

Governor's State Workforce Investment Board

State Capitol, Helena, Montana
August 29, 2007

MINUTES

BOARD MEMBERS PRESENT: Dan Miles, Chair; Marty Copps, Vice Chair; Evan Barrett; Arlene Becker; Dave Crum; Thomas Curry; Connie Eissinger; Georgia Gibbs-Atkinson; Mike Grove; Kirk Hammerquist; Keith Kelly; George Kipp; Robbe Lindsay; Mike McGinley; Joan Miles; Sandi Miller; Mike O'Neill; Arlene Parisot; Tony Preite; Gail Richardson; Jeff Rupp; Karen Sullivan; Jeff Tochihara; and Pat Wise (*designee*).

BOARD MEMBERS ABSENT: Elsie Arntzen; John Brueggeman; Mike DesRosier; Jacquie Helt; Maureen Kenneally; Lane Larson; Linda McCulloch; Thomas McKenna; Rodney Miller; Alan Skari; and Linda Woods.

STAFF: Leisa Smith, Chris Wilhelm, and Danielle Nettleton.

GUESTS: Mary Berg, Curly Burns, Marcella Buster, Curt Campbell, Ingrid Childress, David Cole, Adam de Yong, Ron de Yong, Al Ekblad, Meredith Euer-Speck, Carol Hanel, Jim Hill, Sheila Hogan, Darla Joyner, Kate Kahle, Connie Kinsey, Kevin Madman, Elissa Mitchell, Lisa Newman, Pam Watson, Anna Whiting-Sorrell, and Gary Wright.

I. Welcome and Introductions

Chairman Dan Miles called the meeting to order at 8:40 a.m. He welcomed State Board members and guests. He introduced new State Board members: Elsie Arntzen, State Representative from Billings, replacing Llew Jones; John Brueggeman, State Senator from Polson, replacing Senator Gary Perry; Connie Eissinger, Private Sector rancher and County Commissioner from Brockway, replacing Julie Jordan; George Kipp, Tribal Representative from Browning, replacing Teresa Wall-McDonald; and Jeff Tochihara, Private Sector representative from Stillwater Mining in Billings, replacing John Beaudry. Chairman Miles announced that John Beaudry could no longer serve on the State Board as his position at Stillwater Mining requires him to register as a lobbyist. Teresa Wall-McDonald was also unable to continue her service on the State Board.

■ Roll call; Housekeeping and New Documents

Danielle Nettleton conducted roll call. Chris Wilhelm addressed house keeping items, and reviewed the meeting documents presented. Chairman Miles announced that lead State agency officials now have the option of appointing a designee as their official representative at meetings they are unable to attend. Evan Barrett introduced his designee, Pat Wise, Economic Development Specialist, replacing Emily Lipp Sirota in the Governors Office of Economic Development. She has 25 years of experience working with Workforce Development, Dislocated Workers, the Workforce Investment Act (WIA), and the State Workforce Investment Board (SWIB). She has knowledge in apprenticeable trades and has recently worked with Montana Nursing Association.

Chairman Miles explained that SWIB conducts business under Roberts Rules of Order. He stated he would relax Roberts Rules of Order to encourage active and open discussion.

- Agenda

Chairman Miles informed the Board that the agenda had been modified to show the Labor Day Report from 11:00 a.m. to 12:00 p.m., and Evan Barrett's name had been added to the list of SWIB members. The Agenda, as amended, was approved by consensus.

- Meeting Minutes – May 4, 2007

Chairman Miles informed the Board of a language change, requested by Kathy Yankoff, in the May 4, 2007 SWIB meeting minutes as follows: *The State later identified \$35,000 in disallowed costs involving an job-worker employee. The worker That individual is no longer involved employed with PCWA and is under investigation for criminal actions by the Department of Justice.*

Mike McGinley moved to approve the May 4, 2007 meeting minutes as amended. Marty Copps seconded the motion, which carried by consensus.

II. Reports and Information

- Program Profiles

Chris Wilhelm reported past distribution of the Program Profiles was as a photocopy. To develop a professional look, staff chose to have this year's document produced as a booklet. Informational charts were moved from the back of the document to the front. Two charts were added to the back cover of 2007 Program Profiles: one showing the funding coming into Montana, and the other showing how the funds are allocated back out to workforce development programs. Montana Youth Challenge, Unemployment Insurance, and the WIRED Grant were added to the program pages and charts. The Small Business Innovation Research Program changed its name to Montana Technology Innovation Partnership Program. The Natural Resource Workers Education Program, funded through a grant that expired, was removed. The Snapshot document is generated from the information from the Program Profiles document.

Chairman Miles asked if SWIB had oversight of the programs represented. Keith Kelly informed him that SWIB only has oversight over Workforce Investment Act (WIA) programs. For example, the Temporary Assistance for Needy Families (TANF) program is administered through Department of Health and Human Services (DPHHS). Chairman Miles recommended that SWIB familiarize themselves with the various programs and continue to work on inviting various program directors to present to the SWIB. Leisa Smith reported that the State Agency Management Team (SAM Team), consisting of program managers, meets to share information and keep the agencies informed on program updates. Mike Grove requested staff summarize information received on programs to assist the Board in identifying ways they can help.

- Governor's Office Updates

Family Economic Security Council

Anna Whiting-Sorrell is the Governor's Policy Advisor for Department of Public Health & Human Services, Department of Labor and Industry and the Governor's Advisory on Corrections. Ms. Whiting-Sorrell reported the Governor's Office is undertaking an initiative to build economic security for Montana families. A year and a half ago, the Governor's Office received incentive funds resulting from performance achievements by the Temporary Assistance to Needy Families program (TANF.) The Governor requested the incentive funds be used to identify methods to build personal assets and teach financial literacy to help TANF recipients with self-sufficiency goals. In response the Governor formed the Family Economic Development Council to identify ways to continue moving in a direction to help Montana's low income families who don't understand what it means to have personal wealth, what to do with it, and how to invest it. The Council is comprised of 14 individuals across Montana, including the Commissioner of the Department of Labor and Industry (DLI), the director of DPHHS, and the director of the Department of Revenue. Most importantly the council brings many agencies together. The Council will begin to make recommendations on the programs budget, and how to make certain that the Department of Commerce, The Governor's Office of Economic Development, DLI, and DPHHS are working together on a single initiative for Montana's families.

Montana Transition Taskforce

Meredith Euer-Speck, a junior at Harvard University, is working as an intern with the Governor's Office. She reported the Governor's office is also working on an initiative to help improve post-secondary outcomes for youth with disabilities. The initiative is in response to a nation-wide concern regarding youth with disabilities transitioning from school to work. The Governor's Office formed the Montana Transition Task Force, in July 2007. The Task Force is a coalition of state agencies and public advocacy groups working to design a more coordinated and consolidated system of services. The program is in its infancy stage with the taskforce currently working on a strategic plan. A large part of the initiative involves getting Montana youth and young adults with disabilities into jobs and contributing back to the community. The Taskforce includes representatives from the Department of Labor, The Office of Public Instruction (OPI), DPHHS, Vocational Rehabilitation, Mental Health, Corrections, Higher Education, Adult Education, Fish Wildlife and Parks (FWP), Transportation, and a wide variety of advocacy groups. The Governor's Office hopes to develop strong partnerships with good communication within the group.

- WIRED Update

Adam de Yong, Project Director of the Workforce Innovation in Regional Economic Development (WIRED) Montana's Agro-Energy Plan, reported on the grant's progress. He reported that the long term investment is delivered through higher education and short-term economic development investment is delivered through the Department of Commerce. Funding is administered through three community colleges and one four-year College:

- The Today's Fuels for Tomorrow's Growth program through Miles Community College, has a mobile bio-diesel crushing facility built on a tractor trailer system making it portable to attend fairs and outreach events.

- The Fort Peck Community College Entrepreneur Education for Successful Bio-Energy Production Program partnered with MSU and developed six educational pieces to be utilized in curriculum and outreach programs. They are currently developing two more educational guides and are very close to having them implemented.
- Dawson Community College's program, Clean Energy for America's Future, is close to having completed its curriculum which includes small business management, Haz-Mat training, welding, diesel mechanics, safety and computer applications.
- MSU-Northern is developing a Bio-Energy Innovation and Testing Center. They received funding through the Department of Environmental Quality to develop an American Society for Testing and Materials ASTM testing lab, a key component in developing bio-fuels for Montana. By law, every new batch of bio-diesel that is produced must to be tested to meet ASTM standards. Currently, new batches must be sent away to be tested. The cost varies from \$1,000 to \$15,000 depending on what tests the producer needs. MSU-Northern's testing facility should be completed in about three months. Having a local testing facility benefits the Montana producers by cutting costs to approximately \$500 per test, which is the cost for staff and equipment.

Year two funding has been ear-marked for developing Montana's workforce system. A WIRED academy was recently held in Havre. Field representatives were able to make contact with local businesses, economic development organizations, and regional development officers in their region. The Community Management Team's (CMT) in the WIRED region are helping to build a network of supporting people to identify industry's needs and educational resources available in order to best serve local communities.

There are multiple businesses participating, including a number of technical assistance providers that were funded including: Mission Mountain Foods, Montana Manufacturing Extension Center, Ethanol Producers and Consumers (EPAC), Fort Belknap Indian Community, University Of Montana College Of Technology, and Fort Peck Community College. Funded businesses include Sustainable Systems, Peaks and Prairies, Mr. Pipetech, Little River Smoke House, New Century Ag, Intercontinental Truck Body, and Earl Fisher Biofuels.

Earl Fisher Biofuels serves as an example of the regional transformation WIRED is trying to create. They are a small company in Chester founded by two individuals who moved back to Montana to take over the family farm. Bret Earl, a petroleum engineer, met with Governor Schweitzer to talk about bio-diesel and bio-fuels. He received some funding through the Growth Through Agriculture program administered by the Department of Agriculture. Additional funding was received through the Department of Commerce WIRED MAP program. Currently the company is building their production facility. They don't have crushing capacity yet, but are processing oil. The community and county have been supportive, giving them a building to use for production and committing to purchase bio-diesel meeting ASTM standards, for city vehicles.

Mr. de Yong reported that the Department of Commerce has leveraged \$17.7 million since May with approximately \$3.4 million of WIRED funding. With the three new applications from Earl Fisher Bio-fuels, Intercontinental Truck Body, and New Century Ag, there is up to \$28.3 million of leveraged WIRED dollars that have been delivered to the

region. The workforce system will have eight field representatives, and estimate they will leverage \$8.4 million in the next two years through other services and field operations on the ground. The Workforce System Transformation has bridged the gap between higher education and economic development. This model of directly involving the regional workforce system has become the model for the United States Department of Labor (USDOL) in the third generation of WIRED regions. The recent WIRED Annual Review ranked Montana one of the top three Generation I WIRED regions.

Kirk Hammerquist asked if the WIRED funding is for bio-products only or if there is an opportunity for solar and wind energy. Mr. de Yong informed the Board that to date, funding has not gone to wind and solar energy development. Currently bio-products and bio-fuels that have the agricultural value-added component are the primary focus. The Governor's energy vision for the state is to support workforce development for the energy sector in central and eastern Montana. An opportunity may be presented at the end of year three when the funding structure is revisited. Tom Curry commented that the amount of leverage dollars is very impressive. Mike McGinley asked Mr. de Yong to explain how the Fort Belknap Little River Smoke House ties into the energy section of WIRED. Mr. de Yong explained that it doesn't tie into the energy component, but ties into the agricultural value-added component. WIRED supports food grade items that come from the region.

Keith Kelly commented that at the academy, Cummins Diesel was asked what they would use for an alternative crop. Their response was "camelina." Based on impact to the environment, Montana cannot continue taking irrigated crop land and using it to grow fuel. Montana must identify locations and crops that can be grown which do not require large quantities of water to avoid future water shortage issues. It is hard for dry land farmers to loose the safety net of having the federal government crop insurance.

Dave Crum congratulated Mr. de Yong on his work with the project and asked what the potential was for future funding after the grant expires; noting that problems won't be solved in the next two years. Mr. de Yong responded there is no further potential for WIRED dollars coming into the current region, but a state or separate region could apply for WIRED funding. The one-time funding is meant to transform the workforce system and create a sustainable structure to help move the industry and workforce structure forward. Chairman Miles commented that the project is a great model for Montana; a problem was identified and is now being resolved.

- **Lineman's Training Program**

Mike O'Neill reported that a year and a half ago a national shortage of lineman was recognized that would soon affect Montana. The idea was created to develop a pre-apprenticeship lineman's training program. The idea, supported by the State Board, DLI, and the electrical industry, has also been endorsed by the Board of Regents. The program is now up and running through Montana Tech, in Butte. The first class started August 22, 2007; a significant achievement for all parties involved. Every year there will be two classes producing approximately 50 graduates who will be qualified to start in an apprenticeship program. 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. He reported that the pole yard would be set up within the next week. Tool and boot venders will be available on site for students. Industry and State Government have had great collaboration. Gary Wright, Bureau Chief of Workforce Programs and Oversight, recently helped designate \$400,000 in funding to assist

qualified dislocated workers with entrance into the program. The Lineman's program also received \$353,000 from a Workforce Training and Equipment Grant through the Office of the Commissioner of Higher Education. Arlene Parisot reported that the proposal scored second highest.

Mr. Kelly expressed his satisfaction with the program. A future problem was identified, an idea was developed to address it the problem, and different entities came forward to implement the solution. Chairman Miles commented that in the past, individuals couldn't enter into the apprenticeship program without any experience; attending this school could make it easier for individuals to directly enter into the lineman's apprenticeship program. Darla Joyner, Director of Career Transitions, Inc. in Belgrade asked if all of the current students were Montana residents. Mary Burg, Director of Career Futures in Butte replied that all students are from Montana with the exception of one Wyoming student registered in the January class. Chairman Miles commented on the difficulty for women trying to enter into the trade. He encouraged the program to advertise to women. Ms. Burg stated there are currently two women interested in attending the January class.

- One-Stop Committee Updates

Marty Copps reported the certification of Eastern Plains Workforce System in Sidney and Glendive, Southeastern Montana Community Workforce System in Miles City, and "Working Friends" One-Stop System in Browning. She reported the "Working Friends: One-Stop System, whose center is in Browning, is the first designated Native American One-Stop System in Montana and the Nation. Leisa Smith reported that there is currently one business plan under staff review: Rocky Mountain Front located in Cut Bank. The One-Stop Committee will begin to look at policies and procedures for re-certification of One-Stops. Chairman Miles commented that the number of certified One-Stops is remarkable. He complimented the Committee, Board, staff, and program operators on all of their hard work.

- Workforce Programs and Oversight Bureau Updates

Jim Hill, Program Monitor with the Workforce Investment Act (WIA) Unit, reported that during the last six months the WIA unit had monitored the Employer Service Function of Wagner-Peyser. Looking at job order applications, veteran applications, and non-veteran applications, they determined that the function is operating successfully. The WIA unit is currently working on the development and delivery of the new MontanaWORKS System and providing statewide training. Due to the training and monitoring schedules, there will not be a fall Technical Assistance and Training (TAT) session.

In May, the State Board took action to approve WIA funding. The funding formula used at that time was the same formula used in the past. Mr. Hill stated he has been conducting research into the process used by the Federal Government, along with the process and formulas used in Utah, Idaho, Wyoming, North Dakota, and South Dakota. Each individual state uses its own unique process. Mr. Hill presented an overview of his preliminary findings. Chairman Miles stated due to the expressed interest from the State Board on the issue, he has decided to create a task force to further investigate the subject deeper. Jacquie Helt agreed to chair the task force, working with Jim Hill, and five other SWIB members, yet to be appointed. If the State Board would like to change the funding formula, the new formula it must be approved by April of 2008. Jeff Rupp asked if the funding formula is being calculated from 1990 census data. Mr. Hill explained that the

USDOL asked the 1990 census data be used due to discrepancies with the 2000 census data. New census data will not be collected again until 2010.

III. Other Business

- Next Meeting(s)

Chairman Miles announced the next Board meetings are tentatively scheduled for Thursday, November 1, 2007 and Thursday, April 24, 2008. Ms. Smith announced staff will work with committee chairs to schedule committee meetings in September and October.

IX. Adjourn

With no further business, Chairman Miles adjourned the meeting at 10:42 a.m.

Dan Miles, Chairman

Date