

Governor's State Workforce Investment Board Apprenticeship Advisory Committee

**State Capitol Building, Room 152,
Helena, MT**

October 25, 2007

DRAFT MINUTES

COMMITTEE MEMBERS PRESENT: Mike O'Neill, Chair; Jane Baker; Kirk Hammerquist; Jacquie Helt; Lane Larson; Thomas McKenna; Jason Miller; and Arlene Parisot.

COMMITTEE MEMBERS ABSENT: Arlene Becker, John Cech, and Con Sullivan.

STAFF: Mark Maki, Danielle Nettleton, and Chris Wilhelm.

GUESTS: Joe Strelnik, Linda Moodry, Mary Berg, Lynn Clark, Curly Burns, Candice Cumero, David DeFer, Dan Casey, Ingrid Childress, Kathy Yankoff, Carol Hanel, and Suzanne Ferguson.

I. Welcome and Introductions

Chairman Mike O'Neill called the meeting to order at 9:07 a.m. He welcomed staff, committee members, and guests.

- Roll Call, Housekeeping, New Documents

Danielle Nettleton conducted roll call, addressed house keeping items, and reviewed the meeting documents presented. Chairman O'Neill explained that the committee conducts business under Roberts Rules of Order. He stated he would relax Roberts Rules of Order to allow informal discussion among members. He reminded committee members to please state their name clearly when speaking for the accuracy of the minutes. He informed the committee members and the public that the meeting was being recorded and the tapes would be destroyed after the meetings minutes were approved.

- Agenda

Chairman O'Neill asked if there were any changes to the Agenda. The agenda was approved as presented by consensus.

- Meeting Minutes – August 30, 2006

Chairman O'Neill stated that Mike Cadwallader's name on page three needed to be changed to Mark Cadwallader. Lane Larson also stated that under the approval of the agenda, Mr. Lane should be changed to Mr. Larson. The August 30, 2006 minutes were approved as amended by consensus.

II. Updates

- Status of Lineman's College in Butte

Chairman O'Neill reported that the pre-apprenticeship lineman's program in Butte started the first class in August with 23 students. Out of those students only one has left the program due to family reasons and one student is struggling with the math curriculum. Chairman O'Neill was pleased that 20 months ago a meeting was held to discuss the need both locally and nationally for Lineman and 18 months later the school was up and running. He announced that the Grand Opening is scheduled for November 13, 2007. Chairman O'Neill thanked all entities involved in the process of developing the schools curriculum and thanked all the businesses for their donations. He reported that the Workforce Investment Act Unit designated \$400,000 dollars to help provide assistance for qualifying students. The school also submitted an application for a grant to the Office of the Commissioner of Higher Education and scored the second highest. He also reported that the Montana Standard wrote a full page article on the school. Jim Babst of Wyoming was hired as the lead instructor. Mr. O'Neill believes they could not have hired a more fitting professional; Mr. Babst is familiar with the industry and teaching.

Arlene Parisot commented positively on the grant application. She noted that the program has become an excellent example of partnerships between business, education and labor entities. Mark Maki reported that prior to developing the program; citizens would have to leave the state to attend a pre-apprenticeship lineman program. The program now allows citizens and their money to stay in Montana. Chairman O'Neill reported that the first class was filled without the use of advertising. He stated the program is looking to work with Higher Education to form an advisory committee to develop strategies for recruiting in diverse areas, including women and on reservations. Lynn Clark announced that the spring class is full and includes three women students.

Mr. Larson asked if the funding provided by the WIA unit will always be available to students. Chairman O'Neill stated the funding is a one-time amount and available only for the first and second classes. He said staff is attempting to extend the funding for a second. Kathy Yankoff reported that the cost of tuition and fees is \$5000 per student. Students pay an average of \$2000 in miscellaneous additional expenses including clothing, equipment, transportation, and housing.

- Apprenticeship and Training Updates

Mr. Maki reviewed the Montana Apprenticeship and Training Program Operational and Statistical Report. He reviewed the current statistics on the programs registered apprentices, economic impact and the linkages with higher education. He reported that the program has a high cancellation rate of 15-20% per year, increased from 8-12% reported five years earlier. He explained that the cancellation rate was high due to participants having low skill abilities and the industrial employers having poor selection criteria. Employers are struggling with recruiting participants because of the low work ethic and the lack of basic mechanical skills required.

Mr. Larson asked if the programs yearly completion rate was higher then the cancellation rate. Mr. Maki informed the committee that 25-35% of the registered apprentices graduate yearly, increasing with the 25% annual growth rate of the program. Mr. Larson asked if the program saw an abuse from employers wanting to utilize apprentices as general laborers and if there repercussions for such abuse. Mr. Maki reported that the failure of an apprentice is not always due to the employer, if the apprenticeship staff notices an increasingly large number of unsuccessful apprentices with a particular employer, they have the ability to refuse the registration of future apprentices. Mr. Larson asked about the effects of SB 217. Mr. Maki explained that the bill requires that apprentice wages follow Davis-Bacon wage guidelines. Employers have the ability to adjust the apprentices wage based on the salary of their highest

paid journeyman on staff. He reported there are only two employers who have adjusted the apprenticeship wage based on their Journeymen's wage.

Mr. Larson asked if the committee had approved of the Apprenticeship Program Development Process MOU. Mr. Maki reported approximately eighteen months prior the committee met and approved the MOU after much debate. Mr. Larson requested that staff provide him copies of the previous Apprenticeship Committee minutes and the final MOU. He also expressed his concerns regarding the apprenticeship program flooding the construction market with workers and not having jobs to support the demand. Jason Miller expressed his agreement with Mr. Larsson's statement.

Kirk Hammerquist reported that he started with three apprentices and currently has two still employed. One had left the company due to a move and the other two are on probation with the apprenticeship program from lack of completed homework. He stated the Apprenticeship and Training Program staff works closely with employers and apprentices to achieve a successful outcome.

- Montana Labor Management Alliance (MLMA) Promotion Grant

Curly Burns reported that he was hired in August 2006 by the MLMA Board to promote the apprenticeship trade by attending job fairs and presenting to schools. He reported that the grant will expire in December, but could be extended through February 2008 due to a late start. The grant required he visit 130 high schools and distribute informational booklets. He received permission from the association to reproduce and distribute the booklet. Currently over 1500 copies have been distributed. There are approximately 200 schools in Montana that have career counselors. Today's High School Career Counselors are unable to reach out to students concerning college issues due to the high demand for personal counseling. The federal administrations policy states that if you are awarded a one-year grant, you are not eligible to apply for another grant for six years while under the same management agency. He reported there are four months left to finish writing a new grant under a different management agency. If the application is unsuccessful he would like to find a program to continue to maintain the current website at an annual cost of \$80.

Mr. Maki asked if any obstructions were identified as a contributing factor to the lack of student enrolment in apprenticeship programs. Mr. Burns reported that the hiring agents for different trades are selective in the application process; a majority of applicants lack the required math skills. To capture the attention of students at job fairs you need to provide hands on activities; another way is through apprenticeship rodeos, which attract a lot of people. Mr. Maki asked if there are one or two specific areas the apprenticeship program should focus on. Mr. Burns explained many of the construction programs are not advertised as apprenticeship opportunities. Many trades are continuing to look at how to enroll a higher number of qualified people. There will be more requests and interests in how the pre-apprenticeship lineman program was accomplished.

- Projects for Consideration

Mr. Maki reported there is major interest to work with higher education to improve and enhance the apprenticeship program. The Governor has plans for energy development and Montana needs the workforce to fill the jobs. There is an Apprenticeship Utilization Act in Washington and Wyoming that requires a certain percentage of the workers on a state funded job be enrolled in an apprenticeship program. He reported that the committee could also look into tax credits for program sponsors since they do not receive funding. Correspondence courses are often costly; so the question arose as to how the state could assist with the expense. Additionally, there is a

need to look at the shortage of employees in the health care industry. The SWIB could make recommendations for legislation to the Governor's Office.

Mr. Larson asked if staff could look into where and who the students of the college programs go to work for after graduation. He reported that employers are holding interviews and are beginning to see a large number of college graduates making it harder for high school graduates to compete for the position. Mr. Maki asked if the Department of Higher Education tracks graduates. Ms. Parisot informed the committee that different programs keep track of certain aspects, but not necessarily the exact employer. Ingrid Childress reported that there could be confidentiality issues but Research and Analysis may be able to release the location of the employer. Mr. Maki reported that all students, except one, from the two graduating classes of 2005 and 2006 from the University of Montana Northern's plumbing program went into an apprenticeship program following graduation.

Mr. Miller reported that unionized business may not be ready for the Apprenticeship Utilization Act. The Pre-Apprenticeship lineman program is great in exploring all views and the colleges need to explore the use of the Apprenticeship Memorandum of Understanding (MOU). He stated he feels that the best way to accomplish economic development is for businesses to unionize, providing great benefits and high wages.

Mr. Hammerquist asked if a different level of mathematics could be required for the apprenticeship trades. He reported that being required to have algebra level math skills makes it difficult for interested persons to apply. Ms. Parisot reported that under federal legislation, each school that receives funds under the Perkins program is required to develop one pathway to post secondary education.

Ms. Wilhelm informed the committee that a K12 representative should be appointed to the Board and Committee in the near future. Ms. Parisot agreed a representative of Adult Education also be appointed to the committee.

Ms. Wilhelm reported that the Health Care Task Force (HCTF) completed a report in December 2006. Staff has been going through the report pulling appropriate pieces for each committee to look at and address. Leisa Smith is working with Pat Wise in the Governor's Office to see what options are available. There have been many groups in Montana who have created similar reports, each through different sources.

Chairman O'Neill thanked the committee for the good ideas and informed members that he will work with staff to ensure the committee gets the information requested and can continue pursuing these ideas.

III. Other Business

Chairman O'Neill advised the committee that the next SWIB meeting is currently scheduled for December 6 in Billings. He asked committee members to inform him of issues they would like him to report on at the meeting to represent the view of the committee. Mr. Larson expressed his concerns of saturating the industry with workers and not having enough jobs to provide employment. Mr. McKenna asked if the lack of a marketing budget was still an issue as described in the last meeting. Mr. Maki informed the committee that the Apprenticeship program continues to need more funding to help promote the program.

IV. Adjourn

With no further comments Chairman O'Neill adjourned the meeting at 11:55 p.m.