

Executive Summary
Fiscal Year 2012
Metro North Annual Plan

In the coming year, Metro North plans to continue working on implementing goals established in its strategic plan that reflect the following regional priorities:

- ◆ Priority 1: Building the capacity of the workforce system
- ◆ Priority 2: Addressing the region's skill gaps in industries
- ◆ Priority 3: Enhancing the youth pipeline to employment

Emphasis will be placed on these two priority industry sectors: 1) Healthcare Sector; 2) Professional, Technical, and Scientific Sector. The Metro North REB has established two industry partner groups, corresponding to these two industries. The Metro North Healthcare Skills Gap Partnership was formed two years ago in concert with the implementation of the Healthcare Skills Gap Grant, which 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 Metro North REB has sponsored two regional STEM forums, bringing together employers, schools, 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.

Labor Exchange Funds. Metro North received a cut (-1.0%) in Wagner-Peyser (labor exchange) funds. The state legislature recently finalized the budget, reducing the State Line Item for career centers to \$4.5m, and Metro North's share of this line item was reduced by 6.8% compared to FY'11; the Metro North amount was further reduced by a substantial increase in charges for the use of the statewide database (+\$30k). In FY'11, these funds were supplemented with American Recovery and Reinvestment Act (ARRA) Re-Employment Service funds for service to the general career center customer population; in FY'12, no ARRA funds remain. However, Massachusetts has been awarded a Re-Employment Eligibility Assessment Grant, and Metro North has been allocated \$196k in REA funds for a 9-month period, based upon service volume last year, when \$200k was allocated for the entire year. The total new funds available for services to the general population will decrease by about \$535k, to about \$2.5m. Because career centers were able to carry forward \$201k in Wagner-Peyser funds in order to counteract expected dramatic funding reductions, the net decrease in funds available for services to the general population becomes \$334k, for a total of about \$2.7m.

At the same time, customer volume exceeded 23,000 by the end of June 2011, similar to the volume observed in the previous year. Metro North career centers (The Career Place in Woburn, and Career Source, Cambridge and Everett) expect to serve a slightly lower volume of customers in FY'12 (22.4k) than in FY'11, due to the improving economy and expected decline in total unemployed. Of those 22,400, about 12,060 are expected to be unemployment claimants; 1,260 will be veterans; and close to 1,100 will be people with disabilities. About 1,130 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. The Re-employment Eligibility Assessment grant will allow individualized assessment, triage, and

training referral services for at least 1,435 UI Claimants to enhance their ability to re-enter the job market.

WIA Title I Funding. Similar to last year, Metro North again was one of the regions that benefited dramatically from the state's designation as an "Area of Substantial Unemployment" (which meant that the sheer numbers of unemployed in the region drove the size of the allocation). Metro North is receiving 9.2% of all statewide WIA funds, second only to Boston (9.7%). The new allocation of WIA Dislocated Worker funds increased by 5.5% to \$1.26m; with anticipated carry-in, these funds grow to \$1.34m. WIA Adult funds declined slightly by 0.9% to \$1.14m; with carry-in funds this increases to \$1.18m. WIA Youth funds increased by 10.3% to \$1.34m; with carry-in, this amount rises to \$1.45m. However, these increases must be weighed against the loss (though not unexpected) of ARRA funds in these same categories. Career centers alone will lose \$119k in ARRA funds for Adults and Dislocated Workers. In addition, to compensate for funding losses last year, the region successfully applied for several Rapid Response Set Aside grants (\$306k) and other REB-specific grants (\$37k) which ended June 30, 2011. Together, the loss of these grants creates an additional funding gap, compensated in part by WIA increases. Added to the loss in the labor exchange category, career centers will experience an estimated loss of \$652k. With the sunset of ARRA funding, which had provided a cushioning effect, the impact of losing hundreds of thousands of dollars in Department of Transitional Assistance (DTA) funds in FY'10 will finally be felt.

This year Metro North procured for youth training providers and awarded \$742k to youth services providers. After funding continuation proposals for in-school and out-of-school programs and allowing for an overall 3% increase in costs, the split of WIA Youth funds becomes 28%/72% between in-school and out-of-school programs. This split results in a much greater focus on out-of-school youth than is required by WIA law (30% of youth funds). Youth program providers/ youth wages receive 57% of all youth funds. This includes an estimated \$40k in WIA Out-of-School funds to be used for ITA training for youth in Science, Technical, Engineering, and Mathematical (STEM) and healthcare fields, in alignment with the Metro North REB Strategic Plan.

After shifting \$40k in unallocated training funds into the career center category, career centers will receive 22% of youth funds. In addition to their usual framework services role, they will be expected to provide youth training fairs/information sessions focused on our priority industries, STEM and healthcare. As was done last year, an additional 7.3% has been allocated to support Youth Transition Services to be offered by both career centers. These funds will be used for outreach to youth in the community to connect them with WIA programs as well as transition services to assist youth into further training/education or entering the job market once they have completed WIA services.

Metro North is allocating 50% of WIA Adult funds for Individual Training Accounts (ITA training slots), with an additional 1.5% set aside for skills development activities at the career centers. Thirty-three percent is allocated to career centers for the provision of case management and job placement services. Metro North expects to enroll 119 new customers in WIA Adult training during the coming year, with additional new customers receiving intensive services and direct placement assistance.

Thirty-seven percent (37.3%) of WIA Dislocated Worker funds has been allocated to training providers (about 100 slots). With an additional 8.4% proposed for skills development (about 111 slots), a total of 45.7% is allocated to training activities, again with additional new customers receiving intensive services and direct placement assistance.

Similar to last year, 36.2% is allocated to career centers for intensive services/case management activities for Adults and Dislocated Workers, while the total funds allocated to training remain the same as in FY'11. Because it is taking workers much longer to reenter the job market, we anticipate working with a large volume of FY'11 customers in FY'12 in both Adult and Dislocated Worker grants.

Overall Funding Picture. While Metro North was fortunate to benefit from substantial increases in WIA formula funds for FY'12, the loss of ARRA funds and the earlier loss of DTA funds mean substantially fewer resources for serving customers. While approximately \$1.9m will be available for training, career centers in Metro North will see their budgets reduced by over \$640k compared to FY'11. While we anticipate a slight reduction in service volume in FY'11 with an improving economy, customer volume will still be remarkably high. With much diminished resources, the region faces a substantial challenge to its ability to effectively meet demand for service.