



Executive Summary Fiscal Year 2014 Metro North Annual Plan

FY'13 has been a year of transition for Metro North, during which the REB has entered a stage of development that is guided by new opportunities as well as challenges. As it moves forward, the REB is working to identify creative new approaches, consider diverse sources of funding, and streamline existing systems to optimize efficiency. In addition, continuous improvement and innovation in program implementation will allow the REB to adjust its approaches in workforce development to align with the ever-changing economy and maximize the resources available to serve the 20-community Metro North region. Over the last year, the REB has formulated a new strategic plan that focused on the following priorities:

- ◆ **Priority 1:** Infrastructure and Systems Development (Development)
- ◆ **Priority 2:** Alignment of Workforce and Business Needs (Implementation)
- ◆ **Priority 3:** Accountability and Visibility (Reporting)

Priorities 1 and 2 are closely tied to infrastructure, both internally and externally, including processes, systems and documentation. The first two priorities also encompass capacity-building and relationship-building to supply and direct the work. Priority 3 focuses on performance excellence and on implementing modern and novel methods for connecting to businesses and other audiences through technology and other media in ways that will be valuable to them. The last priority also boosts regional accountability and knowledge and information-sharing to advance the REB's efforts overall.

Based on prominence in the region and current growth opportunities, the Metro North REB plans to target the following industries/occupations: 1) Advanced Manufacturing; 2) Healthcare; 3) Information Technology; 4) Life Sciences, and 5) STEM (Science, Technology, Engineering, and Math) Occupations, which cut across industries. During FY'14, the REB will also be engaging in more cross-regional initiatives to extend its reach and enhance its resources.

In June 2012, the REB took the initial steps that led to the development of the Northeast Advanced Manufacturing Consortium, a collaboration now jointly led by the Metro North REB, and the Merrimack Valley, Greater Lowell, and North Shore Workforce Investment Boards (WIBs). The membership of the consortium, which is designed to support and advance the manufacturing industry in the northeast region of Massachusetts, currently includes: representatives from the four WIBs; their seven career centers; local vocational technical schools about 15 other manufacturing companies. The REB also received a grant from MassDevelopment as part of their AMP It Up! Campaign, an initiative aimed at dispelling widespread misperceptions about the nature of today's manufacturing industry by educating youth about the wide range and abundance of advanced manufacturing jobs available throughout Massachusetts. Funds will be used to introduce youth enrolled in GED programs to advanced manufacturing, develop educational materials and build an Advanced Manufacturing Resource on the REB's website.

The REB is a partner in the SCILS (Skilled Careers in Life Sciences) Initiative, which involves four regions (Boston, Metro North, Metro South/West and South Shore) and is led by the City of Boston. Made possible by a four-year \$5M H1B Technical Skills training grant from the US Department of Labor beginning in FY'13, SCILS will deliver life sciences training to 360 participants through programs at Boston University and Quincy College, help fund 300 internships through the Mass Life Sciences Center, and develop the capacity of the region's one-stop career centers to better connect customers with the

life sciences sector. The REB is participating in the SCILS Advisory Council, which is an opportunity to advance initiatives in workforce development and build new connections in the life sciences industry.

In concert with the implementation of the Healthcare Skills Gap Grant, the Metro North Healthcare Skills Gap Partnership was formed over three years ago; the grant supported curriculum development and skills training in collaboration with Middlesex Community College and several area hospitals. The Healthcare Partnership also oversaw the development of a career pathways chart for use in mapping steps to healthcare careers for students and job seekers/career changers. The partnership meets quarterly, and will be working on updating and expanding its career pathways work, and potentially applying for a Healthcare Workforce Transformation Fund grant (when available) to support training in emerging/growing healthcare occupations.

The REB has also sponsored three regional STEM forums over the last few years, bringing together employers, schools, training providers, community colleges, and career centers. The first forum spawned the creation of the Metro North STEM Partnership, which directed the development of a comprehensive, web-based Metro North STEM Resource Inventory, currently available on the REB's website: www.mnreb.org. The STEM Partnership hosted a successful third event in June 2013 at the Microsoft NERD Center in Cambridge, with over 100 attendees. The REB also has a staff member serving as a STEM Coach through the STEM Power Initiative (www.stempower.org). She will be actively engaged in the STEM Network and will serve as a point of contact and conduit of information for locally established services offered to job seekers interested in STEM fields and to STEM industry employers.

Although the REB is restructuring its approach to workforce development by adopting sectoral strategies, and is working on developing additional resources to support these efforts, the region continues to rely on federal and state funds for its core funding, which supports education and training, career center operations, and REB administration and oversight. Unfortunately, due to a combination of factors, these funds have declined rather dramatically this year.

Labor Exchange Funds. Massachusetts received a significantly higher cut (-5.6%) compared to FY'13 (-0.6%) in Wagner-Peyser (labor exchange) funds. The net impact on Metro North labor exchange funds is a loss of \$66K (-5.3%). Another relatively unrestricted and major funding source for Metro North, the One-Stop State Line Item in the MA State Budget, was reallocated this year, with a historical earmark for the three regions (Boston, Hampden County, and Metro North, the regions to open career centers) removed. In the past, this line item had provided nearly \$1M per year for Metro North. After substantial effort among the 16 regions, and in partnership with the state, a funding formula was developed for the line item which included an 85% hold harmless component for the three regions which would experience large decreases, and a funding floor for those regions who would otherwise have dropped below their funding for the previous year. The resulting formula limited Metro North's line item cut to about \$130K (compared to a potential loss of \$400K). Along with the reductions in WIA funding outlined below, Metro North will be experiencing an overall regional cut of \$1M for FY'14.

On a more positive note, Massachusetts was again awarded a Re-employment Eligibility Assessment (REA) Grant on April 1, and Metro North estimates \$195k in REA funds will be available for FY'14. In addition, a separate REA grant specifically for UI Claimants receiving emergency benefits has been made available on a performance basis; Metro North's potential earnings are estimated at about \$185K.

WIA Title I Funding. Massachusetts will experience significant cuts in FY'14 to WIA allocations due to the implementation of the federal sequestration. The Metro North portion will be consequently reduced from its FY'13 levels. Including Workforce Investment Act and Employment Service funds, the loss will be -\$873K for FY'14. Additionally, the cuts will be heavily concentrated in the first quarter of the state's fiscal year, which creates a challenge for operations during that time period. Although Metro North is receiving 8.5% of all statewide WIA funds, the fourth largest allocation statewide, this will be the second

year in a row that the region has taken significant cuts to its WIA grants. The new allocation for WIA Dislocated Workers decreased by 19.5% to \$924,250, compared to a 19.4% decrease in FY'13; with anticipated carry-in, these funds grow slightly to \$975,550 for FY'14. WIA Adult funds experience a greater decrease of 22.1% (-\$267K) to \$940,595, compared to a 4.0% decrease in FY'13; with carry-in funds this is expected to rise to just over \$1M. WIA Youth funds declined by 23.9% from FY'13 to \$974,319; with carry-in, this amount rises to a little over \$1M. The Metro North career centers will be impacted by these cuts, with a reduction in options for many job-seekers.

In spring 2013, Metro North procured for youth training providers. WIA Youth dollars were reduced by 26.1%; similarly, the REB will be awarding approved grantees funding for FY'14 at 74.5% of their funding for FY'13. Submissions for existing programs were rated highly, and funding them at the reduced level would prevent having to eliminate any programming. The split of funds between in-school and out-of-school funds will again result in a much greater focus on out-of-school youth (74% of total youth funds) than is required by WIA law (30% of youth funds). Youth program providers/youth wages receive 56% of all the WIA youth funds.

The career centers will receive a total of about 29.2% of youth funds, with 25.6% designated for the provision of framework services. In addition, they will be expected to provide youth training fairs/information sessions focused on our priority industries such as STEM, advanced manufacturing and healthcare. In previous years, approximately 7% of WIA Youth funds were allocated to support Youth Transition Services offered by both career centers, where outreach to youth in the community is performed in order to connect them with WIA programs and transition services to assist with further training/education or entering the job market. However, these services are considered supplemental to the youth framework services provided by the centers, which include eligibility, assessment, development of individual service strategies, working closely with youth program providers to ensure program success, documenting pre- and post-testing for youth outcomes, and enrollee tracking and followup. To accommodate the drastic cuts, the REB decided to move half of Youth Transition Services funds into WIA Framework Services (both categories fund career center activities) after the reductions are applied. This shift from transition services to framework services would basically be a reallocation of staff time and place a greater emphasis in an area where the centers feel underfunded. The REB will also be eliminating Youth Individual Training Accounts (ITAs) for FY'14 in order to allow more funds to be available for youth programming overall. Most youth that are eligible for Youth ITAs are also eligible for WIA Adult training services.

Metro North is allocating 37.4% (down from 47.4% or 48.9% including skills development) of WIA Adult funds for ITA training slots, with an additional 1.7% set aside for skills development activities at the career centers, for a total of 39.1% dedicated to training. About 42.7% is allocated to career centers for the provision of case management and job placement services. Metro North expects to enroll approximately 79 new customers in WIA Adult training during the coming year, with additional new customers (225) receiving intensive services and direct placement assistance, for a total of 304 new customers served, in addition to 65 customers carried over from FY'13.

WIA Dislocated Worker funds have been allocated at 27.2% to training providers (about 53 slots). With an additional 9.4% proposed for skills development (about 125 slots), a total of 36.6% is allocated for overall training activities, again with additional new customers (105) receiving intensive services and direct placement assistance. A total of 283 new and 210 customers continuing from FY'13 will be served, 493 altogether. A recently announced statewide National Emergency Grant will help restore training capacity to WIA Dislocated Workers in this and other regions. Approximately 44.2% (a 5.6% increase over FY'13 in percentage share) is allocated to career centers for intensive services/case management activities for Adults and Dislocated Workers. However, despite the increased share of

funding for career centers, the centers will still experience a reduction in WIA funds totaling about \$250K.

Overall Service Levels. At the same time as the region is facing significant funding decreases, it anticipates only slight declines in customers served. Customer volume for FY'13 (about 23,800) is estimated to be 3,000 higher than the previous year's service level (20,726). Metro North career centers (The Career Place in Woburn, and Career Source, Cambridge and satellite location in Chelsea) expect to serve a slightly lower volume of customers in FY'14 (just over 22.3K) than in FY'13, due to the improving economy and expected decline in total unemployed. Of these, over 12K are expected to be unemployment claimants, over 1,100 will be veterans, and more than 1,200 will be people with disabilities. Over 1,100 employers are expected to use Metro North centers for a variety of employer services, including, but not limited to, outplacement services, job fairs, on-site recruitments, and posting job orders.

Overall Funding Picture. With cuts of over \$1M to the Metro North allocations for FY'14, the challenge is to stretch fewer resources to serve a customer base that is not decreasing at the same rate as the funds available. While over \$1.2m will still be available for training, career centers in Metro North must continue to tighten their belts in FY'14. The region anticipates a slight reduction in service volume in FY'14 with an improving economy; however, customer volume will still be fairly high. With much diminished resources, the region will continue to need to find creative methods to effectively meet demand for service as well as gain additional support to advance the work defined in our Metro North Strategic Plan.

The REB, working in concert with Metro North Career Centers, and with other partners, including other Workforce Investment Boards in some cases, is aggressively pursuing other grant opportunities, including National Emergency Grants for service to dislocated workers, grants for service to specific target groups (e.g., people with disabilities), and sectoral opportunities, such as the Workforce Competitiveness Trust Fund grant to support training in advanced manufacturing, and the AMP It Up! Initiative, which is designed to highlight career opportunities in the manufacturing industry. The REB also will be acting as an Employment Network on behalf of the career centers, which will offer intensive services to people with disabilities under the Ticket to Work program. The REB is also actively supporting Working Cities Challenge efforts in several communities in the region. In a time of dwindling resources, the REB is fostering the growth of partnerships that can maintain and develop capacity, and support new approaches to workforce development.

Please submit any comments in writing to mstbrice@mnreb.org no later than August 2, 2013.