shannon - Year 5	35,175	1,565	33,610	95.6%
State One-Stop Career Centers	144,471	146,361	(1,890)	-1.3%
Summer 2010 YouthWorks - FY10 Part	155,761	147,224	8,537	5.5%
Summer 2010 YouthWorks - FY11 Part	148,070	105,494	42,576	28.8%
Summer 2011 YouthWorks - FY11 Part	175,805	4,208	171,597	97.6%
WCTF - Financial Services	122,318	106,842	15,476	12.7%
WCTF - NSCC Hospitality Contract - FY09	11,462	6,721	4,741	41.4%
WCTF - NSCC Hospitality Contract - FY10	11,556	1,294	10,262	88.8%
Workforce Training Fund	95,000	97,182	(2,182)	-2.3%
<i>Total State Funds</i>	<i>\$ 1,310,073</i>	<i>\$ 997,943</i>	<i>\$ 312,130</i>	<i>23.8%</i>
<b>TOTAL FUNDS</b>	<b>\$ 6,435,912</b>	<b>\$ 5,377,584</b>	<b>\$ 1,058,328</b>	<b>16.4%</b>