

**State of Montana
WIOA Combined Plan
Program Years 2016 - 2019**

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STATE OF MONTANA

WIOA COMBINED PLAN 2016- 2019

I. WIOA State Plan Type

Montana has chosen to submit a Combined WIOA Plan. The programs and partners included in the plan are:

- WIOA Title I – youth, adults and dislocated workers
- Wagner-Peyser
- Vocational Rehabilitation
- Adult Education and Literacy
- Veterans Employment and Training
- Trade Adjustment Assistance
- Migrant and Seasonal Farmworkers

II. Strategic Elements

A. Economic, Workforce and Workforce Development Activities Analysis

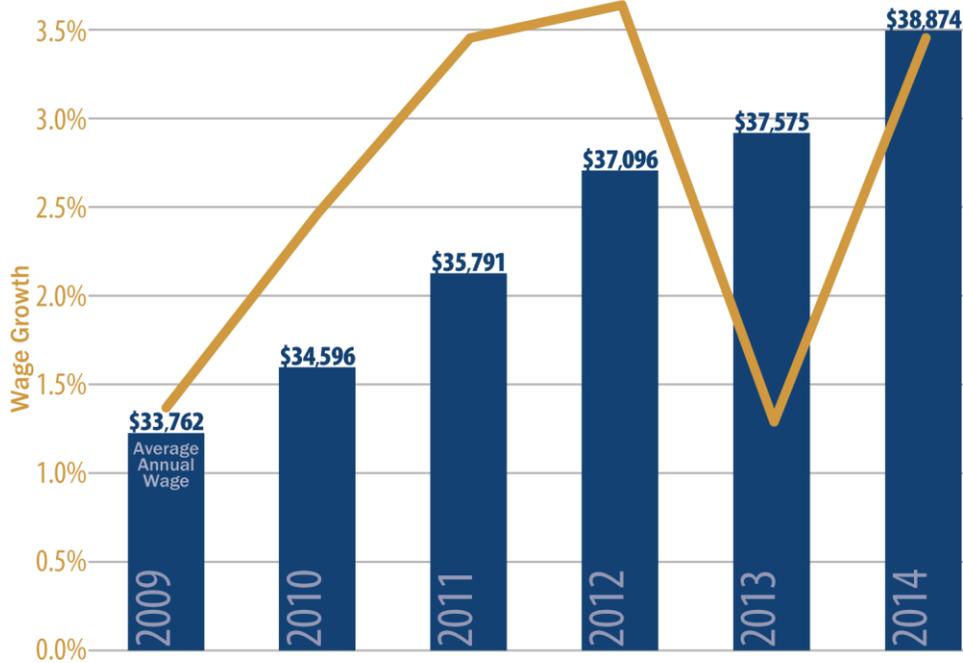
Economic and Workforce Analysis

Montana's Wage Growth Exceeds Expectations

Montana posted strong wage growth in 2014, with the average wage increasing 3.5% over the year to \$38,874. Montana's wage growth was faster than the nation as a whole (3.1%), ranking 11th fastest among states. Consistent with previous wage growth, the increases were the fastest in the private sector, with private wages increasing by 3.7% over the year. Federal, state and local government all had wage growth less than 3%. With inflation at only 1.6% over the year, real wages increased by 1.8%. Real wage gains, or those above the rate of inflation, mean that Montanans can afford more goods and services with their earnings than they could the year before, resulting in an increase in the standard of living for Montana families.

Montana's wages have been growing faster than the nation for most of the last ten years, ranking sixth fastest wage growth among the 50 states for both the five-year and ten-year timeframes. In dollar terms, Montana's average wage grew by \$1,300 over the last year, and by over \$5,100 in the last five years. Montanans' wages have grown at a compounding annual growth rate of 3.4% over the last 10 years from 2004 to 2014, compared to only 2.7% for the nation as a whole.

Figure 1
 Montana Average Annual Wages and Growth Over Prior Year



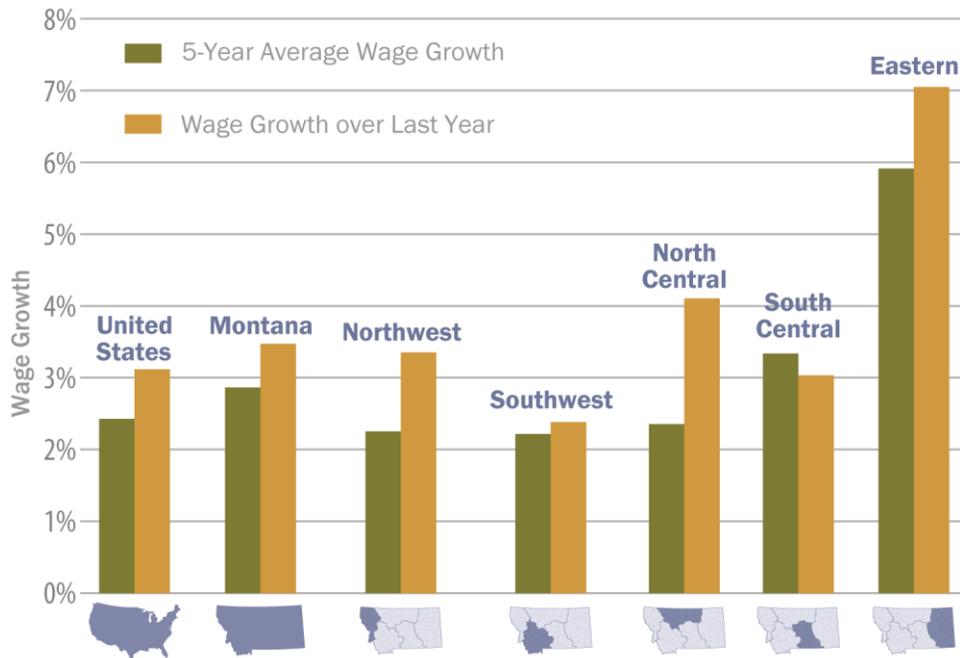
Source: *Quarterly Census of Employment and Wage, Bureau of Labor Statistics*

Montana’s industry mix helps to explain why our wage growth has outpaced the nation. Health and education, trade and transportation, and leisure activities are some of the largest employing industries in the state, resulting in large worker demands. These industries, as well as mining and utilities, are more concentrated in Montana than in the nation as a whole, and have faster wage growth than the national average for their respective industries over the past ten years. In particular, the development of the Bakken oil field has increased average wages significantly in recent years, particularly in the eastern half of the state. The oil development has influenced wages both through the addition of high-paying mining jobs and through higher wages for all jobs in the eastern counties due to tight labor markets.

Figure 2 illustrates the wage growth in the United States, Montana, and in Montana’s five regions for the five-year and one-year timeframes. For the past five years, wage growth in the Eastern and South Central regions of Montana have outpaced other regions in the state. In 2014, wage growth has become more balanced throughout the state, with all regions except South Central having faster wage growth in the last year than their five-year average. The South Central region posted wage growth of 3%, faster than inflation, but slower than in prior years. The Eastern portion of Montana still posted very large 7% wage increases despite a moderation in employment growth.

Figure 2

Wage Growth Comparison Among U.S., Montana, and Montana’s Regional Economies



Source: *Quarterly Census of Employment and Wages, Bureau of Labor Statistics*

Rapid wage growth over the past few years has helped Montana’s wages catch up to those in the rest of the nation. Montana’s average wage of \$38,874 ranks 47th out of 50 states, too low for Montana’s working families, but up one place from 2012. The average private sector job in Montana paid about a thousand dollars less than the overall average at \$36,499, ranking 49th among states for private sector wages, above only Mississippi. Montana sank to this low wage ranking over a long period of time, with our average wage relative to the national average declining for most of the second half of the 20th Century. Since the turn of the century, Montana’s wages have been regaining ground relative to the nation because of our rapid wage growth.

Montana’s lower wage levels compared to the nation can be partially explained by the prevalence of part-time work. The average job in Montana had a work week of only 32.8 hours in 2014 – the shortest work week in the nation. Montana’s short work week is an indication that many jobs are part-time. But Montanans are known for being hardworking, and many people work multiple jobs or have their own business to compensate for lower earnings. In fact, Montana usually falls in the top ten states for the percentage of workers holding multiple jobs. Once the hours from multiple jobs are included, the typical Montanan works 38.1 hours per week, moving the state to the middle of the pack in terms of hours worked per week.

Montana’s wages rank better when comparing hourly wages, ranking 44th among states. However, Montana’s hourly wage is more competitive among low-wage workers than among high-wage workers. The 10% of Montana workers with the lowest wages earn an average hourly salary of \$8.77 per hour compared to \$8.82 nationally, ranking Montana

as the 23rd wage rate among low-earning workers. For the lowest earning 10% of workers, Montana's wages are 99% of the U.S. average. The wage rates among the lowest earning workers are likely bolstered by Montana's minimum wage, which is higher than the national mandatory minimum wage. Montana's low unemployment rate also places upwards pressure on the wage levels for low-wage jobs.

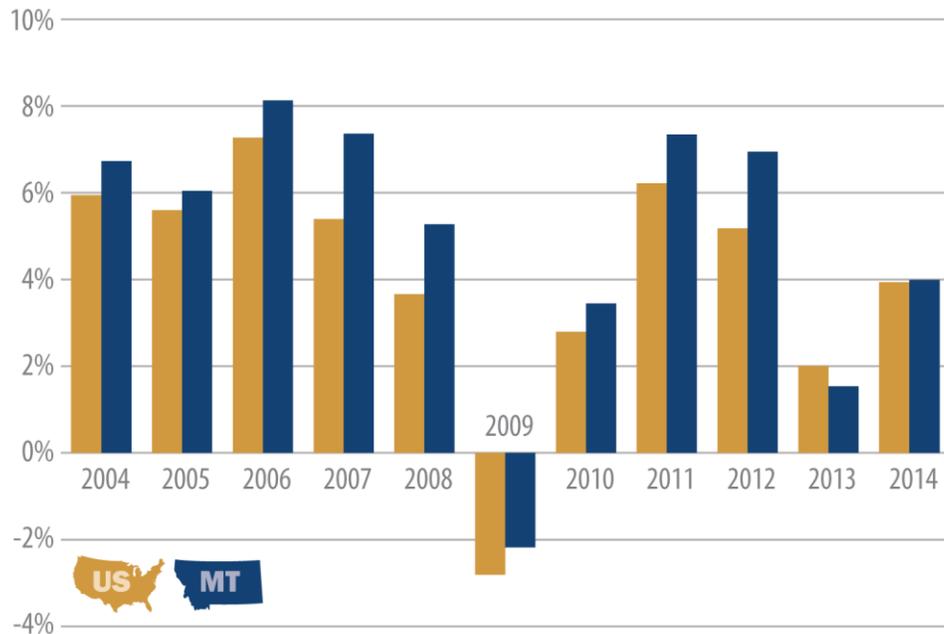
Montana starts to slip behind the national average when comparing wages for high-wage jobs. Montana workers earning at the 25th percentile earn hourly rates of about 95% of the U.S. average, but those at the 50% quartile earn 89% of the national average. For high-wage jobs, Montana workers fall far behind national high-wage earners, earning only 84% of the hourly rates for the top quartile of workers, and only 79% of the hourly rates for the highest 10% of workers. In other words, Montana's poor ranking among states is because of disparity among high-wage jobs, while low-wage jobs have wage rates fairly competitive with the national averages.

The U.S. Personal Income Growth Finally Catches up to Montana

Montana's wage growth has moved from fifth fastest to sixth fastest over the last five years. Personal income growth has moved from 13th fastest to 21st, although Montana's ten-year growth remains at seventh fastest among states. Employment growth in 2014 was strong, but slipped to 28th among states due to a slow 4th quarter. Employment growth ranking over the ten-year timeframe is stronger at 16th among states. Montana's economy has performed well in the last decade, and emerged from the recession better than other states. Our economic performance in 2014 follows these positive trends.

Figure 3 illustrates Montana's personal income growth compared to the U.S. for the last ten years. Montana's personal income grew 4% in 2014, nearly equal to the nation and ranking 21st among states. Montana has outperformed the U.S. economy in personal income growth throughout the last ten years with the exception of 2013. Montana ranks 7th among states for the fastest personal income growth since 2004. Personal income growth in 2013 was lower in both Montana and in the U.S. due to the fiscal cliff, payroll tax cut expiration, and federal government sequester, all of which reduced the amount of spending in the economy and slowed economic growth. These impacts were primarily felt in the first quarter of 2013, but the federal government shutdown in the fall of 2013 also suppressed economic activity towards the end of the year. The tourist-related industries around Glacier and Yellowstone parks were particularly impacted by the closure of the national parks, reducing Montana's personal income growth to 0% in the 4th quarter of 2013. The Montana economy demonstrated resiliency with a return to growth in the 1st quarter of 2014, posting personal income growth stronger than the U.S. during 2014 despite an oil-related slowdown in the last half of the year.

Figure 3
Personal Income Growth in U.S. and Montana



Source: Bureau of Economic Analysis

Personal income is often measured on a per capita basis, with Montana’s per capita income of \$40,601 ranking 35th in the nation. The state’s per capita income moved up one spot from 2013 with an increase of \$1,235 (3.1%) over the year, led by strong growth among both wages and proprietor income. Montana has a higher ranking among states for per capita income than for wages because of a high rate of entrepreneurial activity. Roughly 10.6% of Montana’s personal income is derived from proprietor income, higher than the 9.4% in the nation as a whole and ranking 11th in the nation for this metric.

Similar to personal income growth, Montana’s GDP growth in the past five years ranks fifth among states with a compounding annual growth rate of 4.5%, compared to 3.9% for the nation as a whole. State GDP measures the value of goods and services produced within the state. State GDP growth in the last five years was fastest in the manufacturing industry. Over the last two years, GDP growth in Montana has moderated to a respectable pace of 2.9%. Improvements in the growth rates of other states has moved Montana to 29th place for GDP growth among states over the last year.

National and Global Influences Impacting Montana’s Economy

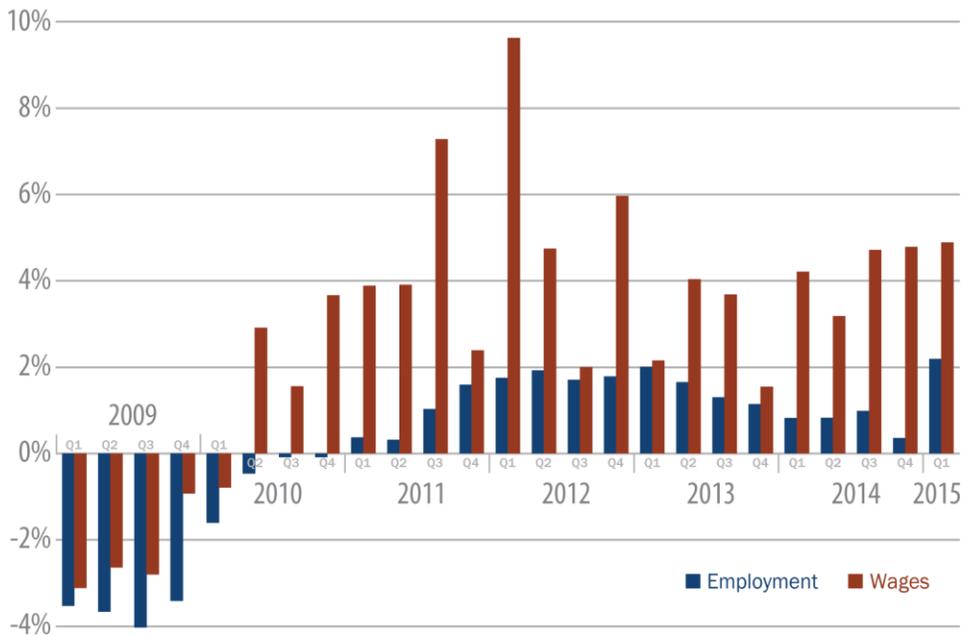
National GDP growth in 2015 has been slow thus far, with a national weather-related slowdown in the first quarter, followed by a rebound in the second quarter. Some of the inconsistency in output growth is related to the decline in oil prices in the last half of 2014, which reduced business investment in oil exploration. However, lower gas prices also have positive economic impacts through greater spending on other consumer products. A long-

awaited improvement in U.S. wage growth has also contributed to greater consumer spending and GDP growth.

In Montana, the impacts of the oil price decline are also balanced. Oil and gas development in Eastern Montana and North Dakota has benefited the economy in the last few years, and was critical to statewide economic and fiscal stability during the recession. Workers throughout Montana found good-paying employment in the Bakken until employment in their own local economies improved, while increased tax revenues from oil production helped counter the decline in other types of tax revenues. The oil fields have also been an important customer for transportation, construction, and professional service businesses, who otherwise faced lower demand during the recession.

When the oil price declined in the second half of 2014, Montana’s employment growth was impacted, particularly in the eastern region of the state. **Figure 4** illustrates Montana payroll employment and total wage growth by quarter. Total wages are the sum of all payroll wages paid in the state. Although total wages showed strong growth over the year, employment growth in Montana slowed in the second half of 2014. Growth resumed in the first quarter of 2015.

Figure 4
Montana Payroll Employment and Total Wage Growth by Quarter



Source: *Quarterly Census of Employment and Wages, Bureau of Labor Statistics*

Unemployment insurance claims also rose above expectations when the price of oil dropped abruptly in November 2014. Montana unemployment insurance claims in October 2014 were about 2,200 claims lower than the prior year. New unemployment insurance claims spiked in the second week of November after the price of oil dropped, moving claim totals in the latter half of November to only about 500 claims below 2013

levels. However, the impacts quickly dissipated as prices stabilized, with claim levels recovering before the turn of the year.

With the slowdown in oil-related activity, transportation, construction, and professional service firms that have supported the Bakken development in recent years are likely to shift focus to other customer markets. Consumer industries within Eastern Montana will also be impacted by having fewer oil workers in the area. However, many of the wells in the Bakken region have low production costs, allowing for oil production to continue profitably despite the lower oil price. Workers have shifted from exploration work to production work, but the large backlog of work has kept many employees on the job.

The oil price instability has not resulted in the feared “oil bust,” but rather a slowdown in exploration activity. Oil production has remained fairly steady over the year, and experts predict that Montana’s petroleum refining industry is likely to weather the oil price volatility fairly well. The continued stability in petroleum is important, as petroleum refining represents over half of Montana’s manufacturing output. Oil and gas extraction comprised 1.2% of Montana’s GDP in 2013, while output from petroleum and coal manufacturing is roughly three times that at 3.9% of GDP.

In 2015, Montana’s economy continues to generate job growth above the long-term average and to make record-breaking wage gains. Stronger growth in the rest of the nation is good news to Montana, helping to stabilize our economic growth.

Montana Job Growth Continues at Strong Pace

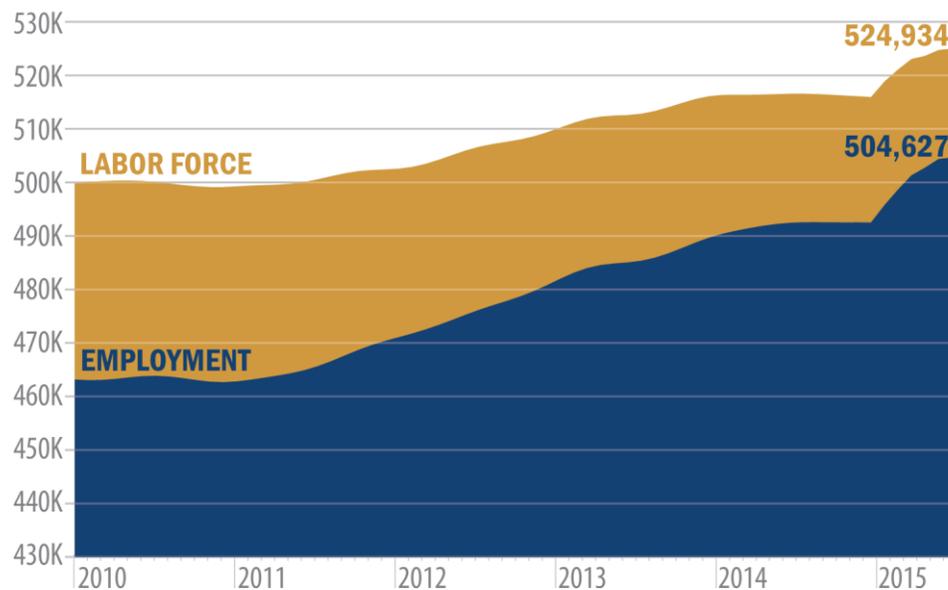
Montana’s economy continues to add jobs in 2015, adding an average of over 2,000 jobs per month in the first half of the year. This strong job growth has thrust Montana’s total employment levels over half a million jobs for the first time in our state’s history. Continued job growth in 2015 builds on the strong job growth our state has posted in the last four years, with 2012 and 2013 employment growth in Montana over 2% – over twice the historic average of about 1%.

Total employment growth in 2014 was slightly slower than the prior two years at 1.3%, adding 6,237 jobs over the year. Job growth of 1.3% in 2014 remains above the long-term average, but concerns and uncertainty about the oil price decline slowed employment growth in the second half of the year. **Figure 5** illustrates Montana’s monthly employment and labor force levels over the last five years. The pace of total job growth slowed in the latter half of 2014, but resumed a fairly rapid pace in the first half of 2015.

Labor Force Participation Rates Increasing - but Greater Participation Still Needed to Fill Job Demands

The strong job growth over the past five years has reduced unemployment and increased wages. Montanans have also reacted to the stronger economy by increasing labor force participation rates. Montana’s labor force is illustrated in **Figure 5** along with employment totals. The difference between the labor force and the employed is the number of unemployed people.

Figure 5
Montana Total Employment and Labor Force



Source: Local Area Unemployment Statistics, Montana Department of Labor & Industry and Bureau of Labor Statistics

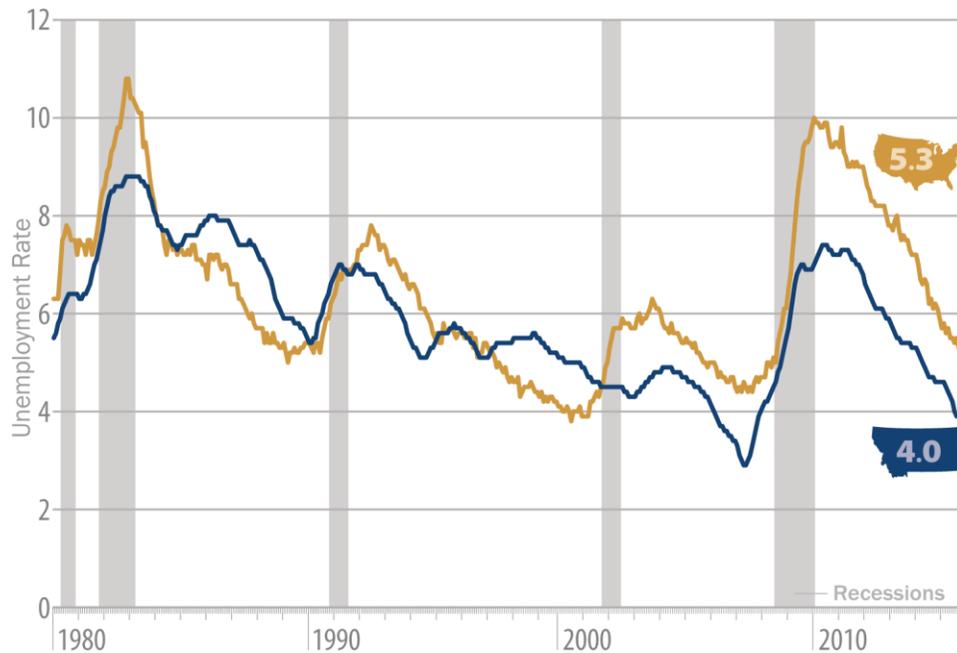
Montana’s labor force decreased significantly during the recession, falling over 2% during 2008 and 2009. But when Montana’s economy improved, better wage growth and lower unemployment rates led to a quick recovery of Montana’s labor force participation rates. In contrast, the U.S. labor force has recovered much more slowly and is only 1.5% above the pre-recession peak.

Montana’s labor force participation rate was at 64.8% in 2014, higher than the 62.9% for the U.S. and ranking 20th highest among states. Montana’s participation rate increased by nearly a full percentage point from the 2013 level of 63.9%, adding roughly 2,700 workers. Montana’s participation rates are good, but they need to be even higher to accommodate future job growth. Montana’s unemployment rates are currently at ideal rates, but expected to go lower in the future.

Unemployment in Montana at Ideal Levels

Montana’s unemployment rate is currently at ideal levels, hitting 4.0% in July 2015. Montana’s annual unemployment rate of 4.7% in 2014 was the 13th lowest in the nation. The state’s unemployment rate has been lower than the U.S. rate since the 2001 recession, hitting its all-time low of 2.9% in 2007. **Figure 6** illustrates the U.S. and Montana unemployment rates since 1980 with the recessions highlighted. The 2007 recession caused unemployment to spike up by four and a half percentage points, hitting a recessionary high of 7.4% in 2010 before Montana’s economy started recovery. However, with strong employment growth since 2010, those high unemployment rates are now several years behind us.

Figure 6
Unemployment Rates Since 1980, U.S., and Montana



Source: Local Area Unemployment Statistics and Current Population Survey, Bureau of Labor Statistics and Montana Department of Labor & Industry

Montana’s Looming Worker Shortage

Montana’s continued economic growth is threatened by a shortage of workers, with our population demographics restricting labor force growth. Nearly 6% of Montana’s labor force is already over 65 years of age, the fourth highest share in the nation. An additional 97,000 workers are between the ages of 55 and 64 and close to retirement. While many Montanans continue to work past the typical retirement age, there is still expected to be at least 130,000 retirements among the baby-boomer population within the next ten years. In comparison, there are only 123,000 Montanans aged 16 to 24, and not all of these young Montanans will be in the labor force. There are simply not enough young people in Montana to make up for the expected retirements of the baby boomer population.

The Montana Department of Labor and Industry (DLI) projects that Montana’s labor force will only grow by 4,100 workers per year for the next ten years, leaving a shortfall in the amount of workers needed to fill the expected 6,500 jobs per year. These projections are based on Census Bureau population projections that predict that the size of Montana’s working-age population will be stagnant, even with increased migration. The projections also assume that labor force participation rates return to pre-recession levels due to higher wages and more job opportunities. Even accounting for increased migration and greater labor force participation, Montana’s unemployment rate is expected to reach levels of 1% to 2% within the next decade.

Solutions to Montana’s Worker Shortage

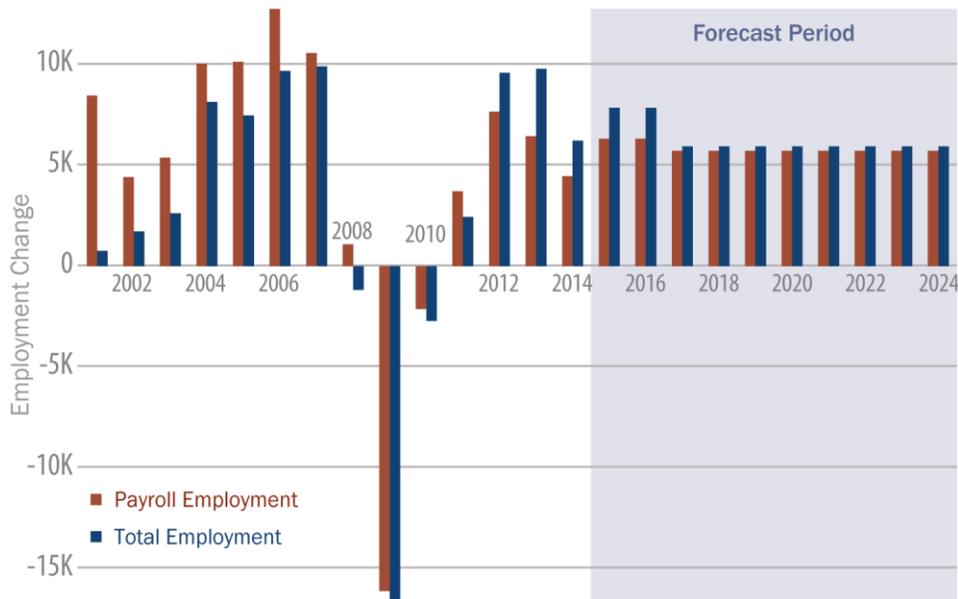
Montana is pursuing a number of options to address the upcoming worker shortage. Many of Montana's efforts focus on enhancing or working with market forces to increase the availability of labor. One solution is to increase the number of hours worked by each worker. Montana has a high share of part-time employment. Among Montana workers aged 16 to 64, roughly 22% work less than 35 hours per week – the sixth highest percentage of part-time workers in the nation. While part-time jobs may be ideal for semi-retired workers, students, and others who choose to only work part time while pursuing life goals, many workers would prefer full-time employment.

Montana will also need to pursue efforts to increase labor productivity, thus producing more output for every hour worked. Labor productivity is not determined by how hard a worker works, but is instead determined by how efficiently a worker works. Enhancing productivity is achieved with better workforce education that allows workers to continuously upgrade skills and knowledge so that businesses can implement the latest technologies and practices. Better productivity also requires more communication and networking with researchers who are identifying best practices, and communication with upstream and downstream businesses to identify ways to save labor hours. Some productivity enhancing investments will occur naturally in response to market forces. For example, as labor becomes more expensive, businesses will invest in productivity-enhancing machines and technologies to allow each worker to produce more output. The new technologies will produce more output with fewer labor hours, allowing economic growth to continue despite the labor shortage. Ultimately, Montana’s growth depends on our ability to increase technology, productivity, and innovation.

Future Employment Growth

The looming worker shortage in Montana is expected to slow job growth in the upcoming years. **Figure 7** illustrates the employment forecasts produced by the Montana Department of Labor and Industry for the next ten years.

Figure 7
 Montana Jobs Added Over Prior Year, Total and Payroll, Historic, and Projected

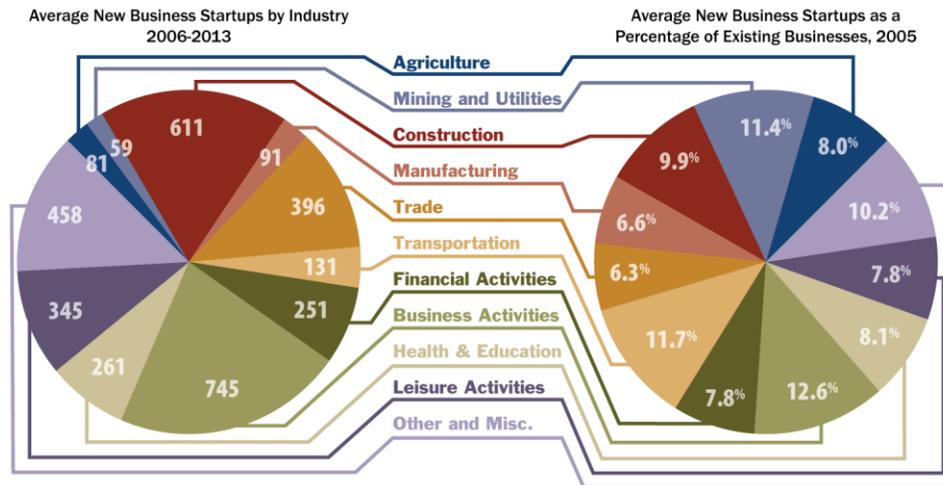


Montana is expected to add roughly 7,800 jobs per year in 2015 and 2016 at a rate of 1.6%, then slow to job growth of 5,950 jobs per year from 2017 to 2024. The faster growth in the near term is expected as a continuation of the strong job growth Montana has experienced in recent years, with the worker shortage slowing growth in the long-term to only 1.1%. Although slower than recent years, the 1.1% pace in the long term is just slightly above the long-term employment growth average of 1% annually since 1980.

The health care industry is expected to have the highest job demands, requiring 1,300 jobs per year through 2024. Mining, professional and technical services, and construction are expected to grow the fastest in percentage terms. Construction employment growth is finally gaining traction after a tough recession and prolonged recovery. Although employment growth in mining is expected to stall over the next two years in response to lower oil prices, growth is expected to return in the next ten years, resuming its place as one of Montana’s fastest growing industries. Professional and technical services is expected to be Montana’s fastest growing industry in percentage terms, adding an average of 600 jobs per year for the next ten years. The growth of Montana’s professional and technical service industry represents the emergence of a knowledge-based service sector, which generally provides higher wage, professional jobs with good benefits.

New business startups occur in every industry in Montana, with business activities and construction having the largest number of business startups among industries. **Figure 8** illustrates the business startups by industry, showing both in the average number of new businesses per year from 2006 to 2013 and the startup rate as a percentage of existing businesses. Even though construction has an average of 611 startups per year, there are a large number of construction firms, placing this industry in the middle for startups as calculated as a percent of existing businesses. The highest startup rates are found in the business activities, transportation, and mining sectors.

Figure 8
New Business Startups by Industry



Source: Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, and U.S. Census Bureau *QWI*

Montana Industries

Since the recession, Montana’s fastest growing industry in terms of jobs has been healthcare, but the trade industry has surged in 2014 to claim the fastest growing industry spot. **Figure 9** illustrates the employment change, wage growth, and GDP growth by industry sector in 2014. Retail and wholesale trade posted strong employment gains in 2014 by adding nearly 1,250 jobs at 1.7% growth. Wages for workers in the trade sector have also posted solid gains with a 3.8% increase in the average annual wage, moving it up to \$32,870. The retail sector has been doing well because wage gains for all workers has put more money in the pockets of Montana consumers, plus lower fuel prices have allowed for greater spending on discretionary items.

Figure 9
Montana Industry Performance by Different Metrics

	Payroll Employment Change 2013-2014		GDP Growth		Wages	
	Percent Change	Job Change	Last Year	Last Five Years 2009-2014	2014 Average Annual Wage	Growth in Average Wage 2013-2014
Trade	1.7%	1,244	5.0%	4.7%	\$32,869	3.8%
Education and Health Care	1.4%	958	4.1%	4.0%	\$41,141	2.5%
Construction	3.8%	908	2.9%	2.5%	\$46,209	2.9%
Manufacturing	2.9%	536	5.8%	15.4%	\$45,724	4.3%
Leisure Activities	0.6%	379	5.6%	4.8%	\$16,730	5.4%
Government	0.3%	241	1.5%	1.9%	\$43,283	2.5%
Agriculture	3.2%	155	-0.8%	9.7%	\$35,054	7.1%
Transportation	1.1%	128	4.1%	5.9%	\$41,426	1.5%
Financial Activities	0.2%	44	3.2%	4.4%	\$50,810	3.9%
Mining & Utilities	-2.6%	(311)	-2.7%	3.5%	\$86,496	4.9%
Business Services	-0.8%	(323)	5.9%	4.3%	\$46,472	5.8%
Other	-2.9%	(687)	-0.1%	1.3%	\$32,051	2.2%
Total	0.7%	3,272	2.9%	4.5%	\$38,880	3.5%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics and MT Department of Labor & Industry. GDP statistics from Bureau of Economic Analysis.

Employment growth in health care slowed in 2014, adding only about 950 jobs over the last year at a pace of 1.4%. This job growth is lower than recent years. Employment growth in health care from 2010 to 2013 averaged 1.9% per year. However, GDP growth in the health care industry was slightly faster than the five-year average. Faster GDP growth with slower employment growth suggests that health care industry improved productivity levels over the last year. Average wages in the health care industry are higher than the overall annual average wage at about \$41,150 per year.

Another industry showing signs of productivity enhancements is manufacturing, where employment grew by 2.9% over the year (adding over 500 jobs), and GDP grew at a very good pace of 5.8%. Manufacturing has been an important component to Montana's economic growth over the last five years, with very large gains of 15.4% GDP annual average growth. Montana's largest manufacturing products in terms of employment include food and beverages (including locally crafted beers), wood products, petroleum and coal refining, fabricated metals, machinery, and nonmetallic minerals. Miscellaneous manufacturing also is a large employing manufacturing sector, which includes medical equipment manufacturing, among other products. These industries are also the largest manufacturing sub-industries in terms of GDP, but the output value from petroleum and coal product manufacturing is more than the output from all other manufacturing combined.

The construction industry gained ground in 2014, adding about 900 jobs at 3.8% growth, making it the fastest growing industry over the year in percentage terms. Construction was hit hard by the 2007 recession, losing about 30% of the total workforce, and has

taken a long time to recover from those losses. The construction industry is expected to grow by about 3% in the next few years, but is not expected to regain its peak employment levels until after 2020 due to the heavy job losses during the recession. Construction workers earn average annual wages that are about \$7,000 higher than the wages earned by all workers in Montana.

Employment growth in mining has been fairly volatile in the last ten years, with the large gains related to the development of the Bakken oil fields. Surprisingly given the decline in oil prices in 2014, the job losses in mining are not in the oil and gas industry. Oil and gas employment levels in Montana have stayed fairly steady over the year, adding roughly 24 jobs. Instead, the job losses in mining have come from other types of mining and from the support activities related to mining. Low prices for all commodities and a slowing global economy have negatively impacted all types of mining in Montana. Mining comprises only about 2% of employment in Montana, but it represents a larger share of GDP (about 5%) because of its high annual wages. Mining has the highest average annual wage of all the industries in Montana.

Although oil and gas is not the cause of the employment losses in mining, the oil price decline may be related to employment losses in the business service industry over the past year. The business service industry includes the temporary employment services industry, which helped to provide workers to the oil fields. However, because this industry provides workers for many different industries, it is not possible to confirm that these job losses are related to the changes in the oil and gas industry. Data from the first quarter of 2015 indicates that the business services industry has returned to growth.

The third industry posting job losses in 2014 is the information industry, which is included in the catchall 'other' category in **Figure 9**. The information industry includes data processing, telecommunications, and cable broadcasting, but the job losses in the industry come from the newspaper, radio, and movie publishing and broadcasting services. The news publishing industry has undergone significant consolidation and restructuring in the last several years that have resulted in job losses.

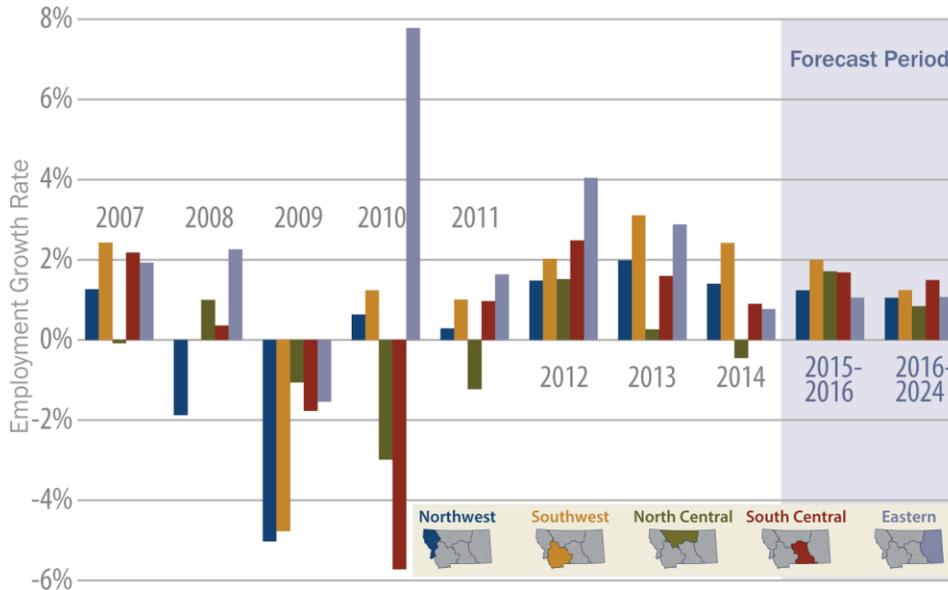
Government posted little employment change over the last year. In the past few years, the federal sequesters, fiscal cliff, and other cuts in federal government spending have reduced government employment in Montana. In general, the government sector grows at the same pace as the overall population, but growth in this industry has been slower than population growth in recent years.

Regional Growth

During the recession and recovery, employment growth rates in the eastern portion of Montana led the state because of the rapid expansion of oil and gas drilling. In 2014, lower prices for oil and agricultural commodities have slowed employment growth in the Eastern region of Montana, with the more populated regions of the state posting the strongest economic growth. **Figure 10** illustrates the total employment growth rates since 2007, along with the expected job growth in the upcoming ten years, for each Montana region. Employment growth was fastest in the Southwest region, which includes Bozeman, Helena, and Butte, in both 2013 and 2014. The Bozeman area has been

expanding in the businesses and professional services sector, which includes occupations like engineers, computer programmers and economists. Rapid employment growth in the professional and technical services industry is reflective of a general shift in Montana towards a more service-based economy.

Figure 10
Employment Growth Rates Since 2007, and Projected Rates by Region



Source: Montana Department of Labor & Industry 2015 Forecasts

The development of the Bakken oil fields spurred rapid employment growth in the Eastern region after the recession, but growth has slowed slightly over the past couple years due to cost controls implemented by the oil industry and reduced profits from the decline in oil prices in late 2014. In fact, worker shortages and a shift towards employment in the higher-paying mining industry caused the east to lead the state in wage gains for much of the last few years. The Eastern region has the highest average wage of all regions at \$43,390. However, with the decline in oil prices and agricultural commodities, growth in this region has stalled. Jobs still increased over the year, but growth in the fourth quarter was minimal, and payroll employment from the first quarter of 2015 suggests job losses in the region. As oil prices stabilize, so will employment in the east.

The South Central region has also benefited by the oil and gas industry in recent years, particularly with the expansion of the petroleum refineries in the Billings area. These jobs pay well, and have put upward pressure on wages. Similar to Eastern Montana, the South Central region had a slowdown in employment growth in 2014 due to lower oil prices, but the diverse economy in the region is expected to weather the downturn well. The South Central region is expected to be the state’s fastest growing area in the long term, largely because of the expansion of the consumer economy in Montana’s largest city. The Billings region also serves as a healthcare hub for all of the central and eastern portions

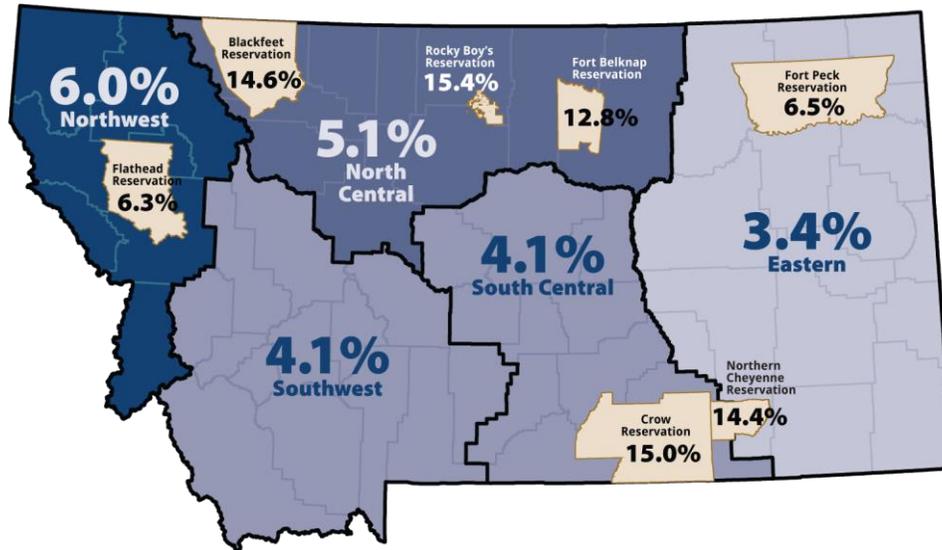
of Montana, and parts of Wyoming. The demand for these services is expected to increase in future years as the population ages.

Unfortunately, the North Central region of the state posted another disappointing year in 2014, with job losses over the year after slow growth in 2013. Payroll employment estimates indicate gains in manufacturing and transportation, but federal government spending cutbacks have impacted growth in the region. Wage growth continues to be strong, however, and employment data from the first quarter of 2015 suggest that the North Central region is adding jobs and becoming more dynamic. Employment forecasts for this region expect a recovery of the employment losses, then a return to a growth rate lower than the other regions in the long-term.

As one region's growth disappoints, another exceeds expectations. The Northwestern area of the state is gaining strength, now posting respectable job growth for the last three years. Much of the growth in the Northwest has been in the retail and wholesale trade industry, which has been supported by stronger wage growth and more discretionary spending by consumers. The financial activities industry (which includes real estate) has also added about 200 jobs to the region in 2014. Wage growth has picked up in the Northwest region, which will add even more momentum to economic growth. Average wages in the Northwest are lower than the state average, at \$35,030 in 2014 compared to a statewide average of \$38,880. Payroll employment data from the first quarter of 2015 indicate strong growth in both jobs and wages in the Northwest, with gains in the consumer based industries of trade, leisure activities, construction, and health care.

With stronger job growth, unemployment rates in all of Montana's regions have decreased over the year. **Figure 11** illustrates the 2014 unemployment rates for each region, along with the reservation unemployment rates. Unemployment rates declined in all of Montana's five regions, with the largest drop occurring in the Northwest portion of the state. The Northwest's 6.0% unemployment rate is still higher than desired, but the job gains in recent years demonstrate that this region is regaining strength. Unemployment rates continue to fall the further you move east, with a low rate of 3.4% in the Eastern region of the state. Some counties in this region continue to have unemployment rates at or below 2%, marking worker shortages in the region.

Figure 11
2014 Unemployment Rates for Montana's Regions and Reservations



Source: Local Area Unemployment Statistics (LAUS), Montana Department of Labor & Industry

Also illustrated in **Figure 11** is the unemployment rates of Montana's seven reservations. Montana's reservations are some of the most economically sensitive regions of our state, and unemployment rates on the reservations are often two to three times higher than their surrounding areas. **Figure 12** illustrates the unemployment rates of the reservation areas, along with job and wage growth. All of the reservations have improving unemployment rates over the last year with large declines on the Crow, Northern Cheyenne, and Rocky Boy's reservation. The Flathead reservation also posted job growth over the last year, bringing down unemployment rates. Rocky Boy's unemployment rate is highest, but job growth has reduced unemployment over the last year.

Figure 12
2014 Employment and Wage Growth for Montana's Reservations

	2014 Unemp. Rate	Change from 2013	2014 Employment	Job Change from 2013	Labor Force Change from 2013	Wages	Change from 2013
Blackfeet	14.4%	-0.7%	3,773	-6.8%	-6.0%	\$32,295	6.1%
Crow	14.6%	-5.4%	2,541	2.9%	-3.7%	\$34,680	4.0%
Flathead	15.0%	-0.9%	11,667	2.1%	1.1%	\$31,579	1.9%
Fort Belknap	6.3%	-0.9%	762	-0.8%	-1.8%	\$43,742	2.5%
Fort Peck	12.8%	-0.4%	4,157	-0.9%	-1.4%	\$33,176	3.1%
N. Cheyenne	6.5%	-2.5%	1,396	1.2%	-1.7%	\$35,160	3.3%
Rocky Boy's	15.4%	-1.9%	1,086	0.2%	-2.0%	\$46,928	-9.3%

Source: Local Area Unemployment Statistics and Quarterly Census of Employment and Wages, Montana Department of Labor & Industry

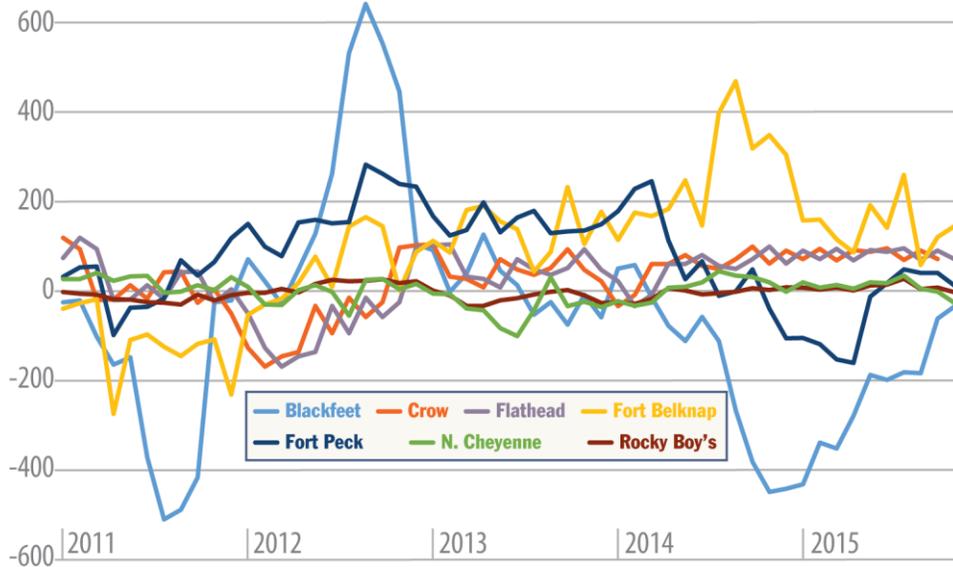
However, the economic news is less favorable for the Blackfeet reservation, which experienced employment losses over the last year. The labor force also declined on the Blackfeet reservation, resulting in lower unemployment rates despite the job losses. The contradiction between the declining unemployment rate suggesting positive growth, and employment losses indicating a contraction underscores the importance of including different economic metrics when analyzing economies. Montana's reservation communities often have labor force participation rates below the rest of Montana because job opportunities have been scarce over a long period of time. Few job opportunities and low wages reduce economic engagement.

In order to help research and understand the unique challenges faced by reservation economies, DLI recently expanded the types of data available for Montana's reservation areas. Monthly unemployment rates calculated with the same data and same methodology used to publish county labor market information are now being published. These unemployment rates are directly comparable to the unemployment information published for the U.S., Montana, and all other areas in the U.S. Providing this data will allow for better comparisons of reservation areas to other regions, allowing for improved economic research and information.

Examining employment growth on the reservation by month is now possible for Montana's reservations because of increased data availability. Such an analysis is presented in **Figure 13**, showing the monthly over the year changes in employment for Montana's seven reservations. The Blackfeet reservation had a large spike in employment in 2012, but has experienced job losses over the last year. The Fort Peck reservation has benefited from the oil and gas exploration in the Bakken in the last several years, posting steady job gains until the price of oil started to decline in the second half of 2014. Recent 2015 data shows a return to growth on the Fort Peck reservation. The Fort Belknap reservation has been successful in adding employment opportunities over the last year, reducing unemployment levels by 0.9 over the last year to 12.8%. Both the Crow and Flathead reservations have shown steady growth since 2013, but the Northern Cheyenne and Rocky Boy's reservations have seen little change.

Figure 13

Over-the-Year Employment Change for Montana’s Reservations by Month



Source: Local Area Unemployment Statistics (LAUS) for Reservation areas, Montana Department of Labor & Industry

Reservation economies have a high level of their employment in government, but part of the high concentration is because of the categorization of tribally-owned businesses. The government category includes the typical federal, state, and local government employment, but also includes tribal employment and any tribally-owned enterprises, even if the enterprise is operated as though it is a private business. For example, a hotel that is owned by the tribe would be counted in the government industry, not the leisure activities industry.

Even accounting for these measurement issues, the reservation areas in Montana generally have a higher reliance on federal government funding than other areas of the state, particularly in the education and health care sectors. The cutbacks in federal funding from the fiscal cliff and sequester has therefore impacted the reservation areas more so than the rest of the state, with job losses in the health care, education, and government sectors in 2013 and 2014. However, most reservation economies have returned to a more positive growth path in 2015.

Montana’s Economic Growth Expected to Continue

Montana’s economy outperformed the nation again in 2014, with rapid wage increases, strong employment growth, and declining unemployment. Wage and employment growth has occurred throughout Montana, with the western half of Montana strengthening growth to rebalance the economy geographically. The decline in oil prices has impacted our state, slowing growth in the Eastern region of Montana in particular, but the economy is resilient and diversified enough to withstand these changes. Data from the first half of 2015 suggests Montana’s economy has already overcome the challenges of low commodity prices, and is finding opportunity in other industries and areas.

The path forward is not without challenges. With a stronger domestic economy and weakness overseas, the dollar will continue to appreciate in the next few years, slowing demand for Montana's exports. The Federal Reserve is expected to increase interest rates over the next year, which will further strengthen the dollar and influence national economic growth. Continued concerns about debt in Greece and the Eurozone are also likely, as are concerns about slower growth in China. However, the U.S. and Montana economies have displayed strength and resilience in the face of these challenges over the last year, and this momentum is likely to continue.

Larger challenges present themselves with the aging of Montana's workforce and the lack of young people to replace retiring workers. Montana's limited working-age population will cause tightness in the labor market in the future, with unemployment rates expected to reach very low levels within the next ten years. More job opportunities and higher wages will naturally bring more workers into the labor force, but these natural forces may not be enough to meet the labor demands of Montana's employers. Actions must be taken to streamline education and workforce training programs to allow workers to learn while on the job, reducing costly time out of the labor market.

The Montana DLI continues to take the lead in addressing the worker shortage and other issues faced by the Montana economy. The department will continue to partner with businesses to address worker shortages, developing apprenticeships and other programs to ensure workers are quickly trained with the right skills for today's economy. Workers will need to take advantage of these training programs to continuously upgrade skills. Businesses will need to make investments to upgrade production processes and improve human capital. Businesses will also need to look for ways to attract workers from groups with lower labor force participation, which may require changes to the types of benefits offered or to hiring and promotion practices to remove unintended gender bias. These strategies will be needed for Montana's businesses to continue to successfully compete globally with rising labor costs. With actions designed to improve training, hiring, and retention practices, Montana will meet these upcoming challenges and continue to outperform the nation and other states in economic growth.

Workforce Development, Education and Training Activities Analysis

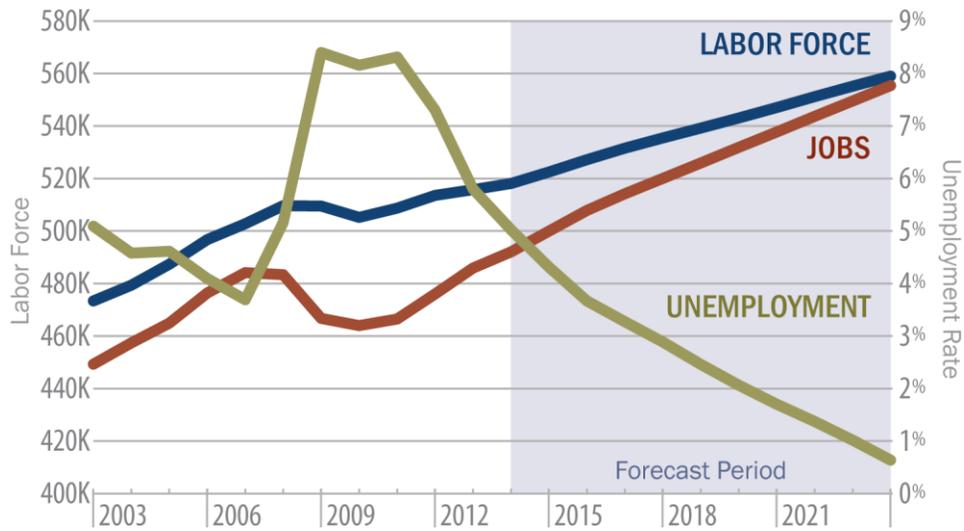
Educational and Skill Levels of the Workforce

Figure 14 illustrates the expected job growth, labor force growth, and unemployment rates for the next ten years. By 2024, the labor force is projected to add nearly 41,000 new prospective workers at an annual average growth rate of 0.8%, slightly slower than the growth of the overall population (0.9%) because of the aging population.

Employment is expected to grow faster than the labor force, pushing the unemployment rate down to extremely low levels.

Figure 14

Labor Force Projections 2014-2024, with Employment Projections and Unemployment Rate



Source: Montana Department of Labor & Industry, Research and Analysis Bureau

Tight labor markets caused by worker shortages can provide economic benefits for workers because jobs are easy to find and wages increase rapidly. However, economic growth can be constrained if businesses cannot find the right workers, or enough workers, to produce their goods. Montana’s overall economic growth will be slowed by worker shortages unless Montana finds ways to increase the available labor by increasing participation rates to record highs, shifting to more full-time jobs, and investing in productivity-enhancing technologies.

Montana’s workforce and education systems will also need to continue efforts to make worker training more affordable and easily accessible. More efficient education and training systems, particularly those for adults already in the labor force, are necessary to give working professionals the opportunity to earn income while learning new skills. Businesses must also have greater involvement in the training systems, providing more on-the-job training to perfect worker skills and working with the education systems to ensure that curriculums teach the right skills for the job. All of these efforts must be pursued to steadily increase productivity levels of Montana’s workforce so that each worker can achieve their highest levels of success.

Figure 15
2014 Montana Labor Force Status by Demographics

Group	Civilian Population (Non-institutional, 16+ years)	Labor Force Participation Rate	Percent of Montana Population	Percent of Employed	Unemp. Rate
Total Population 16+ Years	808,000	64.8%	100.0%	100.0%	4.6%
Men	402,000	68.9%	49.8%	52.4%	5.4%
Women	407,000	60.8%	50.4%	47.6%	3.7%
White	749,000	65.2%	92.7%	93.6%	4.3%
American Indian	45,274	58.8%	5.6%	5.3%	22.8%
Veteran (18 and Over)	97,000	49.6%	12.0%	9.0%	5.8%
Disabled	67,000	47.3%	8.3%	5.4%	14.2%
FAMILY STATUS					
Married men, spouse present	212,000	70.4%	26.2%	28.8%	3.4%
Married women, spouse present	213,000	63.5%	26.4%	26.2%	2.8%
Women who maintain families	35,000	62.5%	4.3%	4.2%	5.1%
AGE GROUP					
16 to 19 years	49,000	45.3%	6.1%	4.0%	7.3%
20 to 24 years	73,000	77.0%	9.0%	10.4%	7.6%
25 to 34 years	131,000	83.9%	16.2%	21.0%	4.5%
35 to 44 years	110,000	88.5%	13.6%	18.8%	3.7%
45 to 54 years	122,000	82.2%	15.1%	19.4%	4.0%
55 to 64 years	153,000	66.1%	18.9%	19.4%	4.5%
65 years and over	170,000	21.7%	21.0%	7.2%	3.1%
EDUCATIONAL ATTAINMENT (POPULATION 25 TO 64 YEARS ONLY)					
Less than High School	32,000	59.9%	6.1%	4.2%	14.1%
High School Graduate	149,000	74.8%	28.3%	26.8%	7.3%
Some College or Associate's	189,000	78.1%	35.9%	35.7%	6.1%
Bachelor's or Higher	156,000	86.0%	29.7%	33.3%	3.9%

Source: Bureau of Labor Statistics, Current Population Survey, 2014. Information on education level, American Indian, and disabled workers from the 2013 American Community Survey 3-Year estimates and therefore are not directly comparable to other figures.

Finding More Workers: Worker Groups with Lower Labor Force Participation

Increased employment opportunities and higher wages will naturally provide more incentives for workers to enter the labor force. But there are also pockets of workers with labor force participation rates that are lower-than-average who are good targets for recruitment efforts. **Figure 15** shows the differing labor force participation rates of worker subgroups in Montana's economy. Women, particularly those who maintain families caring for children or aging parents, have lower labor force participation rates than men. American Indians have lower labor force participation rates than all Montanans. Disabled Montanans, many who are veterans, also have lower labor force participation rates than the Montana average. These populations can be targeted with additional efforts to bring them into the labor force. For example, disabled workers may need special accommodations with equipment and work hours in order for them to be most productive at work. In rural areas, better transportation infrastructure can help

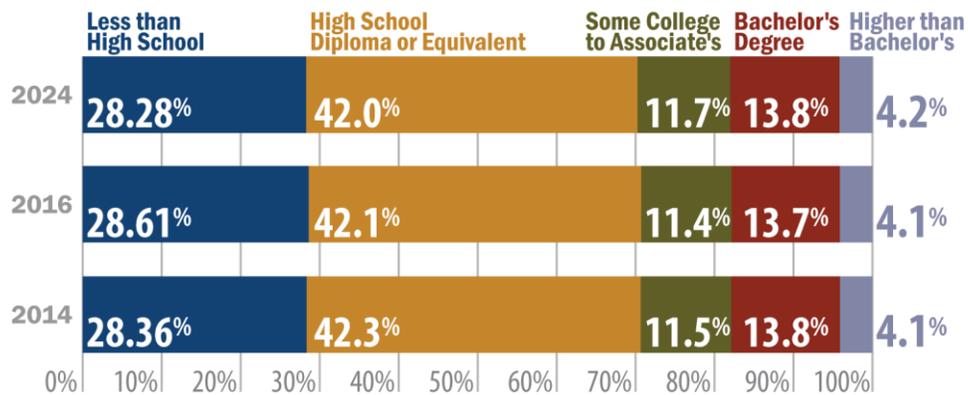
workers get to work sites, while better internet infrastructure would allow for more work-at-home opportunities.

There is some evidence that Montana workers are already making strides in making work flexible for their employees. For example, nearly 6.1% of Montana’s workforce works from home, the fourth highest percentage in the nation. But that still puts the majority of workers in traditional work arrangements that may not work for every employee. Significant changes to the culture of Montana’s workplaces may be necessary in the future to maximize the employment contribution of every worker.

Throughout the next ten years, workers will need to continue to improve their skill sets to adapt to the changing world economy, and the changing mix of industries and jobs expected in the future. **Figure 16** illustrates the minimum education requirements of Montana’s future jobs in 2014, 2016, and 2024. In general, Montana’s workforce will need to be slightly more educated than before, with a higher share of college undergraduate and graduate degrees. Occupations requiring higher education levels are projected to grow faster than occupations at low education levels, resulting in an overall shift towards a more educated workforce.

Workers intending to progress in their careers will require additional education to succeed. Montanans with higher levels of education also face lower unemployment rates, lower poverty rates, and earn higher wages. Well-educated workers are also more likely to become entrepreneurs and to recommend productivity-enhancing processes to their employers.

Figure 16
Montana Jobs by Minimum Education Requirements, Current and Projected



Source: The Montana Department of Labor & Industry 2014 to 2024 Occupational Employment Forecasts

Currently, Montana’s workforce is fairly well-educated in comparison to other states. For people 25 years and older, 92.5% of Montanans have a high school degree – the highest percentage in the nation. For bachelor’s degrees, Montana is about equal to the national average, with 29% of people 25 and older holding bachelor’s degrees or higher education, ranking 20th among the 50 states. However, Montana’s educational attainment slips behind other states for graduate degrees, with only 9.1% of the population 25 and

older having a graduate degree, ranking 33rd in the nation and behind the national average of 10.9%. In comparison, over 17% of the population over 25 has graduate degrees in the top-ranking state of Massachusetts.

Montana Entrepreneurs Continue to Lead the Nation

In addition to higher wages and better productivity, highly educated workers are more likely to become entrepreneurs, and Montana continues to excel in this metric. Montana's business openings rate was at 6.4% of existing businesses in 2014, ranking fifth among states. Montana also has one of the highest percentages of households owning a business. Montana's entrepreneurialism has continued to drive job growth in the state, with businesses less than five years old comprising about 14% of Montana's total employment.

B. State Strategic Vision and Goals

Montana, as a small state with limited workforce program funds and a significant small-business climate (97% of all private employers have fewer than 50 employees), faces unique challenges and is committed to ensuring its workforce system meets the needs of the state's businesses and workers, today and in the future.

Such challenges demand that WIOA core and other partners effectively leverage partnerships and collaborate in service delivery efforts. These efforts allow the state to ensure that customer expectations and needs are understood; that service offerings and locations meet those needs without duplication; that data evaluation tools and processes are in place; and that the system continually evolves and improves on its own.

To support these efforts, Montana will continue to work together across provider and programs lines to develop a seamless, demand-driven workforce service delivery system comprised of public and private organizations, employers, local, state and federal employment and training programs, secondary, post-secondary and adult education programs, Vocational Rehabilitation and Blind Services, and other human capital support agencies.

This system will engage, support and enhance the economic health of Montana's business community and ensure a well-trained and highly qualified workforce for years to come.

Workforce System Vision and Goals

Montana's vision for its workforce system is one in which workforce development occurs via innovation through partner collaboration, integrated service delivery, data analysis and ongoing evaluation and improvement.

This system will continue to be a strong supporter of the Governor's Main Street project. This effort creates a dynamic private-public partnership that has built and implemented a 5-pillar business plan for Montana, by Montanans. Those pillars include:

1. Train and Educate Tomorrow's Workforce Today.
2. Create a Climate that Attracts, Retains and Grow Businesses.
3. Build upon Montana's Economic Foundation.
4. Market Montana.
5. Nurture Emerging Industries and Encourage Innovation.

Vocational Rehabilitation and Blind Services (VRBS) and Adult Basic Education (ABE) will align with other workforce programs. And partners will better understand industry training needs in the state's local economies and will increase promotion of training services available to employers through Job Service offices including Incumbent Worker Training, Apprenticeship, OJT and soft skills training.

Montana's workforce system goals include:

- Continuing to tap what have historically been considered non-traditional labor pools;
- Streamlining duties of local service providers to allow holistic focus on the goals of WIOA;
- Devising an employer engagement strategy that includes all partners and is not solely built on collecting job postings;
- Understanding customer needs and expectations and acknowledging that while employment is the goal, our value to customers cannot always and only be measured in those terms;
- Ensuring that career planning is a central piece of our integrated service delivery model;
- Automating ongoing customer intake to better evaluate customer data and help drive more effective and consistent service delivery; and
- Performing better data analysis to evaluate customer needs and system efforts, set better expectations, and increase overall situational understanding.

Montana's workforce system will generally achieve these goals by engaging with and empowering:

- The State Workforce Innovation Board which brings together private employers and workforce service and education & training providers;
- State government leadership;
- A State Agency Management team made up of state agency core program managers and other workforce partners;
- Local partner management teams that include Community Management Teams, Job Service Employer Committees, Business Expansion And Retention committees, Key Industry Network groups, Chambers of Commerce, Economic Development Corporations, Small Business Development Councils, Tribal Councils and others; and
- Local one stop delivery teams that ensure service delivery staff are properly trained, adequately equipped, and able to effectively engage customers to provide proper and just-in-time workforce solutions.

Performance Goals for Each of the Core Programs

The proposed performance goals for each of the core WIOA programs are included in Appendix 1.

Montana's labor market is currently facing unique circumstances and entering a sustained period of low labor supply, or in other words, a worker shortage. As of September 2015, Montana's statewide unemployment rate was 4.1%, and has hovered around this level for several months. Going forward, the Montana Department of Labor and Industry Research and Analysis Bureau (DLI R&A) projects declining unemployment rates. Multiple factors will compound to make the worker shortage more severe including a large wave of retirements among the baby boomer generation, a relatively small number of young people entering the labor force, and a healthy pace of employment growth throughout. DLI projects approximately 6,400 jobs added per year in Montana while the labor force is expected to grow by only 4,100 workers. As a result, unemployment rates are expected to decline to levels below 2% within ten years.

Low unemployment rates and a worker shortage will benefit workers by making it easier to find jobs and increase wages. Additionally, employers struggling to find workers will be more willing to pay the costs to train the workers they need on their own. For these reasons, the average worker that qualifies for and utilizes WIOA program resources is more likely to have more significant barriers to employment than in a period of normal labor supply. Due to the more significant barriers that will need to be overcome, the population of workers that WIOA programs will serve will have more difficulty obtaining and retaining employment after program exit. For these reasons, the proposed performance measures are expected to be slightly lower than their historical averages.

In the past, each core program has collected data according to its respective needs, leading to gaps in the prior data available to inform the new performance measure targets. When possible, Workforce Investment Act data was used to fill in the gaps. Proposed performance measures were adjusted downwards to reflect the worker shortage in the current labor market. However, existing data does not allow calculation of measurable skill gains and credential attainment rates for each core program. While the programs will adjust to capture new data, preliminary estimates for those measures were made without support from historic data. The rates are baseline best-guess estimates and will likely change as more guidance is received.

Without any precedent for gauging the effectiveness of employer services, Montana will test new measures to fill this need. For the Title III program, in the upcoming low-unemployment environment, we will work with businesses seeking help with their hiring challenges by providing information and resources on sound hiring and retention practices and by educating them on the value of hiring populations previously not considered by Montana's businesses. Montana's core partners will collaboratively work with employers to identify their training and skill set needs and match their needs with clients from Job Service and agency partners.

On top of training quality employees, DLI serves employers in many other ways. Assistance with recruitment and retention, comprehensive/customizable applicant testing, information and training on employment laws, information on establishing fair pay rates, and many other services are all offered by DLI to employers to improve and streamline the process of finding employees. To measure the effectiveness of serving employers directly, each year DLI will report a four-quarter average of the share of total employers served. To calculate this, the numerator will be the number of unique Montana employers that were provided services and the denominator will be the quarterly average of the number of establishments in the state, as reported by the Unemployment Insurance program. The four-quarter average will be used to obtain a more stable estimate of employer counts due to the constant fluctuation of businesses opening and closing as well as the seasonality of hiring and layoffs. This performance measure will provide an estimate of the level of outreach and employer assistance activities while accounting for changes in the size of Montana's economy.

For the Titles I, II, III and IV programs, employment retention will measure effectiveness in serving employers. Preparing clients to be reliable employees in the workplace, measured by job retention, can indicate how well employers are being served by these programs.

In addition to providing trained, qualified workers, DLI serves employers in many other ways. Assistance with recruitment and retention, comprehensive/customizable applicant testing, information and training on employment laws, information on establishing fair rates of pay, and many other services are offered by DLI to employers to improve and streamline the process of finding employees. To measure the effectiveness of serving employers directly, each year DLI will report a four-quarter average of the share of total employers served. To calculate this, the numerator will be the number of unique Montana employers that were provided services and the denominator will be the quarterly average of the number of establishments in the state, as reported by the Unemployment Insurance program. The four-quarter average will be used to obtain a more stable estimate of employer counts, due to the constant fluctuation of businesses opening and closing, as well as the seasonality of hiring and layoffs. This performance measure will provide an estimate of the level of outreach and employer assistance activities, while accounting for changes in the size of Montana's economy.

Assessment of System's Overall Effectiveness

To ensure workforce system effectiveness, Montana will organize a State Agency Management (SAM) Team for Workforce Development. Meetings will be held on a quarterly basis, or more frequently if needed. SAM Team meetings will be facilitated and agenda-based.

Required team members will include lead state agency officials representing WIOA core programs from: DLI (WIOA and Wagner-Peyser), Office of Public Instruction (Adult Basic Education), and the Department of Public Health and Human Services (Vocational Rehabilitation and TANF). Additional membership will include representatives from all state agencies involved in the administration of workforce development programs, including – but not limited to – the Department of Commerce, the Office of the

Commissioner of Higher Education, and the Governor's Office of Economic Development. Additional members will be invited to join the team as necessary and relevant.

Team members will be expected to share information regarding workforce development programs and efforts within their agencies. Other expectations are that team members will: support Job Service offices and the One-Stop certification process; act as an advisory group to each member's SWIB representative; act as advisors to each other's workforce development-related programs to ensure that efforts are coordinated and not conflicting; and coordinate economic development strategies with the Office of the Governor and other state agencies.

The SAM Team will develop a Continuous Improvement Plan (CIP) for measuring and evaluating the success and effectiveness of the workforce system across the state. This CIP will be presented to the SWIB annually for review and approval. In addition, requests for data and statistics relevant to the workforce system partner programs will be made available to the SWIB by the SAM Team and an annual update will be provided to the SWIB regarding system measurements under the CIP.

C. State Strategy to Achieve Vision and Goals

Several strategies are planned to align programs, including:

- As noted below, the SWIB Apprenticeship, On-the-Job Training and Career Pathways Committee includes the leadership from Adult Basic Education. Through regular communication, partners will continue to align service strategies for job seekers with the workforce needs of Montana's employers.
- The SWIB Sector Strategies committee will focus efforts to align business engagement entities throughout Montana, and will establish clear partnerships between government agencies, regional sector partnership groups and the SWIB. The committee will work to partner and align the efforts of such entities as the Montana State Employers Council, local Job Service Employer Councils, Community Management Teams and the Main Street Montana Key Industries Network.
- On a regular basis, DLI will invite the core partners to Job Service driven events such as Job Service Employer Committee meetings, meetings of Community Management Teams, Job Fairs and other events where the core partners can collaborate and leverage resources on behalf of their customers.
- DLI will invite agency partners to provide training to Job Service staff and promote interagency staff training for coordinated service strategies. Agency partners will also be invited to – and invited to present at – Job Service training events and conferences. This will also promote shared information and knowledge.

- Montana’s workforce system will continue to collaborate with economic development entities at the state level and local levels. Several examples of coordinated efforts are discussed throughout the plan.

III. Operational Planning Elements

A. State Strategy Implementation

State Workforce Innovation Board

The mission of the Montana State Workforce Innovation Board (SWIB) is to advise the Governor on statewide workforce development strategies that maximize the state’s education, training and employment resources in support of economic development. The board leads the state in broad strategic workforce initiatives that leverage resources beyond WIOA funding, while providing necessary system oversight. The SWIB will accomplish this through the following actions:

- Making policy recommendations for the Governor related to the establishment and maintenance of an efficient, integrated, statewide workforce development system to train the maximum number of unemployed and underemployed Montanans as possible
- Leading the strategic planning process for an integrated workforce development system, in consultation with Community Management Teams
- Creating performance standards that identify effective workforce development initiatives; coordinating the state’s workforce innovation initiatives with the state’s economic development plan
- Promoting a system of workforce development that responds to the lifelong learning needs of Montana’s workforce
- Encouraging public/private partnerships and facilitating innovations in workforce development policy and practices
- Reviewing local adult education proposals to offer recommendations for workforce alignment
- Ensuring a quality workforce system by evaluating results and supporting high standards and continuous improvement

The SWIB is comprised of a majority of business leaders in the State of Montana, who are stakeholders in attaining quality outcomes for workforce and economic development initiatives. These private industry representatives, along with public and workforce representatives, play a vital role in ensuring that employers have access to a prepared

workforce and that job seekers are able to access services, resources and training that will enable them to obtain employment.

The SWIB membership listing is included as Appendix 2.

The standing committees of the State Workforce Innovation Board include: the Executive Committee, WIOA Committee, Apprenticeship/On-the-Job Training/Career Pathways Committee, Sector Strategies Committee, and the Youth Services Committee. These committees conduct business as an advisory body to the Governor on statewide workforce system issues, as well as to assume responsibility for performing all WIOA local workforce board duties.

Executive Committee: The Executive Committee is comprised of the officers and no more than ten at-large representatives, and is composed of a majority of business members. The at-large representatives of the Executive Committee shall be members of the SWIB and are appointed by the chair. The Executive Committee leads the SWIB workgroups and has the authority to act on behalf of the SWIB. The Executive Committee's responsibilities are to: oversee implementation of the strategic plan; track workgroup plans and progress; offer leadership around alignment of workgroups; offer leadership around leveraging system partners; and drive the provision of critical workforce data.

WIOA Committee: The WIOA Committee is charged with ensuring compliance with the applicable WIOA laws and regulations governing the Title 1B Adult, Youth and Dislocated Worker programs, and to bring policy issues and recommendations to the Governor and SWIB.

Apprenticeship/On-the-Job Training/Career Pathways (AOC) Committee: The AOC Committee focuses on training and educational models that provide the current and future workforce with opportunities that are responsive and aligned with new and changing economies. Such opportunities emphasize "earn while you learn" models while meeting employers' needs immediately (i.e. on-the-job training, apprenticeship, work-based learning) and using skills upgrading as a strategy to re-build declining economies. The committee is also responsible for bringing policy issues and recommendations to the Governor and SWIB.

Sector Strategies Committee: The Sector Strategies Committee works to develop a deeper understanding of the interrelationships between business competitiveness and the workforce needs of target industries, crafting workforce-tailored solutions for those industries and their specific regions. The committee also brings policy issues and recommendations to the Governor and the SWIB.

Youth Services Committee: The Montana SWIB and Youth Services Committee provide leadership by serving as a catalyst to connect out-of-school youth and at-risk youth with quality secondary and post-secondary educational opportunities and high-growth and other employment opportunities. The SWIB and Youth Services Committee

will ensure that workforce youth activities complement and reinforce academic and occupational curriculum, as youth policy-makers and system builders.

Implementation of State Strategy

As implementation of WIOA continues, Montana's core partners will continue to strengthen relationships that benefit mutual customers, identify customers (across programs) whose skills sets match employers' workforce needs, and align resources to promote efficiency and economy of scale.

Montana's Job Service offices, Adult Basic Education (ABE), and Vocational Rehabilitation and Blind Services (VRBS) will align services and work together to serve employers. Given its small population, Montana's federal formula funding levels are limited. The state has sought – and received – a number of discretionary and competitive grants that permit partners to expand services and promote alignment. One example is the Health CARE Montana TAACCCT grant. Montana was awarded \$14.9 million to create access to health care training in rural areas. Three full-time positions were established within the state's Registered Apprenticeship program to develop and expand health care apprenticeship training. Montana's first Certified Nursing Assistant (CNA) apprenticeship program was established in the fall of 2015; efforts are currently underway to develop apprenticeship programs for the phlebotomy and pharmacy technician occupations. The TAACCCT grant supports infrastructure and curriculum development at the community colleges, as well as allowing increased career pathway opportunities and attainment of credentials and certificates.

Another TAACCCT grant awarded to Montana is RevUP. This \$24.9 million grant promotes energy and advanced manufacturing careers in the state through a partnership among 13 community colleges and DLI. Funding supports infrastructure and capacity-building at the colleges, along with development of career pathways and credential and certification attainment. The grant is also developing "on and off ramps" so workers can leave and return to higher education at different stages of their careers. A Job Driven NEG grant was subsequently awarded to provide training dollars for eligible participants to be trained in the RevUP occupations.

The Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) also partner with the workforce system at the state and local levels and work together to promote integrated services for mutual customers. The core partners, along with TANF, SNAP, Career and Technical Education, Economic Development, Job Corps and other youth programs and various statewide and targeted community programs have developed an asset matrix. This document informs all partners of their respective customer bases, fund sources and performance metrics. The matrix serves as an important first step for partners to examine program gaps, overlaps and opportunities for further alignment. Additionally, partners serve on Community Management Teams (CMTs) that have been established for each one stop system. The role of CMTs is discussed further later in the plan.

Continuing the focus on coordination among partners enhances services to individuals by reducing duplication and promoting integrated service strategies for individual customers. All partners – and their customers – benefit from aligning and leveraging services whenever possible. An example of the value of service alignment is the strong partnership of VRBS and DLI. These partners work closely together to ensure that VRBS customers whose disabilities are less severe and do not meet the VR Order of Selection receive individualized workforce services at Job Service offices that support their employment goals.

Partners are also working together to strengthen the coordination of services to employer customers. The Job Service often takes the lead and partners educate employers on the value of hiring diverse populations and discuss work-based opportunities, including Registered Apprenticeship and on-the-job training. Additionally, DLI works closely with the Governor’s Office of Economic Development, the Montana Department of Commerce and the Montana Economic Developers Association to provide the Business Expansion and Retention (BEAR) program available statewide. The BEAR program is operated by the Economic Developers Association and is supported by local community partners that provide resources and expertise for businesses to improve their operations and profitability. Upon request, businesses may receive assessments and technical assistance to help them sustain and expand their companies.

Montana was awarded a \$70,000 two-year grant to develop a statewide business engagement plan. The grant was intended to improve business engagement performance through the delivery of enhanced business-focused services. Specific goals of the grant were to: increase market penetration; increase repeat business of employer customers at Job Service offices; increase the fill rate on job orders; reduce the number of days to fill job orders; enhance the data system to allow better reporting; and increase business customer satisfaction. Services to businesses increased significantly during the initiative – from 12,008 business contacts made in the year prior to the grant – to 35,571 contacts in the second year of the grant. The Job Service’s Business Services Program performance was also enhanced, through stronger awareness by staff of the need for outreach businesses, staff training, development of tools and resources, and enhancement of the database used to record services to employer customers.

Alignment with Education

Montana partners have several initiatives that involve educational institutions, both secondary and post-secondary, as described below.

- **Big Sky Pathways** – Office of Public Instruction specialists and post-secondary staff from across the state that work with industries and secondary and post-secondary educational partners to increase student, parent and community awareness of career opportunities aligned with local and regional employment needs. The strategy involves community and school events, targeted school advising and professional development opportunities.
- **Adult Pathways** – Adult Pathways is a strategy designed to prepare adult students for success by assisting them to acquire the academic and career information they need to

gain access to a career pathway or to pursue post-secondary education. An adult pathway consists of activities to overcome workforce barriers by bringing together industries, community services, government agencies, post-secondary education to identify, enroll and prepare career-limited adults for high-demand career opportunities.

Since Spring 2015, the Big Sky Pathways coordinators and Adult Basic Education (ABE) directors have been meeting together to coordinate smooth customer transitions from ABE to post-secondary training. In addition, the Carl Perkins Program Manager and ABE Director co-chair the **Moving Pathways Career Pathways Forward Interagency State Team Project**. When the request for proposals for ABE providers is released in 2017, all post-secondary institutions will be encouraged to apply.

- **Dual Enrollment** – High school students have the opportunity to enroll in college courses that may count for both high school and college credits. Dual enrollment courses are offered at 50% off regular rates at Montana’s colleges, and mandatory fees are waived. In some cases, the courses are free for high school students.
- **Carl Perkins** – Through the resources available through Perkins, in addition to the state and local funding for career and technical education leveraged through the federal funds, the state is updating career and technical education services and providing more options for students wishing to pursue post-secondary studies.

At the post-secondary level, career and technical education (CTE) programs help young adults preparing for first-time careers and adults who are changing careers or upskilling within a career field to quickly gain the skills and experience directly related to workplace success. Effective CTE programs at the two-year post-secondary institutions are characterized by their close relationship with employers and smooth transitions of program participants into the workforce at higher levels of income and employment success.

Montana’s Efforts to Enhance Job Seekers’ Ability to Attain Post-Secondary Credentials

Montana has several initiatives in place to promote attainment of post-secondary credentials, as described below.

- a. **Complete College Montana** is a statewide initiative that focuses on increasing the number of Montanans who earn college degrees and certificates. The initiative is focused on increasing the percentage of the population with a college credential from 40% to 60%. This will require colleges and universities in the state to increase their annual production of degrees and certificates. As a member of Complete College America, the initiative has a common set of progress and outcome metrics and a dashboard to compare states and campuses.

Other goals of Complete College Montana include implementing new funding models (tying college funding to outcomes); reducing the time to attaining a degree, creating incentives for full-time enrollment and utilizing incentive-based financial aid; transforming remediation by clarifying what constitutes college readiness and establishing a statewide approach; and restructuring academic delivery to meet the needs of today's students, including year-round attendance models.

- b. Prior Learning Assessment** is a tool for the Montana University System to increase access and promote college completion in a shortened timeframe for new and returning adult learners.
- c. RevUP Montana** is a \$25 million workforce initiative to help address skill gaps and reduce the cost of career and technical education. RevUP has catalyzed several programmatic reforms within a variety of occupational areas, including welding, fabrication, industrial maintenance, machining, industrial electronics, commercial drivers, energy technology, diesel technology and entrepreneurship.

At each college within the RevUP Montana consortium, a Workforce Navigator is employed. These staff are charged with recruiting, retaining and placing RevUP participants, and are actively engaged at Montana's Job Service offices.

RevUP also seeks to promote a closer relationship between DLI and the two-year colleges, to create one unified workforce development system in Montana. Additionally, RevUP is exploring opportunities and current gaps in skills of incumbent workers to ensure employers have the trained workforce they need. Finally, RevUP Montana seeks systemic efficiencies in learning by allowing students seamless access to hybrid and online courses that may be available from other institutions.

As noted earlier, the RevUP discretionary grant has expanded Montana's capacity to meet the workforce needs of businesses in growth sectors, while preparing the workforce for these job opportunities. This is one of the many ways Montana has leveraged resources to maximize the value of the workforce, education and economic development systems within the state.

- d. HealthCARE Montana** discretionary grant is another multi-partner initiative that is strengthening the two-year college system in the health care fields by improving training opportunities and developing relevant curriculum in the field and promoting successful health care employment for students, with particular attention to adult learners (especially in rural areas) and to veterans.

Alignment of Education, Workforce and Economic Development

Montana is committed to supporting efficient, effective and responsive delivery of educational programs that are designed to meet the needs of employers. Several models are already in place; future plans to promote success through alignment include:

- Developing and implementing a statewide policy framework to align programs serving the needs of training providers, educational institutions and employers
- Supporting the Montana University System’s efforts to win federal and private grants aimed at enhancing coordination between employers and the educational system
- Providing a continuum of training and credential opportunities that promote career advancement
- Meeting local and unique training needs of high-demand industries, including health care, energy and technology.

The state also seeks to promote community colleges, two-year colleges and tribal colleges as essential local and regional suppliers of Montana’s trained workforce. This will be accomplished through increasing the involvement of employers in formal curriculum development and supporting continued expansion of comprehensive two-year education, with a focus on workforce development, access and academic progression.

Job Service staff throughout the state are closely aligned with economic development entities through a variety of shared initiatives, promotion of new businesses and encouragement of entrepreneurship in industries that support existing businesses. An important example of this work is the alignment of the Governor’s Office of Economic Development, Montana Department of Commerce, Montana Economic Developers Association and DLI to provide a statewide Business Expansion and Retention program. The program involves volunteer community assessment teams that address the needs of local employers, upon request. These teams have evaluated grant requests for Montana’s small business Incumbent Worker Training program and are now using a designated database to document their efforts, coordinate outreach and track results.

B. State Operating Systems and Policies

State Operating Systems that Support Coordinated Implementation of State Strategies

The Research and Analysis Bureau of the DLI provides online access to labor market information and data at <http://lmi.mt.gov>. The website pulls data from the Workforce Information Database developed by the Analyst Resource Center, under a grant from the U.S. Department of Labor Employment and Training Administration. The data provided is produced by the Bureau’s cooperative programs with the Bureau of Labor Statistics (BLS) as well as other data sources, such as the U.S. Census Bureau, BEA, and administrative programs.

The Montana Career Information System (MCIS) is the state’s chosen system for providing comprehensive career information under WIOA. MCIS provides career assessments, state and national occupational, education and training information. All occupational information comes from the Research and Analysis Bureau’s Occupational Employment Statistics and the U.S. Department of Labor’s O*Net database. Each job seeker will create an e-portfolio in MCIS in order to save assessment results,

occupational and education research, create resumes, and other career planning activities. MCIS enables the core partners to access the portfolio contents for shared clients, resulting in a seamless delivery of career services across programs.

State Program and State Board Oversight

As noted earlier, the State Workforce Innovation Board (SWIB) provides active support for the Governor's and key state agencies' goals and initiatives. The SWIB membership roster is included in Appendix 2.

SWIB Staff Involvement in the Workforce System

The SWIB Director and staff are employed within the Montana Department of Labor and Industry (DLI), through a Memorandum of Understanding. Organizationally, they are part of the Workforce Initiatives Section in the DLI Workforce Services Division.

SWIB staff: provide administrative activities for the board; consult with business, educational institutions and related entities to facilitate workforce development opportunities; disseminate information regarding program efforts; perform research and analysis of new education and training initiatives; and build support and cooperation for program initiatives.

The State Workforce Plan was thoroughly vetted before submission. The SWIB solicited input and suggestions from State Board members, appropriate state agency personnel, including the following partners, as well as members of the public and other interested parties.

- DLI's Workforce Services Division
- Department of Public Health and Human Services
- Department of Commerce
- Governor's Office
- Office of Public Instruction

SWIB members attended state plan development meetings with agency partners, as well as formally reviewed draft pieces of the plan throughout the development and writing processes. The plan, both sections and in its entirety, was featured on several SWIB meeting agendas. The SWIB will take action to approve the Montana Combined State Workforce Plan on February 23, 2016.

The SWIB and Core Partnerships

The Workforce Services Division within DLI is responsible for administering WIOA Title I and Wagner-Peyser programs, as well as the following programs:

- Trade Adjustment Assistance
- Work Opportunity Tax Credit
- State Registered Apprenticeship

- State Displaced Homemakers
- Migrant and Seasonal Farmworkers
- Senior Community Services Employment Program
- Foreign Labor Certification
- Federal Bonding
- National Emergency Grants
- Montana's Incumbent Worker Program
- Jobs for Montana's Graduates
- Labor Market Information

The Job Service Operations Bureau coordinates and guides the delivery of workforce development services in local communities, in coordination with the SWIB. There is also active coordination of Registered Apprenticeship with Job Service offices, and there are plans to coordinate Job Corps services with Registered Apprenticeship and the other services offered at Job Service offices.

Vocational Rehabilitation (VR) programs fall under the direction of the Montana Department of Public Health and Human Services (DPHHS). This agency is represented on the SWIB and on the SWIB's AOC Committee. In addition to service to the SWIB, DPHHS is also a signatory partner of the state One-Stop Delivery System's Memorandum of Understanding and Consortium Agreement, whereby the parties agree to support all Job Service offices in Montana. In addition to supporting the efforts of the Job Service offices, a member of the SWIB is also designated to serve on the State Board Vocational Rehabilitation Advisory Council to ensure systemic alignment of shared priorities. VR provides training to their partners on their services, in addition to actively sharing their expertise to ensure all customers are served effectively – including veterans, customers with disabilities and Montana's Native American population.

Adult Basic Education (ABE) programs fall under the direction of the Montana Office of Public Instruction. This agency is represented on the SWIB and on the SWIB's AOC Committee. In addition to service to the SWIB, the Office of Public Instruction is also a signed partner of the state One-Stop Delivery System's Memorandum of Understanding and Consortium Agreement, whereby the parties agree to support all Job Service offices in Montana. Additionally, ABE coordinates the Interagency Career Pathways group. Members of this group include, but are not limited to, representatives from various workforce partners such as ABE, DPHHS, DLI, SWIB staff, the Governor's Office and the Montana University System.

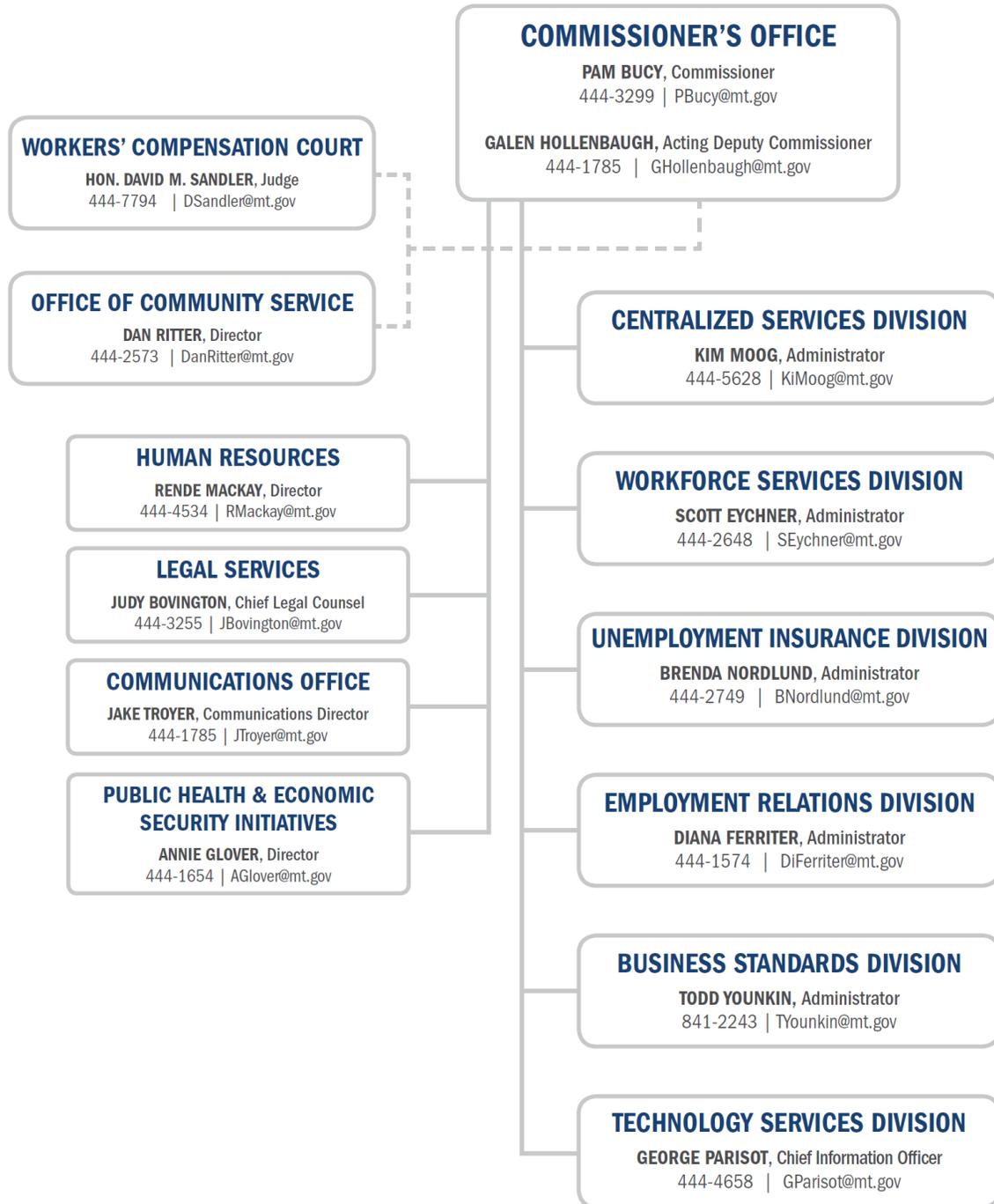
Organizational Structure

Below are the organization charts for the three agencies comprising the core partners included in the Combined Plan.



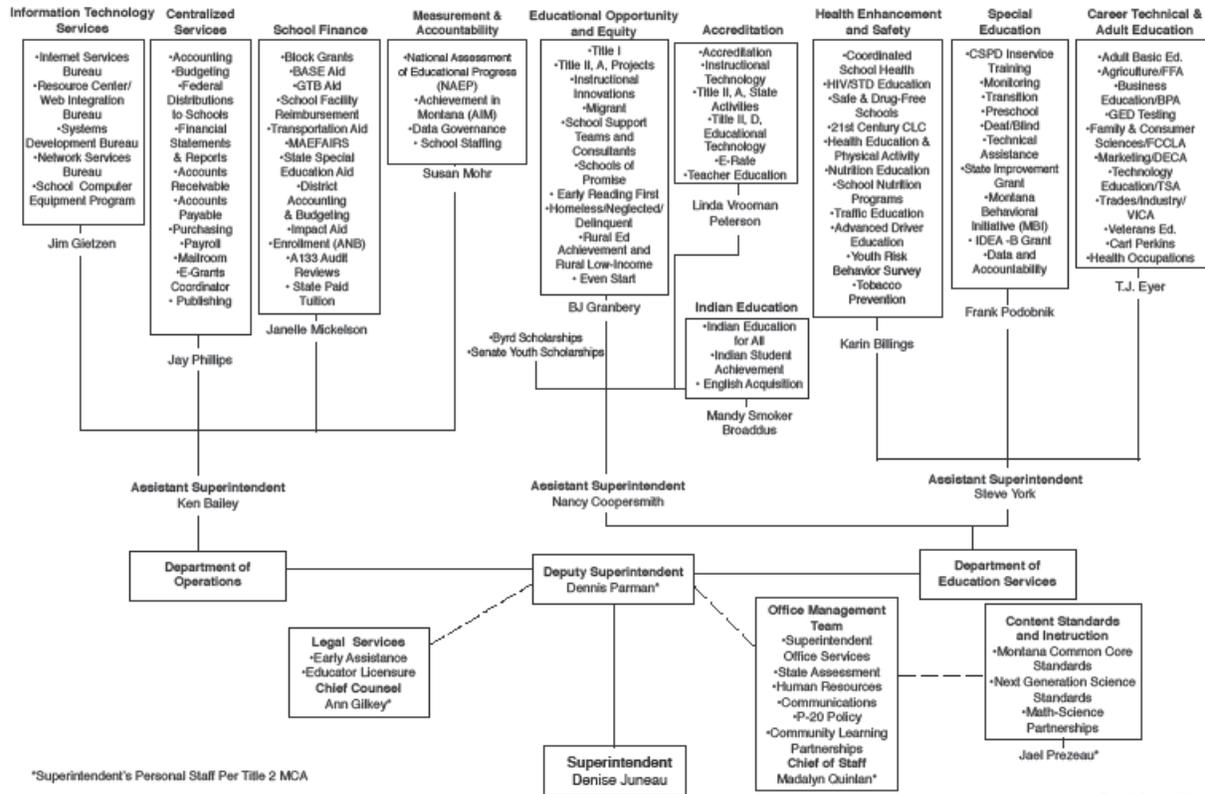
Montana Department of LABOR & INDUSTRY

ORGANIZATIONAL CHART



Revised 1/20/2016

MONTANA OFFICE OF PUBLIC INSTRUCTION ORGANIZATIONAL CHART



*Superintendent's Personal Staff Per Title 2 MCA

December, 2014

Assessment and Evaluation of Programs and One-Stop Program Partners

Montana is working to develop combined state performance accountability measures that are intended to measure the following data across the core programs:

- The number of job seekers receiving services.
- The number of job seekers receiving referrals to partner services.
- The number of customers placed in employment.
- The number of employer contacts made.

Describe results of assessments conducted in the past two years of the core programs' effectiveness

Core programs are assessed each year based on State performance accountability measures. Where programs are found to be deficient, a report is written and technical assistance provided when necessary.

Distribution of Funds for Core Programs

Funds will be awarded to core program providers who can demonstrate their capacity to collaborate and coordinate with other core partner programs.

WIOA Adult, Youth and Dislocated Worker funding is distributed through a formula that was approved by the SWIB under WIA. As a single workforce area, the funds are distributed using Montana Association of Counties (MACo) Districts.

The Job Service offices are under contract to provide WIOA Adult services in all areas of the state, with the exception of the Lewistown office. Youth services are contracted primarily to community-based organizations within the MACo districts. In the Northwest corner of the state, the DLI Jobs for Montana's Graduates program provides WIOA youth services.

Dislocated Worker funds are distributed to the Job Service offices across the state through a single contract to the Job Service Operations Bureau. Approximately 10% of the Dislocated Worker funds are reserved at the state level for local offices with unforeseen layoffs or additional service needs during the year.

The formulas include the following elements:

Adults:

- 1/3 unemployed in ASU
- 1/3 excess unemployed (>4.5%)
- 1/3 total number of individuals in the state, aged 22 – 72, who are economically disadvantaged

Youth:

- 1/3 unemployed in ASU
- 1/3 excess unemployed (>4.5%)
- 1/3 total number of individuals in the state, aged 16-21, who are economically disadvantaged

Dislocated Workers:

- Insured unemployed, using data for regular UI claims and UCFE claims
- Share of total individuals in the state who are economically disadvantaged (using Excess Poverty statistics and 70% of the Lower Living Standard Income Level, excluding college and military) for individuals aged 22-72
- Excess unemployed (>4.5%)
- Declining employment (calculated using annual average employment)
- Agricultural unemployment
- Long-term unemployment

Wagner-Peyser

Wagner-Peyser funds are distributed to the Job Service Offices around the state through a formula that is reevaluated by DLI biennially. For the management and funding of Job

Service offices, Montana is divided into three regions. For each region, distribution of Wagner-Peyser funds is weighted using the following criteria:

- Percent of labor force
- Number of recordable services provided to job seekers and employers
- Number of job orders entered by staff in Job Service offices
- Number of unique individuals served
- Percent of unemployed individuals, as a share of state total unemployed

Ninety percent of Wagner-Peyser funds are used for job search and placement services and recruitment and technical services for employers. The remaining 10 percent of the funds are used to provide accommodations for individuals with disabilities served in the Job Center offices.

Adult Basic Education

Allocations for providers of Adult Basic Education (ABE) services are awarded through a funding formula that recognizes the components of an effective adult education program. Effective programs are those that deliver instructional activities that support student transition to specific occupations or career clusters. Cost per student will be a consideration in making awards; eligible providers will provide documentation of cost per student to demonstrate effectiveness. Grant award preference will be given to providers that can demonstrate cost effectiveness in instructional services to a reasonable number of students, and to providers that make themselves readily available to core partners for necessary wrap-around services. Consortium applications are encouraged to assist providers in meeting the cost-benefit expectations and core partner collaboration.

The Montana ABE program uses the 13 considerations included in WIOA to evaluate prospective providers of adult education and literacy activities. The Request for Proposals (RFP) will ask respondents to summarize how they will meet each described element, and evaluators are given a rubric and scoring guide that includes these considerations. Allocations to providers are awarded using a funding formula that recognizes the components of an effective adult education program. The state reviews providers' success in meeting established targets on an ongoing basis. Additionally, reviewers will give strong consideration to providers who can demonstrate the capacity to collaborate and coordinate with other core partner programs and provide wrap around services, as needed.

State staff in the Office of Public Instruction/Career Technical and Adult Education will assess the quality of providers through data analysis. The state will review data to track providers' success in meeting state-level targets in the following areas: Learning gains, entry into employment in the required quarters, obtaining a secondary credential and enrollment into post-secondary education or training, obtaining and secondary credential and gaining employment, or gaining a post-secondary credential. Monthly desk audits will provide the state with information on which providers are experiencing challenges in meeting targets and need additional technical assistance. Technical assistance will be targeted to the areas of need and will be individualized and focused.

Allocations to eligible providers will be awarded according to the state performance-based funding formula. Points will be awarded for performance outcomes; programs not meeting outcomes will receive reductions in their allocation. Programs with increased student academic gains and outcomes cannot decrease in subsequent years. Targets must be met or exceeded each year.

At the end of the program year, providers not meeting targets will be required to participate in a state-determined technical assistance project for the following year. If a program remains in a technical assistance plan for two years, they may be in jeopardy of losing AEFLA funds in subsequent years. When funds are not awarded to an existing provider, the state will run a request for proposals in the area, if there is no other current ABE provider in the region.

Distribution of Funds Between VR and VR Services to the Blind

Montana Vocational Rehabilitation and Blind Services (VRBS) distributes funding through contracts and our client benefits system. Since VRBS is a combined general and blind services agency, the funds are not distributed separately.

Program Data

Data Alignment and Integration

The DLI Research and Analysis (R&A) staff's experience with administrative records-matching as a method of program evaluation will be leveraged under WIOA. Quarterly wage records provide an opportunity to observe the change in participants' wage histories over time and evaluate the impact program participation has on a customer's wages.

In the past, R&A has performed analyses like these to evaluate outcomes from participation in Registered Apprenticeship programs and Unemployment Insurance programs to highlight the program impacts on an individual's wages. More recently, R&A has begun collaborating with Montana's Office of the Commissioner of Higher Education (OCHE) to share data on enrollment and outcomes in higher education programs throughout Montana. This data sharing allows for a more holistic evaluation that looks beyond an individual's short-term gains in wages and accounts for educational gains that lead to long-term and otherwise unobserved improvements in an individual's wage potential.

Currently, R&A and OCHE are working together to develop college report cards that will detail outcomes for Montana's colleges, in terms of degrees awarded, projected available jobs in various programs' occupational training, and wages of graduates. Results of the report cards will be used for planning purposes and to help program staff make informed decisions in supporting customers.

Plans for Data Integration

Montana is in the development phase with an Integrated Workforce Registration (IWR) and a Workforce Integrated Profile Page (WIPP). The first phase, anticipated to be

completed in March 2016, will set up a single sign-on where customers would register once, with a limited number of data points, and then have an account created in both MontanaWorks and the UI data system. Customers would add more detailed information pertinent to the services they access beyond initial registration. In phase two, DLI will build the WIPP landing page, which will provide real-time information from both MontanaWorks and the UI system on a single page. ABE and VR data will be included in WIOA performance reporting, but not included in MontanaWorks.

SWIB Support for Technology Alignment

The SWIB assists the Governor in aligning technology and data systems across core programs through a review of program implementation and the steps underway for system coordination. The board will receive regular updates on the status of alignment efforts and will make alignment recommendations to the core partners, as appropriate.

Alignment of technology and data systems will allow programs to realize true one-stop service delivery, through identification of common customers and providing suitable referrals based on data. Additionally, alignment of technology and customer data will allow programs to leverage resources, eliminate duplication and provide new opportunities for innovative cross-program solutions. Technology and data system alignment will also improve customers' service experience.

In order to align technology across core partners, an assessment of the processes, eligibility, enrollment, reporting and business needs of each of the core partners will be conducted. After the assessment is complete, research will be conducted to determine if there is technology available to meet those needs or if current technology systems could be upgraded to achieve one, integrated system.

Plans to Develop and Produce Required Reports

Currently, Montana has no common reporting system between all programs to produce reports required by WIOA. Until such a system is created, each individual program will provide program data to Montana's DLI Research and Analysis Bureau (R&A), where analysts will produce the reports required for WIOA. R&A has experience matching participant records with state Unemployment Insurance wage records, higher education enrollment and completion records, as well as occupational licensing data. These matches will provide enhanced data for the programs while upgrades to case management systems are made to allow data collection that meets reporting requirements.

Along with completing the administrative records-matching, R&A will compile the data into the PIRL format and calculate the performance measures for the final reports based on the performance report template. Using R&A as a centralized hub for generating performance reports will provide consistency in reporting across programs and allow for the interchange of demographic and background data between programs. This process will allow for the most descriptive and consistent data to be used in producing the required performance reports.

Assessment of Participants' Post-Program Success

Currently Montana can capture information to assess the progress of participants exiting core programs to enter and complete post-secondary education or enter and remain in employment. This can be accomplished through the Department of Labor and Industry's Research and Analysis Bureau (R & A). R & A has access to several databases that can help provide information on progress of participants for these key milestones. R & A will compile data for each of the lead agencies for assessment of progress.

Montana will be working toward consolidation of data in a data warehouse or combined reporting system. When that system is in place lead agencies should be able to assess progress through use of queries.

Use of UI Quarterly Wage Records

Montana's quarterly UI wage records will form the foundations of program evaluation and measurement of performance outcomes for the WIOA core programs. Montana's DLI R&A Bureau staff are experienced in matching state UI wage record files to program participants to ensure that performance outcomes can be produced quickly and consistently. As noted earlier in this section, R&A staff will use the UI wage record data to support system-wide analyses of customer outcomes and for staff to guide customers in selecting jobs and training opportunities that are likely to result in quality career paths.

Privacy Safeguards for Data

Montana follows the guidance on handling and protection of personally-identifiable information (PII) provided in TEGl 39-11. Social Security Numbers, in most fields in the MontanaWorks automated system have been replaced with client identification numbers. Social Security Numbers have been removed from printouts in MontanaWorks and staff have been trained to protect PII in paper form and in the transfer of PII across programs. Additional security measures regarding the system are in place and are evaluated on a continual basis.

Priority of Service for Veterans

Montana's Jobs for Veterans State Grant funds nine Disabled Veterans Outreach Program (DVOP) Specialists and one Veterans Intensive Service Coordinator. Priority of service is given at all Job Service offices to special disabled, other disabled and other eligible veterans in accordance with priorities determined by the U.S. Secretary of Labor. The current qualifications include:

- Disabled veterans receiving or have filed for VA compensation (or but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans' Affairs; or, who were discharged or released from active duty because of a service-connected disability
- Veterans that are homeless or at risk of being homeless

- Veterans separated from service within the last three years and, at any point in the previous 12 months, have been unemployed for 27 or more consecutive weeks
- Veterans that have ever been incarcerated
- Veterans without a high school diploma or equivalent certificate
- Veterans that fall below the poverty line for the area in which they reside
- Veterans between the ages of 18 and 24 years' old
- The spouse of a service member who died of a service-connected disability, has been missing in action for more than 90 days, captured in the line of duty by a hostile force for more than 90 days, forcibly detained or interned in the line of duty by a foreign government or power for more than 90 days, or who has a total disability that is permanent in nature resulting from a service-connected disability or who died as a result of a service-connected disability
- A family member (parent, spouse, child, step-family member or other that live with but are not a member of the family) that provides personal care services to an eligible veteran

Addressing Accessibility of the One-Stop System

The State of Montana offers services to individuals with disabilities through the Job Service offices across the state. The workforce system is continually developing new and fostering ongoing partnerships to achieve seamless, comprehensive and integrated access to services and expanding the system's capacity to serve customers and employers with disabilities.

Disability Resource Coordinators (DRCs) are funded through Wagner-Peyser and are located at each Job Service office. These coordinators assist individuals with barriers with a variety of employment-related services, and serve as a resource to the workforce community. The DRCs also develop linkages with and collaborate on an ongoing basis with employers to facilitate job placement for persons with barriers to employment. The DRCs assist anyone that encounters additional barriers to securing employment, such as individuals with physical or mental disabilities, learning disabilities, ex-felons, the aging workforce, youth at risk and veterans.

Disability Resource Coordinators work with partner agencies routinely to garner mutual support and share information through Community Management Teams, interagency and community organizations. The DRCs identify gaps in service and create working groups to recognize individuals who may benefit from their services. The DRCs, in collaboration with service providers, organize Resource Fairs, provide training opportunities to customers and the employer community, grow relationships with public and private schools to assist with continual learning opportunities. DRCs also meet annually with veterans' representatives to receive new information and collaborate on the best ways to support their targeted populations.

Montana is a single-area workforce system. The SWIB is discussing a process for One-Stop center certification, particularly with the new core partners that are included in WIOA. Physical and programmatic accessibility will be among the criteria required for local site certification.

Addressing Accessibility of the One-Stop System for Individuals with Limited English Proficiency

The state of Montana provides LEP accessibility in the One-Stop System. Through Montana state government, three telephone-based language interpreting services are available in 250+ languages and dialects, 24 hours a day and 365 days a year. To comply with federal Wagner Peyser monitoring requirements all One-Stop Centers display EEO and Minimum Wage posters in Spanish along with all other required state and federal posters in English.

The state ABE will operate Integrated English Literacy and Civics programs and serve all students in need of English language acquisition and civics education through eligible providers.

VRBS requires that rehabilitation counselors who are hired specifically to work with deaf and hard of hearing consumers have fluent sign language skills. Sign language interpreters for the deaf or hard of hearing are also provided when necessary. Other accommodations, such as documentation in alternative formats, are routinely made by VRBS. The policy of VRBS is to consult with the consumer to determine the most appropriate mode of communication.

Montana has a relay system for telephone communication with consumers who are deaf or hard of hearing and all offices are equipped with Ubi-Duos. Three offices (with the highest numbers of deaf/hard of hearing clients) have video phones for enhanced communication. The Montana Telecommunications Access Program is housed in the Disability Employment and Transitions Division and lends tremendous technical support to the staff of VRBS working with sensory impaired consumers. BLVS has also developed a full time Assistive Technology Specialist position. VRBS purchases interpreter services as needed by consumers.

The issue of consumers whose primary language is not English is a very rare issue in Montana. The issue is most likely to occur with Native American consumers who are the largest minority group in Montana. Even with this group, it is quite rare to have a consumer whose primary language is not English. Montana is fortunate to have six Native American vocational rehabilitation projects (funded through section 121 of the Rehabilitation Act) located in Montana. The local offices have good working relationships with the Native American projects and they are an excellent resource for assisting Native Americans who are not English speakers.

The Billings region has the largest population of Spanish speaking consumers and they have utilized assistance from the local migrant council when working with consumers whose primary language is Spanish.

In other very rare instances when working with consumers who speak other languages as their primary language, counselors have been able to utilize family members of the consumer to interpret. Also, Montana has colleges and universities that offer a variety of foreign languages and if necessary it may be possible to utilize instructors or students from these

programs to assist with interpreting or identifying community resources to assist with communication.

IV. Coordination with Combined State Plan Programs

Montana has developed the Combined WIOA Plan through the use of strategic planning groups. These groups were formed around priority topics and included core and additional program partners. The groups addressed the following priority areas:

- Individuals with barriers
- Business services
- Youth services

Each group designated a lead to coordinate meetings and the group's process. The Individuals with Barriers group was headed up by the VR Services division in the Montana Department of Health and Human Services, the Business group was led by DLI's Business Services Program, and the Youth group was led by the DLI WIOA Unit. The groups had representation from all required core partners, as well as additional partners such as Jobs for Montana Graduates, TANF and SNAP, Registered Apprenticeship and Migrant and Seasonal Farmworkers.

A planning group was also formed to focus on WIOA performance and assurances. This group was led by the DLI WIOA Unit, and had representation from all core partners as well as DLI's Research and Analysis Bureau.

V. Common Assurances for All Core Programs

The Common Assurances for all core programs are included in Appendix 3.

VI. Program-Specific Requirements

Adult, Dislocated Worker and Youth Programs, Activities and Assurances

A. General Requirements

Regions and Local Workforce Areas

Montana has in the past and continues to operate as a single workforce area with one planning region and three workforce regions. Given the state's vast geography, low population and tri-agency structure housing the WIOA core programs, each partner issues policy to their local service sites. However, with the passage of WIOA, the core partners, human services, education and economic development partners are working more closely together than ever to ensure that services are coordinated and aligned, including participation in partners' conferences and joint strategy-planning activities.

Through integrated partnerships with business, education, community leaders and workforce programs, Montana has formed Community Management Teams (CMTs),

which serve as the state's local workforce organizations. CMTs were originally developed as a group of One-Stop partners, community members, local businesses, economic development representatives and other interested parties. The groups have elected officers and meet on a monthly or quarterly basis, as determined by each CMT. The CMTs identify their community's needs and work together to plan needed workforce development and other partner services.

CMTs are organized around each of Montana's certified One-Stop Centers to address the needs of the population within Montana's vast geographic expanse. Montana currently has 19 active CMTs in communities throughout the state. The CMTs will provide the local, community voice to the State Workforce Innovation Board (SWIB). The SWIB will work with CMTs and One-Stop operators to certify One-Stops under the WIOA and SWIB regulations.

Statewide Activities

The state WIOA unit within DLI provides technical assistance and training to all WIOA case managers, including ongoing technical assistance and one formal, three-day training session each year. In 2015, staff from Adult Education, the Department of Public Health and Human Services, and two-year colleges participated in the training; it is anticipated that this approach of including partners in formal WIOA training will continue into the future.

The WIOA unit also hosts at least two new Case Manager training sessions in-person each year. This provides the opportunity to train new case managers on the programs and on the operation of the MontanaWorks data system.

The Governor's set aside funds are used for overall program operations to enhance the quantity and quality of services to employers and job seekers throughout the state. Set aside funds will also be used for oversight staff in the administration of the required activities, as described in WIOA Regulation 20CFR Part 682.200, including:

- Administering and monitoring the WIOA program
- Maintaining the Eligible Training Provider List, along with maintaining performance information and information on the cost of attendance (including tuition and fees)
- A list of eligible providers of youth activities
- Providing technical assistance in carrying out WIOA activities
- Operating a fiscal and management accountability information system, and
- Performance measure data collection

The set aside funding is also used for SWIB operations and board staff. There are currently no other allowable statewide employment activities underway at this time; however, the increase in the set aside funding will allow the SWIB and the Governor to explore options in providing new statewide employment and training opportunities.

DLI's Job Service Operations Bureau receives Rapid Response funding to provide those services to employers and the affected workers through the statewide network of 23 local Job Service offices. Local Job Service staff coordinate all the Rapid Response activities and, when needed, bring a variety of state and local service providers together for interagency Rapid Response workshops.

Layoff aversion assistance is provided through the Business Expansion and Retention (BEAR) program, which is available statewide through joint ventures between Job Service offices and local economic development entities. BEAR provides early identification of businesses at risk of layoffs and assessment of the needs and options available to them. In the event of a natural disaster, DLI coordinates with the Governor's Office, FEMA and appropriate state agencies to deliver Rapid Response services to businesses and workers impacted by the disaster.

In Montana, trade-impacted workers receive Trade Adjustment Assistance (TAA) information and services through our Rapid Response, Dislocated Worker and Wagner-Peyser programs. All of these programs are operated by the Job Service Operations Bureau through the statewide network of 23 local Job Service offices. Local staff coordinate all the Rapid Response Activities, help employers or workers file TAA petitions and bring a variety of state and local service providers together for inter-agency Rapid Response workshops.

Co-enrollment of TAA participants in the WIOA Dislocated Worker program – as well as in other programs for which they are eligible – is the standard approach in Montana. State policy requires assessment to develop an appropriate Individual Employment Plan and TAA services, including determination of need and justification for TAA-approved training. In addition to structured interviews, case managers use a variety of formal assessment tools, including (but not limited to): the Test of Adult Basic Education, Montana Career Information System tools and Prove It proficiency tests.

B. Adult and Dislocated Worker Program Requirements

Work-Based Training Models

Training provided to Montanans using federal WIOA funds must be in high-wage/high-demand occupations, as determined by state labor market information. On-the-job training (OJT) contracts are developed at the local level. They are the result of the relationship between Job Service staff, other WIOA providers and the employer. The employer is screened prior to establishing the OJT contract, to ensure the job provides a wage that meets the participant's needs and to ensure the employer meets all regulatory aspects to be eligible for OJT funds. The length of OJT training is determined through research of the O*Net system to identify the complexity of the specific job in conjunction with the participant's current level of skill in that occupation. The assessment also evaluates whether the OJT job requires high-skills and will provide a living wage for the trainee. OJT contracts are not written for low-skilled jobs that do not provide additional career opportunities in the future.

The Incumbent Worker Training Program is a competitive grant program that provides funding to help eligible Montana small businesses purchase training for their current (incumbent) workforce. The program also helps preserve existing jobs for Montana residents. Training can be customized to meet specific employer needs. The training must be skill-based or result in a certificate or credential, and must improve the productivity, efficiency or wages in the workers' existing jobs. Training should be short-term and the business must have a demonstrated need for the training as a way to remain competitive in their industry or the global economy.

Registered Apprenticeship

Montana's Registered Apprenticeship (RA) program currently includes 44 occupations, 800 employers and approximately 1,400 apprentices. The RA State Director works with Job Service staff to ensure they are aware of apprenticeship opportunities in their area of the state and efforts are underway to develop linkages across the databases to further this communication. The State Director is also establishing connections with WIOA, and coordinates with the youth Jobs for Montana' Graduates program, as well as Youth Build and high school pre-apprenticeship programs.

Training Provider Eligibility Procedures

Determining provider eligibility for the Eligible Training Provider (ETP) List is carried out at the state level. For WIOA, staff developed policy and provided to all WIA-eligible training providers information explaining the requirements to continue to be on the list. The state is working directly with these providers to answer questions and help them submit subsequent eligibility applications. State staff are also developing a mechanism by which Registered Apprenticeship sponsors will be offered the opportunity to be included on the ETP list. This effort is coordinated between the RA State Director and WIOA staff.

Implementation and Monitoring of Priority of Service for Public Assistance Recipients, Low-Income Individuals or Individuals Who Are Basic Skills Deficient

In accordance with WIOA Section 134(c)(3)(E), Montana implemented the additional adult priority of service for individuals who are basic skills deficient in July 2015. The revised priority of service policy is in the WIOA Policy Manual and is available to all WIOA adult service providers through the DLI website at:

http://wsd.dli.mt.gov/wia/wiamanual_coverpage.asp.

Individuals applying for enrollment in the adult program under the priority of service for public assistance or low-income individuals must provide documentation verifying receipt of public assistance or low-income status. Individuals applying for WIOA enrollment using the basic skills deficient priority of service must provide documentation to verify they are basic skills deficient. There are two acceptable ways to verify that the applicant is basic skills deficient:

1. An original or copy of the Test of Adult Basic Education (TABE) that shows the test score; or

2. Documentation from an Adult Basic Education and Learning Center that verifies the applicant is enrolled in ABE and is working with them to improve their basic reading, writing and math skills.

WIOA Unit staff have been monitoring verification of public assistance and low-income status since implementation of the Workforce Investment Act. Monitoring for the additional WIOA adult priority of service began on July 1, 2015.

Transfer Between Adult and Dislocated Worker Funding Streams

The SWIB may direct the transfer of up to and including 100 percent of a program year allocation for adult or dislocated worker employment and training activities between the two programs, upon approval of the Governor.

C. Youth Program Requirements

Montana's Criteria and Process for Identifying Quality Youth Providers

Montana is a single workforce area state and the WIOA Unit within the Workforce Programs Bureau in DLI provides oversight of the WIOA Title IB youth programs on behalf of the SWIB. DLI follows the Department of Administration Procurement Bureau's Request for Proposal (RFP) process. The SWIB's ad hoc Youth Council developed the criteria for the selection of youth providers for the Program Year 2012 WIA RFP.

The SWIB will consider the following criteria (at a minimum) for awarding contracts to youth service providers in the next round of Request for Proposals:

1. Agency profile and experience in providing services to disconnected youth
2. Demonstrated effectiveness: includes performance measures and goals accountability
3. Financial systems: description of the offeror's financial systems in place for fiscal control and accounting procedures that are in accordance with generally accepted accounting principles
4. Work plan and method of providing activities and services
5. Description of how the provider will ensure that WIOA youth services are provided to youth who are:
 - a. In-school (attending any school, including secondary or post-secondary school), age 14-21, are low-income and have one or more WIOA barriers; and
 - b. Out-of-School youth (not attending any school), not younger than 16 or older than age 24 at the time of enrollment and has one or more WIOA barriers.

Ensuring that All Fourteen Program Elements Are Available and Effectively Implemented

Montana's WIOA youth funding goes to youth providers in each of the Montana's Association of Counties (MACo) Districts. Montana determined that going through the Request for Proposal process for youth providers instead of bidding out each youth element better served Montana's rural nature and population of youth. WIOA youth providers are responsible for ensuring that all elements are made available to youth participants; however, they have the discretion of determining what specific elements may be provided based on the youth's individual objective assessment and the Individual Service Strategy.

Montana youth service providers coordinate with partners in their areas, whenever possible, to coordinate and leverage funds to ensure youth are receiving the services they need. In some instances, youth elements such as Financial Literacy are provided by area Chambers of Commerce and/or banking entities at no charge to the WIOA program. Dropout prevention is another element that is provided to in-school youth through the Jobs for Montana's Graduates' program (where the program is available) at no cost to the WIOA program. WIOA youth service providers describe the method in which the youth will receive the required elements, whether it will be directly from the youth service

provider or through a contract between the youth service provider and another entity, in the Provider Agreement Scope of Services.

Montana conducts annual monitoring of youth service providers. The monitoring consists of a desk review of youth records in the management information system (MontanaWorks) used by WIOA providers. Monitors review case notes for documentation and the MontanaWorks employment plan, to ensure that the youth is receiving the appropriate services (e.g. the 14 elements that are included as services in MontanaWorks) as described in the youth's Individual Service Strategy. Following the desk review, an onsite review is conducted to review youth files for documentation verifying the youth is receiving one or more youth elements. Records are also reviewed throughout the year in conjunction with the quarterly reports submitted by providers.

Program elements that will be made available to all youth include:

1. Tutoring, study skills training and instruction leading to secondary school completion, including dropout prevention strategies
2. Alternative secondary school offerings
3. Paid and unpaid work experiences that have academic and occupational education as a component of the work experience, such as:
 - Summer employment opportunities and other employment opportunities available throughout the school year
 - Pre-apprenticeship programs
 - Internships and job shadowing; and
 - On-the-job training opportunities
4. Occupational skill training with priority consideration for training programs that lead to recognized post-secondary credentials that align with in-demand industry sectors or occupations
5. Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster
6. Leadership development opportunities, including community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors
7. Supportive services
8. Adult mentoring for the duration of at least 12 months. This may be provided both during and after program participation.
9. Follow-up services for not less than 12 months after the completion of participation
10. Comprehensive guidance and counseling, including drug and alcohol abuse counseling, as well as referrals to counseling, as appropriate to the needs of the individual youth
11. Financial literacy education
12. Entrepreneurial skills training
13. Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services

14. Activities that help youth prepare for and transition to post-secondary education and training

Requires Additional Assistance Barrier Definition

Out-of-School Youth:

A low-income youth (16-24) who requires additional assistance to:

- 1) Enter or complete an educational program: a youth who is in need of a high school diploma or equivalent; or has dropped out of a post-secondary educational program during the past 12 calendar months; or has a diploma but requires additional education in order to obtain or retain employment

OR

- 2) Secure and hold employment: a youth (including a youth with a diploma or equivalent) **not currently attending** any school and who has not held a full-time job for more than three consecutive months; or has a poor work history, to include no work history; or has been fired from a job in the last six calendar months; or lacks work readiness skills necessary to obtain and/or retain employment.

In-school youth:

A youth (14-21) who requires additional assistance to:

1. Complete an educational program: a youth who is at risk of dropping out of high school as documented by his/her school; or had previously dropped out of an educational program but has returned to school (including an alternative school); has below average grades; or a youth with poor attendance patterns in an educational program during the last 12 calendar months; or has been suspended or expelled from school within the last 12 calendar months; or has previously been placed in out-of-home care (foster care, group home, or kinship care) for more than six months.

OR

2. Secure and hold employment: an in-school youth who has not held a job for more than three consecutive months; or has a poor work history, to include no work history; or has been fired from a job in the last six calendar months; or lacks work readiness skills necessary to obtain and/or retain employment.

Montana's definitions of "attending school" and "not attending school"

"Attending School"

Montana defines attending school as youth 7-16 that are enrolled in and attending school full-time. Youth that are home schooled or enrolled in a private school are considered to be "attending school" if they have registered or provided notification to the Superintendent within their county of their intent to be considered a school.

“Not Attending School”

Youth under 16 and not attending school are considered to be truant; youth 16 and over and not attending school is considered to be a “drop-out.”

Montana adopted the definition of basic skills deficient from WIOA Law Sec. 3 (5). Basic Skills Deficient (Youth Eligibility Barrier) – means a youth: that has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test (grade level scores below 9.0 (e.g., 8.9) is considered as “at or below the 8th grade level).

Assessment instruments must be valid and reliable and provide reasonable accommodations to youth with disabilities in the assessment process in making this determination. Montana uses the Test of Adult Basic Education (TABE) as the acceptable basic skills assessment. Basic skills assessments are generally done through Adult Basic Education however WIOA Title IB programs have permission to administer the TABE in some instances. WIOA participants testing at 8.9 or below are required to have a specified number of hours of remediation and WIOA providers work closely with Adult Basic Education to ensure they are receiving remediation in preparation for the post-tests.

D. Single-Area State Requirements

WIOA formally reauthorized the expired Workforce Investment Act of 1998 and removed the Concentrated Employment Program provision of the law, automatically making Montana a single workforce area for the purposes of administering WIOA.

WIOA Section 106 requires the state to provide notice of and the opportunity for entities to request initial or general designation as a local workforce area. At the time of submission of this plan, Montana had received no such requests or public comments speaking to this opportunity. As such, Montana will continue to operate as a single area planning state unless and until such a request is received. DLI is designated as the single administrative entity, grant recipient and fiscal agent for WIOA Title I funds. The SWIB provides oversight of the statewide system and has provided input into this statewide Combined WIOA Plan. DLI maintains the statewide management information and financial system for WIOA, to eliminate duplicative administrative costs and to promote the efficient use of resources within the workforce system.

How Funds Are Used

Twenty percent or more of Montana’s youth funding will be spent on work-based learning. Work experience will be the majority of the work-based learning activities provided to youth. Occupational skills training and pre-apprenticeships and registered apprenticeships will be utilized more as youth providers begin guiding the youth they are serving toward a career pathway.

Strategies for reaching the 20% requirement include working with partner agencies in accessing existing worksites; working with employment services to connect with and

recruit potential employers for work experience worksites; and utilizing existing worksites that have had positive outcomes in the past for both the youth and employer. The remaining funding will be used to provide services to youth as determined appropriate by WIOA youth providers, based on the youth's individual objective assessment and Individual Service Strategy.

Meeting Youth Performance Measures

Performance scores and documented performance accountability will be one of the factors that the SWIB will take into consideration in awarding funding to providers. During the February 2017 Request for Proposal process, competitors will be required to demonstrate their ability to meet performance accountability measures. Demonstrated effectiveness in meeting performance is a scored element in the RFP.

WIOA youth performance measures will not have been in place long enough to use for demonstrated effectiveness; therefore, the performance information requested in the next RFP will be for the WIA youth performance measures of Placement in Employment/Education, Attainment of Degree/Certificate and Literacy/Numeracy Gains. Additionally, competitors will be required to describe measureable skills gains. Competitors will be allowed to use literacy/numeracy for this because Montana currently does not have another mechanism in place to track measurable skills gains.

The WIOA staff in DLI are working with Vocational Rehabilitation and Adult Education to develop a common method of tracking performance.

Comments received from the public on the plan are included as Appendix 4.

E. Waiver Requests

Montana is not requesting any WIOA waivers for Program Year 2016.

The WIOA Title IB Assurances are included in Appendix B.

Wagner-Peyser Act Program (Employment Services)

A. Professional Staff Development

Staff receive ongoing training on all Wagner-Peyser program services. Training is provided face-to-face, via webinar and/or recorded and stored online for staff to view at their convenience. DLI provides webinars on timely subjects as they arise.

Wagner-Peyser Job Service staff are cross-trained on all Wagner-Peyser programs. This maximizes scarce resources and ensures that job seekers and employers receive the best possible services. Each office has subject matter experts who train each other and conduct cross-training in staff meetings. All staff are required to be proficient in WIOA program eligibility criteria and how to make appropriate referrals to partner agencies.

The following training sessions are available to field staff annually:

- Business Services
- WIOA Technical Assistance
- Veterans Services
- Disability Resources
- Migrant Seasonal Farmworker Services
- H2A

All new staff receive “Crucial Conversations” training, and it is available as a refresher course for current staff that request it. When training needs are identified, especially with hard-to-place clients or in new areas that staff may lack expertise, specialized training is organized and delivered – either statewide or by specific request, depending on the extent of need. Recent examples of specialized training include: Ex-offender Assistance, Business Outreach, Documenting Services Delivered to Job Seekers and Employers, and RESEA training.

UI staff provide training to local RESEA staff on basic UI eligibility requirements, issue identification, fact-finding tools and UI work search requirements.

Staff are also empowered to attend training outside the agency when it enhances their skills and knowledge to better serve job seekers or employers. Examples of such training include: Pathways Out of Poverty and Employment Law. The “Crucial Accountability” and “Change Anything” courses have been offered to state Workforce Services Division staff and management.

B. One-Stop Services to Unemployment Insurance Customers

Under the direction of Montana’s Commissioner of Labor, Job Service staff work with all Unemployment Insurance (UI) claimants, with the exception of job-attached claimants. Claimants (other than job-attached workers) must register with the Job Service, within 10 days of filing their claims, as a condition of continuing to receive UI. Claimants have the option of registering with the Job Service online or visiting a Job Service office.

Montana serves claimants in declining industries, ex-military claimants and those at risk of becoming long-term unemployed through the Reemployment Services and Eligibility Assessment (RESEA) program. The program, available in the 23 Job Service offices throughout the state, includes: an orientation to services available at the office; an assessment of knowledge, skills, abilities and barriers; provision of labor market information; development of an Individualized Employment Plan to support returning to work as quickly as possible; and, where needed, referral to training. The RESEA program integrates and leverages aligned Unemployment Insurance and workforce service resources within the department.

Staff focus on providing career services that relate to the specific needs of each participating claimant. The assessment and follow-on referrals to reemployment services focus on identifying high-demand jobs and training opportunities available locally or regionally, that can lead to higher-paying, long-term jobs for UI claimants. Statewide

delivery of intensive, personalized reemployment services result in shorter UI benefits durations. Staff in each Job Service office are trained and skilled in performing assessments, supporting claimants in local labor market information searches and can refer claimants to existing training opportunities in the area.

Each RESEA appointment consists of a one-on-one assessment with a trained RESEA agent. Staff conduct a UI eligibility review with the claimant, provide relevant labor market and career information, ensure the claimant is registered with the Job Service, help the claimant develop a reemployment plan and refer the individual to at least one reemployment service, based on the individual's needs. The Workforce Services Division staff at the Job Service offices are trained to identify UI eligibility issues that may allow for early identification of improper unemployment payments and communicate those to UI staff.

Additionally, staff assess each RESEA claimant's job readiness and barriers to reemployment. Case notes recorded in the Montana Works database document fact-finding on UI issues and are available to UI staff for further fact-finding and adjudication.

All other claimants without job attachment or in agency-approved training receive a brief, one-on-one orientation to reemployment services to learn about the reemployment and training resources available to them. This is referred to as the "100% program," reflecting the fact that all claimants without a clear prospect of returning to work are supported in their job search efforts. The RESEA and 100% program activities focus on identification of local or regional jobs and high-demand training opportunities. Claimants may also receive comprehensive, specialized assessments and referral to Adult Basic Education, Job Corps, Apprenticeship programs or on-the-job training.

Job Service staff interview claimants to probe for issues on their UI claims, to assess job readiness and to search for barriers to employment. Case notes recorded in MontanaWorks document fact-finding on issues. These notes are available to UI staff for additional fact-finding and adjudication.

Several self-service resources are available to job seekers online. The MontanaWorks system includes the RESEA Assessment Survey, a tool to develop an Individual Employment Plan, career information and job matching resources. Job seekers may also use the Montana Career Guide, mock interview activities, career planning activities and a pocket resume resource to help organize their information for job applications and interviews.

The system is designed for user-friendliness, with a drop down menu of Services and Tasks from which customers can access the resources they need. Customers registered with MontanaWorks can view jobs and receive email notification of jobs that meet their skills and interest.

Additionally, the Montana Career Information System (MCIS) provides a number of online assessments and resources for job seekers. MCIS allows job seekers to create an e-

portfolio to store the results of all their assessments, create resumes, and explore occupations, education and training options. PEP Talk is a workbook, used in conjunction with MCIS, which helps job seekers quickly go through the career planning process to create an education and employment plan. Job Service staff are trained to help clients navigate and interpret the results of their assessments.

As noted earlier in the plan, DLI is working to develop an integrated work registration system. This will populate customer information across Employment Services and Unemployment Insurance databases and eliminate data duplication for customers and staff. DLI is also working continuously to improve workforce and UI program integration. In addition to those efforts reflected in the RESEA and 100% programs, integration strategies include training for Employment Services staff on the UI claims intake and determination processes, additional training for all staff on identifying UI eligibility issues, and stronger coordination procedures for all staff, to ensure claimants who come into Job Service offices seeking assistance with their UI claims receive the best possible customer service.

Wagner-Peyser Agricultural Outreach Plan

Assessment of Need

The Value of Agricultural Production

In 2014 agriculture generated \$4.4 billion in income on 27,800 farms and ranches in Montana, making it Montana's largest industry. A comparison of selected Montana industries shows agriculture continues to outpace all other industry sectors. The 2014 value of crop production decreased to \$2.2 billion, a decrease of \$360.4 million or 14% below 2013. The value of livestock increased in 2014 to \$2.2 billion, up \$487.2 million from 2013. When comparing major industrial sectors in Montana, receipts were mixed compared to a year ago. Agriculture showed a 1% decrease, down \$43.1 million from 2013.

In 2014 crop production accounted for 50.3% of total agricultural production in Montana. By commodity group, food grains were valued at \$1.25 billion in 2014, which is 56% of the total value of the state's crop production. Feed crops were valued at \$659 million in Montana, comprising 29% of the crop production in 2014. Oil crops, fruits and tree nuts, vegetables and other crops made up another \$359 million or 15% in crop value for 2014.

The value of livestock production in Montana accounted for approximately half (49.6%) of total agricultural production for 2014. Meat animals were valued at \$2.1 billion, which accounts for 95% of the total value of the state's livestock production. Poultry and eggs, dairy products, wool, honey and miscellaneous livestock make up 4.6% or \$193 million of value in livestock production for 2014.

Table 1

Value Added to the U.S. Economy by the Agricultural Sector, Montana

Item	2009	2010	2011	2012	2013	2014
	Dollars (000)					
Value of Crop Production	1,720,927	1,844,294	1,908,734	2,284,747	2,570,029	2,209,640
Food Grains	1,002,093	1,024,651	1,446,806	1,456,368	1,284,477	1,256,643
Feed Crops	421,472	418,135	491,019	548,087	713,182	659,362
Oil crops	12,426	16,070	16,365	23,286	31,368	37,531
Fruits and tree nuts	5,523	4,026	4,068	2,021	3,702	3,991
Vegetables and melons	109,401	160,209	154,733	162,156	188,814	188,823
All other crops	111,038	132,741	148,022	150,582	137,791	123,734
Home consumption	1,267	999	1,013	4,774	4,169	5,286
Value of Livestock Production	1,026,256	1,207,551	1,443,346	1,717,932	1,692,629	2,179,803
Meat animals	968,948	1,130,691	1,226,494	1,410,436	1,586,552	2,077,353
Dairy products	42,824	47,996	56,317	52,740	54,791	65,120
Poultry and eggs	8,736	18,076	21,436	20,789	20,439	23,390
Miscellaneous livestock	48,103	60,775	95,551	90,313	102,755	99,480
Home consumption	5,821	4,423	4,582	4,391	5,018	5,228

SOURCE: Economic Indicators of the Farm Sector, State Income and Balance Sheet Statistics, USDA-ERS

On an individual commodity basis, cattle and calves were Montana's most valuable commodity in 2014, with cash receipts totaling \$1.99 billion. Wheat was the second most valuable commodity totaling \$1.25 billion in cash receipts. A distant third for 2014 cash receipts is hay, at \$3.9 million in Montana. Four of the six major livestock products in Montana for 2014 increased in value from the prior year. Wool and honey saw slight decreases in their cash receipts for 2014 compared to 2013.

Of the 11 major crops only three commodities: oil crops, lentils and sweet cherries had an increase in value from 2013. Wheat and livestock account for nearly three-fourths (71.9%) of the state's agricultural receipts according to data from the Montana field office of the National Agricultural Statistics Service. Montana became the leading producer of pea and lentil "pulse crops" four years ago, and has held that position since. Montana is ranked second in the nation for average farm size, barley, spring wheat, winter wheat, durum wheat, Austrian winter peas, safflower and flaxseed production. Finally, Montana is ranked third in the nation for all wheat production and canola production.

Montana agriculture is becoming more diverse and continues to add value to products that are available both locally and globally. Increasing production of corn and soybean crops that have been genetically modified will continue to expand opportunities for Montana producers, but also will require more advance planning. A majority of the nation's corn, soybeans and canola crops contain genes that confer herbicide resistance or defenses against insects. Coexistence between genetically modified, conventionally grown and organic crops requires that measures be taken to prevent comingling of GMO crops and identity-preserved or

organically certified crops. Montana is actively engaging in good neighbor efforts to avoid contamination and allowing each farmer to grow and market his or her desired products, which are often sold for a premium price.

Table 2
Cash Receipts by Commodities

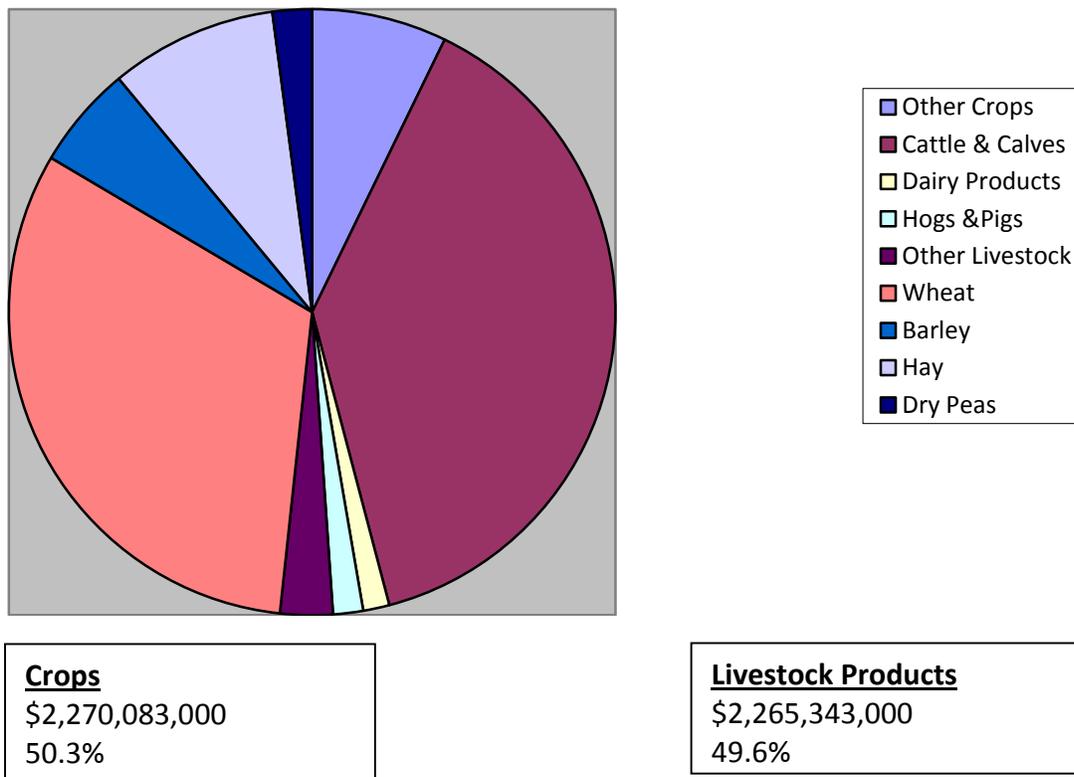
Item	2013 cash receipts	2014 cash receipts
Livestock and Products	Dollars (000)	Dollars (000)
Cattle and calves	1,523,321	1,999,274
Dairy products	54,791	65,120
Wool	3,894	3,403
Hogs and pigs	63,231	78,079
Chicken eggs	10,705	12,966
Honey	31,237	29,225
All other livestock ¹	77,358	77,276
Crops		
Wheat	1,284,477	1,256,643
Barley	256,140	234,340
Sugar beets	68,859	51,856
Hay	417,522	390,606
Potatoes, fall	39,070	38,848
Oil crops	31,368	37,531
Oats	2,870	2,413
Dry Peas	98,403	97,913
Lentils	35,411	36,805
Corn	36,650	32,002
Cherries, Sweet	3,702	3,991
All other Crops ²	84,861	87,135

SOURCE: 2015 Department of Agriculture Statistics

¹ All other livestock includes horses/mules, poultry and products including chickens, turkeys & turkey eggs, bees, beeswax, rabbits and mink.

² All other field crops include fruits, vegetables, seeds, and greenhouse and nursery products.

Cash Receipts – 2014



Agricultural Employment in Montana

The employment rates in agriculture are very difficult to predict due to consistent unknown factors inherent to crop production and, at times, livestock production. Crop production in Montana is affected by our short growing season. It is not uncommon for planting to occur later than desired and harvest to take place earlier than desired due to snow fall. Most crops must be planted during certain times of the year, weeded, fertilized and then harvested as they mature or ripen. Montana growers have employed a substantial number of seasonal farm workers who sometimes will move from farm to farm but most often workers will stay on with one employer for the entire season.

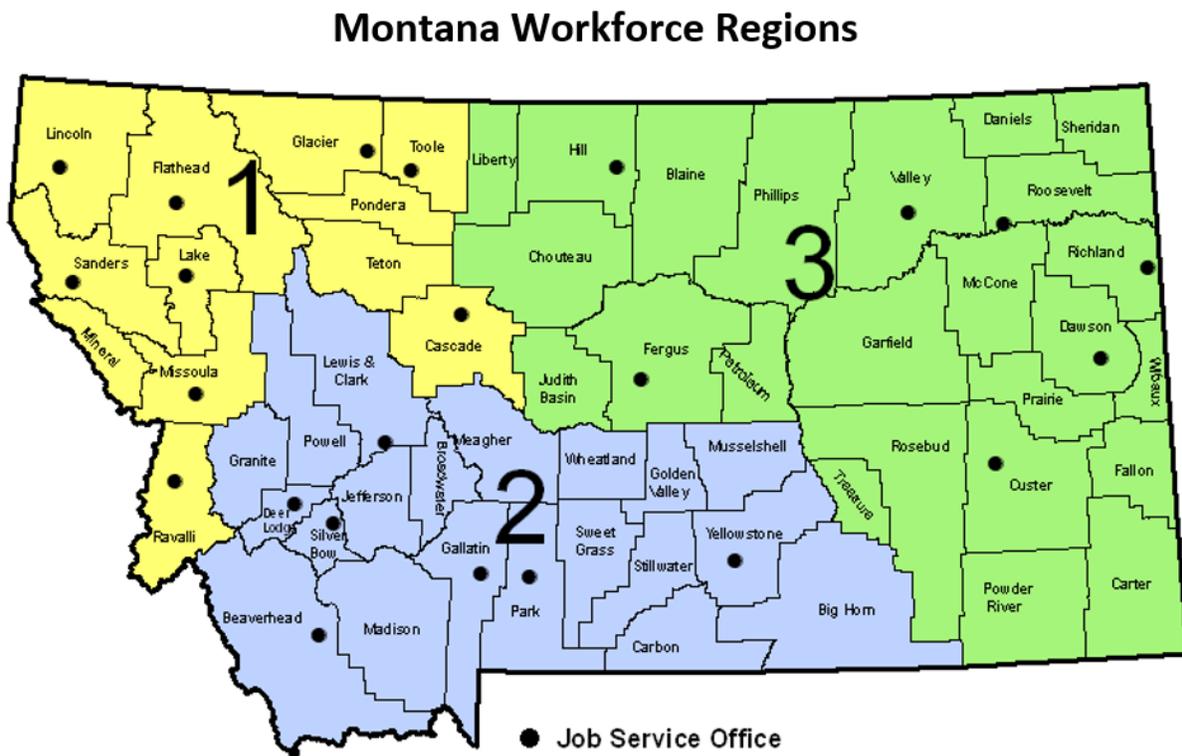
Montana-based seasonal farm workers typically are employed for up to nine months of the year and often work in more than one type of production (both livestock and crops). The official estimates of agricultural employment are derived from surveys of agricultural establishments that participate in the unemployment insurance system, and from the previous year’s state income tax reporting for agricultural establishments. As a result, they are more likely to count permanent agricultural workers than migrant and seasonal farm workers. Many Montana growers and producers express the lack of agricultural workers available in their areas. This results in a steadily increasing rate of using the foreign labor H-2A program.

The 2007 Census of Agriculture shows that 22,377 individuals worked for 6,492 farm and/or ranch employers in Montana. This estimate of agricultural workers shows little change between the peak season and low season, as the majority of agricultural workers for Montana are not a migrant community. The predominant demographic of Montana migrant seasonal farm workers (MSFWs) is a Montana resident that does not travel significant distances for seasonal/temporary work, or is a year-round employee, and is English-speaking.

Since 2007, Montana farm payrolls have been steady with slight decreases. According to the Quarterly Census of Employment and Wages, agriculture employment accounts for approximately 1% of the total workforce.

Montana DLI has established three workforce regions. These regions are displayed in Figure 1.

Figure 1



The agricultural jobs in Montana are not necessarily concentrated in regional pockets but are spread throughout the state. Although there is not a single region with a concentration of agricultural employment, one county, Beaverhead, in region 2 has a higher number of employers utilizing farm workers.

Table 3 shows the mean and median wages of agricultural occupations in Montana in 2014. This information was obtained from the Research & Analysis Bureau’s Occupational Employment Statistics.

Table 3

Agricultural Wages by Occupation in Montana

Occupational Title	2014 Employment Estimates	Mean Hourly Wage	Mean Annual Wage	Median Hourly Wage	Median Annual Wage
Farming, Fishing and Forestry Occupations	1,920	\$14.63	\$30,430	\$13.64	\$28,370
First-line Supervisors of Farming, Fishing, and Forestry Workers	130	\$18.58	\$38,650	\$17.14	\$36,650
Agricultural Inspectors	60	\$14.29	\$29,720	\$12.76	\$26,540
Farm Workers and laborers, Crop, Nursery, and Greenhouse	260	\$11.86	\$24,670	\$10.84	\$22,540
Agricultural Equipment Operator	110	\$13.12	\$27,300	\$11.89	\$24,720
Farm Workers, Farm, Ranch, and Aqua-cultural Animals	650	\$11.57	\$24,060	\$10.28	\$21,390
Agricultural Workers, All Other	50	\$16.72	\$34,770	\$16.24	\$33,770

SOURCE: Montana Department of Labor and Industry, <http://lmi.mt.gov>

In the Occupational Employment Statistics (OES) survey conducted in Montana several farm labor categories were not surveyed; in particular, the Farmers, Ranchers, and Other Agricultural Manager and Animal Breeder categories. The three categories listed are historically the highest paid professions. From the information collected in the Montana 2014 OES survey, the First-line Supervisors of Farming, Fishing, and Forestry Workers category was the highest paid, earning \$38,650 annually on average. The next highest paid categories were Agricultural Workers, All Other (\$34,770); Farming, Fishing and Forestry Occupations (\$30,430), and Inspectors (\$29,720).

The majority of Montana farm workers earn low wages. The average annual income for the Montana National Farmworker Jobs Program (NFJP) participant is less than \$6,200 annually. Many basic family needs such as nutrition, housing, health care, child care and transportation are out of reach for farm worker families. Ninety-six percent of NFJP participants are long-time agriculture workers with little other work experience or skills.

Montana has two particularly labor intensive crops; sweet cherries and huckleberries. The harvesting of these is done exclusively by hand picking. Both of these commodities are only produced during the summer season in Montana in Workforce Region 1. The Montana cherries growers produce primarily for the fresh market.

Number of Migrant and Seasonal Farm Workers in Montana

Estimates of agricultural employment in this report are derived from agricultural labor data that the Montana NFJP contractor (Rural Employment Opportunities) compiled from surveys of farm owner-operators in Montana. Agricultural employers who participated in the survey

report the number of jobs filled by all workers in their establishments during the survey's reference week. However, given the crop cycle, demand for farm workers tends to be highly seasonal, with peak periods of demand often lasting for a short duration. As a result, high job turnover and worker mobility are distinguishing features of the agricultural labor market. Survey-based official employment estimates count permanent farm jobs and any jobs filled by MSFWs identified by employers as working during the survey's reporting week. They do not necessarily count positions that are filled by MSFWs at other times of the month or workers that the employer brings on and doesn't report on tax roll and/or for Workman's Compensation and Unemployment Insurance.

This report provides a best estimate of the number of MSFWs in Montana in 2014 since limitations on data availability preclude making a precise estimate. This best estimate references the Montana Department of Labor and Industry's Labor Day Report, 2007 Census of Agriculture and Rural Employment Opportunities. Given the lack of alternative or more up-to-date information, this report assumes that the observed relationship between the number of jobs and numbers of farm workers in 2007 has been constant, or little changed, over the last six years. Actual trends in the official agricultural employment data offer support for this assumption, including data from the economic rebound.

Although displaying year-to-year variables, overall agricultural employment levels in Montana do not appear to have changed much over the last six years. The best estimate of MSFWs in Montana is 22,377. Barring any significant changes in crops and livestock production in Montana, the estimated numbers of MSFWs in Montana are expected to remain near these same levels over the next year.

Outreach Activities

Montana has a working partnership with the Montana NFJP grantee, Rural Employment Opportunities (REO) as well as with Migrant Education. DLI actively collaborates in outreach efforts with these organizations. REO is the WIOA Section 167 grantee in Montana and has field staff deployed around the state. In that capacity, REO has separate reporting and tracking requirements. All but one of the REO field staff are co-located in Job Service offices. The one office that is not co-located works closely with the Job Service in that community. The local agreements between these agencies require coordinated services, including outreach activities. The REO staff conduct regular outreach activities, according to their contract with the U.S. Department of Labor. The outreach conducted by REO staff results in individuals being referred to Job Service offices for further services. The REO staff also conduct outreach to employers on a regular basis, resulting in paid OJT and work experience opportunities for qualifying MSFWs. Through this partnership, Montana has been able to reach and serve members of the agricultural community who are otherwise not reached by workforce staff.

REO provides employment and training options/funding to MSFWs around the state and also to their qualifying dependents. Outreach is approached from the standpoint of providing seasonal workers with the skills and education necessary to become employed full-time and to become economically self-sufficient. Individuals are referred for additional services to Job

Service offices. REO, in partnership with the Montana Food Bank, provides food and gas assistance to MSFWs traveling in both Eastern and Western migrant streams. REO has developed specific outreach plans for each of its targeted regions to find the individuals who not only travel as migrant workers but who subscribe to the lifestyle of resident seasonal workers.

DLI and REO have a Memorandum of Understanding (MOU) in place. This MOU contains elements of annual joint outreach training opportunities and staff meetings, information-sharing between the partners regarding MSFW services, and collaboration on special projects and training.

The Job Service expects to assign at least 876 hours of staff time to outreach in the next year. MSFW outreach workers are trained in local office procedures, informal resolution of complaints and in the services, benefits and protections afforded to MSFWs. Materials that are used in outreach activities include brochures for local health clinics, information on the complaint system, directions and brochures for local SNAP (Food Stamps) and TANF (cash assistance) public assistance office, upcoming opportunities for occupational trainings, contact information for the local migrant council, resources for child care, contacts for legal services, books for documenting their hours worked, information for contacting both state and federal Wage and Hour Division, and referrals for housing if housing is needed.

There are 21 outreach workers located in Job Service offices throughout the state who conduct a variety of MSFW outreach activities year-round. Outreach workers spend time in the service area contacting, explaining and encouraging MSFWs to use the services and resources available at the office. The outreach workers find MSFWs throughout the state, especially in rural areas where they live, work, and gather, such as markets, parks and other locations. The many responsibilities of the outreach workers include the following duties:

- Educating MSFWs on rights with respect to terms and condition of employment
- Developing and maintaining links between MSFWs, Job Service offices, public and private community agencies, MSFW groups and employers
- Coordinating outreach efforts with MSFW community service providers
- Assisting MSFWs with job search and placement, initiating job development contacts, and referrals to supportive services
- Assisting with the completion of the MontanaWorks system registration, resume, job applications and other documents as needed
- Providing assistance with obtaining unemployment insurance benefits, information on the UI4U web site, and referrals to specific employment opportunities if MSFWs are unemployed
- Making referrals to supportive services which MSFWs and their family members may be eligible to receive
- Providing information regarding current and future employment opportunities which may be available; this includes posting job orders and informing MSFWs about available H-2A job orders

- Informing MSFWs of the full range of available services, including job training opportunities available through Job Service offices and the local community-based organizations
- Informing MSFWs about the Job Service complaint system and providing assistance with filing and processing complaints

In addition, information from WIOA Section 167 partners located in Job Service offices throughout the state is included to help MSFWs receive a comprehensive blend of core, intensive, and training services designed to place them into full-time, non-seasonal employment or upgraded agricultural employment. The outreach workers are also heavily engaged in the recruitment efforts of domestic workers to H-2A job vacancies. These activities include:

- Performing various recruitment activities, including outreach, to find and refer qualified domestic workers in order to fill H-2A job openings
- Encouraging agricultural employers to use the Agricultural Recruitment System for publishing job openings to fill their job openings locally and/or through the H-2A program, if necessary
- Conducting follow up contacts with domestic employees that were either referred to or applied to an H-2A job posting through the Job Service
- REO, as a partner in this effort, provides supportive services (gas and food) to qualifying H-2A workers

The data gathered by the outreach workers on the number of MSFWs contacted through outreach activities and by other agencies in the area are recorded and submitted to the Monitor Advocate in the central office. The Monitor Advocate works directly with the Job Service offices to ensure that these sites are in compliance with federal mandates and Montana Workforce Services Division policies and procedures. Montana continues to partner with Rural Employment Opportunities, Migrant Education and the local Migrant Councils to assist in overcoming barriers and in providing services to the MSFWs.

The required number of MSFW contacts by outreach staff per day, according Department of Labor guidelines, is a minimum of five contacts per eight hours worked. The outreach staff that are assigned to each Job Service office are not full-time outreach staff. Each of these staff members has several duties that must be met each day. Table 4 illustrates the goals for each local office where outreach workers are assigned.

Table 4
Program Year 2016 Goals by Local Office

Job Service Site	Contact Goal*	Hours
Region 1		
Libby	5	3
Kalispell	5	3
Polson	7	3
Thompson Falls	5	3
Missoula	5	3
Hamilton	5	3
Great Falls	7	3
Shelby	5	3
Cut Bank	5	3
Region 2		
Dillon	10	4
Butte	7	3
Anaconda	7	3
Helena	5	3
Bozeman	5	3
Livingston	5	3
Billings	10	4
Region 3		
Glasgow	10	4
Wolf Point	7	3
Sidney	10	4
Glendive	5	3
Miles City	5	3
Havre	7	3
Lewistown	5	3
Totals per monthly	147	73
Totals annually	1,764	876

*Goal is based on an average month, not an eight-hour day because outreach employees are not dedicated to outreach full-time.

Services Provided to Farmworkers and Agricultural Employers through One-Stop Centers

Services Provided to MSFWs Through the One-Stop System

Montana is required to make the services of the Job Service offices available to all job seekers, including MSFWs, in an equitable manner. Each Job Service office must offer the full range of employment services, benefits and protections; this includes the full range of employment counseling, testing, job training, and referral services to MSFWs just as they are provided to non-MSFWs. Therefore, the services available from Job Service offices, including all other DOL-funded WIOA services, must be available to MSFWs in a manner appropriate to their needs as job seekers.

The U.S. Department of Labor's Employment and Training Administration (ETA) requires that states ensure equity of services for MSFWs and non-MSFWs. Montana's Indicator of Compliance reports record all service outcomes tracked for regular job seekers, including MSFWs, such as receiving staff-assisted services, referrals to supportive services, referrals to jobs, career guidance, and job development contacts to ensure MSFWs continue to receive qualitatively equivalent and quantitatively proportionate services.

Services Provided to Agricultural Employers through the One-Stop System

The Montana Workforce Services Division recognizes the importance of the agricultural industry in Montana and has devoted resources to meet the labor needs of agricultural employers and MSFWs. Funding for agricultural services comes from Wagner-Peyser and Foreign Labor Certification funds granted to the state annually. Wagner-Peyser funds are given to Montana on a formula basis. The Foreign Labor Certification funds are provided by DOL/ETA to Montana to process foreign labor application requests, conduct housing inspections, conduct agricultural wage and prevailing practice surveys, and collect agricultural crop and labor information.

The Job Service offices provide customized services to employers on an individual and as needed basis. These services are in addition to the MontanaWorks system, the online system available universally and at each Job Service office. MontanaWorks is used for registering job seekers for employment services, posting job openings online as well as in the offices, tracking services provided to job seekers and employers, and tracking referrals made to job openings. Outreach workers also provide the following service to agricultural employers:

- Perform recruitment activities to find and refer qualified MSFWs to fill the labor needs of agricultural employers
- Encourage agricultural employers to publish their job openings using MontanaWorks to fill job openings
- Provide labor market information with such data as supply and demand, salaries, training requirements, new and emerging occupations and industry growth
- Provide Rapid Response services due to planned closure or mass layoffs

Additionally, REO provides employers with reimbursement of up to 75% of a participant's wages during a contracted work experience or OJT.

Review and Comment by Key Stakeholders

Workload requirements are such that the State Monitor Advocate also serves as the State Workforce Advocate. This person oversees the agricultural operations of Job Service offices to ensure that MSFWs receive equal employment services in both quality and quantity as compared to employment services provided to non-MSFWs. Thus, the Monitor Advocate employee works as both a monitor and an advocate for the MSFWs.

In the role as advocate, the Monitor Advocate promotes the needs and concerns of MSFWs to Workforce Services Division leadership. Additionally, the Monitor Advocate reviews and comments on directives and policy changes that affect the MSFWs. **The Workforce Services Division has duly afforded the Monitor Advocate with the opportunity to comment on the Agricultural Outreach Plan as required by Title 20 CFR part 653.111 (h).**

This Agricultural Outreach Plan has been shared with the NFJP grantee, Rural Employment Opportunities (REO) for which they have had the opportunity to comment. This plan has also been provided to the State Workforce Innovation Board for public comment. Following public comment, the AOP, comments received and responses to the comments will be provided to the Montana State Workforce Innovation Board for approval.

Data Assessment

Montana has consistently met five of the five equity ratio indicators during PY 2013-2014 and has been making steady improvement in meeting the minimum service level indicators from three of the seven to currently meeting five of the seven service level indicators. To ensure that all equity indicators will be met going forward, the Monitor Advocate has begun conducting annual programmatic reviews of all Job Service offices. After reviewing program performance data, the Monitor Advocate will contact the office manager to discuss findings and offer initial recommendations and appropriate technical assistance. If the Monitor Advocate identifies a finding, a Corrective Action Plan is requested and the Monitor Advocate follows up with each Job Service site to ensure that the Corrective Action Plan is being implemented appropriately and is brought into full compliance.

The Wagner-Peyser program assurances are included in Appendix B.

VII. Adult Education and Literacy Programs

A. Aligning of Content Standards

The Montana State Office of Public Instruction (OPI) Common Core Standards (CCR) were adopted on November 4, 2011, with Montana being the last of 46 states to adopt these standards for K-12 education. These standards ensure that secondary students graduate prepared for college and the workforce, as they reflect the knowledge and skills that students need to be successful in the 21st century economy such as problem-solving, critical thinking, communication, teamwork, research and use of technology.

In February 2015, the Adult Education (AE) unit at the OPI adopted the *College and Career Readiness Standards for Adult Education*. These standards have identified the essential CCR standards that need to be incorporated into the adult education classroom. By adopting these standards, the Montana AE programs will have student expectations that are consistent with K-12 students. Additionally, AE programs will have access to K-12 tools and materials that support student learning.

The adoption of the *College and Career Readiness Standards* will drive adult education professional development, acquisition of textbook and technology-based resources, and selection of formative and summative assessments. Aligning adult education standards with the OPI CCR provides all adult students with the same academic opportunity to be prepared for employment or postsecondary training without remediation. Eligible providers will work with the state to identify curricular framework for the standards that take into account academic requirements for non-credit bearing courses in postsecondary and occupational standards. The eligible provider will ensure that all teachers have implemented, or will implement standards-based education, and agree to participate in ongoing professional development that supports standards-based education.

B. Local Activities

The Montana ABE will use the 13 considerations listed under “Required Local Activities” to fund each eligible provider in establishing and operating programs that provide AE and literacy activities. The Request for Proposals (RFP) will include the considerations and ask for respondents to summarize how they meet the described elements. Readers will be given a rubric and scoring guide that includes these considerations. Funding will be determined using a performance-based formula.

The state will fund local providers that can provide services to adults 16 years and older, not enrolled in secondary school, to include adult education and literacy services, peer tutoring, career pathways, and concurrent enrollment. Local providers will be selected with several criteria:

1. Scope: Programs must be able to provide data demonstrating they have met previously proposed state targets for the required percent of students making a measureable academic gain. For programs not previously funded, data demonstrating

student learning gain, especially for individuals with low-levels of literacy, will need to be provided. Programs will also need to make available data that demonstrate they have provided students the knowledge and skills needed for successful transition to postsecondary education or employment. Both measureable skill gain data and transition data must be disaggregated to demonstrate a history of success with students who have low levels of literacy, disabilities (including learning disabilities), or are English language learners.

Eligible providers will need to clearly articulate how their instructional delivery model will be aligned to the needs of one-stop, postsecondary, and employer partners. This alignment at a minimum must include the ability to offer flexible scheduling so that adult education services coordinate with the students' wrap-around support services and logistic needs. The delivery model must be of sufficient intensity and duration so that the students' will exit with the necessary skills to attain their career goal. Existing providers will base intensity and duration of service on demonstrated past effectiveness (student skill gain and transition outcomes) and the latest research on the effectiveness of time and intensity.

It will be critical for each program to validate their commitment to an instructional delivery model that can support high school equivalency attainment, as well as preparation for entrance into postsecondary, a training program, or employment for adults with, or without, a high school diploma. This support must lead to preparation for a career pathway for all students, including the low-skilled and under employed, in need of increasing their knowledge and skills for the next career step.

All eligible providers will assess the need for providing an English language acquisition and civics education program in their area, and provide services when there is a demonstrated need.

2. Content: Eligible providers will verify that adult education activities are conducted by licensed (or having relevant adult education experience) teachers, counselors, or administrators, and confirm that all staff will participate in high quality professional development offered by the state AE unit. Professional development activities will include face-to-face and electronic means, so all staff will be able to participate in a variety of delivery venues.

Providers will ensure that they will make available curriculum that supports high school equivalency attainment, measureable skill gains, and career pathways. Instruction in all content areas (reading, writing, speaking, mathematics, and English language acquisition) will be delivered by staff who are knowledgeable of the essential components of reading instruction, or who will participate in State leadership activities focused on the essential components of reading. Providers must use scientific, effective research-based instructional delivery models for students in all content areas. Providers will articulate how distance learning, and other modes of technology, will be integrated into instruction to support digital literacy attainment and meet students' specific learning needs.

The overarching goal of instruction for all students will be a successful transition to employment, postsecondary, or training according to their chosen career pathway. This will require instruction be contextualized, and student pathways guided by labor market needs and data from collaborative partnerships (education, one-stop partners, and employer). Providers will submit an annual Work Plan documenting all partnership activities that support student career pathways.

The array of program activities that support the individual students' career pathway must be based on each student's career portfolio. Eligible providers will describe how they will assist all students in setting up their career pathway portfolio through a series of lessons in the Montana Career Information System (MCIS)/PEP Talk. Providers will detail how teachers will be assisting students in aligning their skills and interests with a career choice and helping them to create long-and-short term goals to enter their career pathway. Each program will share their protocol for linking student career pathways to academic lessons that are relevant and supportive of students' career goal. Providers will confirm that they are continually developing curriculum and providing learning activities that are contextualized, so students acquire the 21st century knowledge and skills needed for transition to their individual career pathway. Providers will apprise the state of the key partners who are involved in the development of the contextualized curriculum. Eligible providers will also articulate how they plan to share student career portfolios with other agencies and support services.

Providers will ensure that the teaching staff offer a variety of instructional strategies that engage students and promote student persistence and retention; this should include whole group instruction, peer tutoring, and individualized instruction along with distance learning. The variety of instructional strategies will integrate academics, career counseling, and soft skills to bolster the students' ability to gain employment, go to college, or enter a training program that could include an apprenticeship.

3. Organization: Providers must make available documented evidence that they have the capacity to support the high quality data information system necessary to report measureable participant outcomes and monitor program performance. The system must collect all data elements that will be required for the WIOA Annual Statewide Performance Report. Primary indicators of performance that will be reported include: participants in unsubsidized employment during the second quarter after exit, participants in unsubsidized employment during the fourth quarter after exit, median earnings from unsubsidized employment the second quarter after exit, the percentage of students who obtain a postsecondary credential or a high school equivalency diploma, the percentage of students who participate in an education or training program, and percent achieving a measureable skill gain.

Providers must provide evidence of activities with other education institutions, local workforce partners, and agencies that support student career pathways. The MCIS/PEP Talk will be the common career planner used in adult education programs

in order to share student career pathway information across agencies. The common career planning tool will be a resource in every AE program.

Beyond assisting students for attainment of a measureable skill gain, achieving a high school equivalency or postsecondary credential, or entering a career pathway, eligible providers must demonstrate that they have established cross-agency partnerships to help students navigate system challenges (completing applications, writing resumes, scheduling campus visits, etc.) that can be barriers to success. Providers must be willing to cooperate with agency partners to provide the wrap-around services common clients will require.

Through ongoing labor market analysis all providers will have an awareness of regional labor market needs to provide teachers with a working knowledge of regional career opportunities. Providers must be able to disclose their methodology for ensuring that employer and labor market needs are helping drive their instructional practice.

Allocations for providers will be awarded by a funding formula that recognizes the components of an effective AE program (WIOA Statewide Performance Report). Effective programs will be those that deliver instructional activities that support student transition to specific occupations or career clusters. Cost per student will be a consideration in awarding eligible providers; eligible providers will provide documentation of cost per student to demonstrate program effectiveness. Grant award preference will be given to providers that can demonstrate that instructional services will be delivered cost effectively to a reasonable number of students, and that they can make themselves readily available to core partners for necessary core-partner wrap around services. Consortium applications are encouraged to assist providers in meeting the cost benefit expectations and core partner collaboration.

C. Corrections Education and other Education of Institutionalized Individuals

Each eligible agency using funds provided under Programs for Corrections Education and Other Institutionalized Individuals to carry out a program for criminal offenders within a correctional institution must give priority to serving individuals who are likely to leave the correctional institution within five years of participation in the program.

The state will award allocations to correctional institutions (prisons, jails, reformatories, work farms, detention centers, halfway houses, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders). Providers will demonstrate their ability to provide adult education that includes career pathway curriculum, integrated education and training (if available), peer tutoring, and transition initiatives that may lead to reduced recidivism. The state will give priority to providers who will be serving individuals who will be likely to leave the correctional facility within five years of participation in the program. Providers will confirm their ability to support individual

participant's career plans through curriculum and activities that assist in not only an achieving an academic measurable gain, but transition to employment or postsecondary or training after exit.

Eligible providers must provide documentation on their capacity to support high school equivalency attainment and career pathways. Eligible providers will report on the WIOA primary performance indicators the same as all other AE provider. Additionally, they must report their progress in carrying out their identified program activities to support career pathways, as well as provide data on the rate of recidivism for offenders served.

D. Integrated English Literacy and Civics Education Program

The state will operate English Literacy and Civics programs as separate ELA classrooms, or integrated AE/ELA classrooms, and serve all students in need of English language acquisition and civics education through eligible AE providers. As with AE students, the focus will be to provide the ELA students with the knowledge and skills needed for entry into the workforce, postsecondary, or a training program. All AE providers will have the opportunity to serve ELA students. The eligible providers serving ELA students will be awarded ELA funds to prepare adults who are English language learners for unsubsidized employment that leads to economic self-sufficiency. Providers will demonstrate a commitment to integrating local workforce needs into ELA classroom curriculum.

The Montana ELA student population, reportable and non-reportable, was 140 students in program year 2015. Over five years, the number of ELA students in the State has not exceeded 161 students. Given the small ELA population, these students can best be served in funded AE programs. AE programs serving ELA students will receive English Literacy and Civics Education funding for these students by applying the state AE funding formula to EL/Civics funds. The remainder of the English Literacy and Civics Education funds will be distributed to local programs according to their plans for increasing and supporting ELA students Integrated Literacy and Civics Education and workforce activities.

The state will also use EL/Civics funds to establish and operate high quality professional development to improve instruction and disseminate information about models of promising ELA practices related to such programs.

Because of Montana's rural demographics and restricted budget, integrated education and training in the purist sense is not realistic. A rural approach to integrated education and training in conjunction with English Literacy and Civics Education is required. Programs serving a very small number of ELA students with varied abilities, career interests, and educational backgrounds, with little opportunity for integrated education and training, will work with the local workforce system to integrate workforce preparation into their existing English literacy and civics program. Eligible providers serving ELA students will be required to include career

pathway instruction into their English Language Literacy and Civics Program. The career pathway activities must be tailored for the student's functioning level and meet regional workforce needs. ELA workplace curriculum must include student career planning within the MCIS/PEP Talk and all necessary activities that support student transition to employment, postsecondary, or training. ELA students will have the opportunity to be part of a career pathway, which includes at lower levels, career-infused components such as contextualizing instruction around high demand job clusters in the area and integration of work readiness skills, career awareness, and career planning.

Preparing students for career pathways is a requirement for all AE programs; this necessitates program staff to have a working knowledge of regional labor market needs and partnerships with employers and workforce partners. AE staff will apply this awareness of preparing students for the labor market to ELA students served. ELA students will have the same opportunities as AE students to be prepared and placed in unsubsidized employment in demand occupations that lead to economic self-sufficiency. Serving our ELA student population in AE programs will sustain the commitment to exiting ELA students with a career pathway as described in Section 243 of WIOA. MT English Literacy and Civics Education providers can integrate career pathways individually and provide adult ELA students career opportunities that link them to viable, attainable employment or volunteer opportunities in their region. Four English Literacy and Civics Education programs piloted integrating workforce preparation into their existing EL/Civics classes in the PY of 2015. Through monthly Skype meetings the instructors discussed workforce activities that were taught in combination with ELA lessons. Activities included student exploration of the MCIS/PEP Talk student occupation projects, class trips to the job service, participation in skill and ability videos, and student generated Occupation Power Points. The teachers focused on 21st century skills needed for both college and career readiness. The lessons and activities from this project will be the model for English Language Literacy and Civics under WIOA.

The teachers in the state ELA pilot pathways project have demonstrated that instruction in literacy, English language acquisition, civics participation, and workforce training can be delivered by an eligible ABE provider. Over half of the MT ELA students enrolled in pilot project had an employment goal; the ELA programs effectively assisted them in workforce preparation. Since, MT ELA numbers have remained very small (less than 161 students) over the past five years, it is reasonable to expect all programs with ELA students implement workforce preparation as described, and understand that ELA students will be held to exit outcomes similar to the ABE students.

It would be difficult to implement any large scale education and training programs, but preparing students for employment in coordination with the local workforce system is achievable. Within the confines of rural MT, eligible providers can provide contextualized learning and career pathways that will prepare the ELL for transition

to postsecondary, training, or employment and the ability to exercise the rights and responsibilities of citizenship.

E. State Leadership

State leadership funds will support the alignment of AE activities with those of other core partners to promote career pathways that will provide student access to employment and training services. The state will ensure eligible providers' integration of pathway instruction through a variety of funded activities. First, the state will collaborate with core partners to provide regional and statewide conferences and trainings. The State AE Unit has already supported a 2015 WIOA Summer Kickoff that brought over 300 staff members from all the core partner agencies together to begin the discussion on how we can coordinate services to support a client's development of a career pathway and expedite his/her transition to employment or training services.

Braiding funds with other core partners for conferences and trainings focused on supporting career pathways will be the manner in which leadership dollars will align with the work of our core partners. This collaboration across core partner agencies will evolve to meet the needs of WIOA implementation and sustainability. Secondly, the state will support the eligible providers' ability to integrate and sustain career pathways in their instructional practice. Funds will be available to support regional meetings with workforce and one-stop partners to help AE programs identify the components of job-driven training that needs to be incorporated into their curriculum. Regional professional development will make use of leadership dollars to assist programs in learning how to become responsive to local labor market demands. Thirdly, the state will use funds to develop templates and identify resources that support a systemic approach to career pathways; technical assistance will be made available for providers on the use of state developed resources that will inform their pathway implementation.

State leadership funds will establish high quality professional development to improve instruction in the essential components of reading instruction related to the specific needs of adult learners. Leadership activities in the components of reading will be used to create the foundation for adults to develop the skills for reading from complex text in postsecondary education and employment. Instruction in the essential components of reading will be made available to all programs through various venues depending needs of the individual program staff. Student information system data will be used to determine instructional needs in reading. The state will contract with reading experts to bring job-embedded professional development. Teachers will be required to participate in reading professional development that blends face-to-face and technology.

The state will also contract for services with individuals to bring research-based activities that support adult learners in other content areas and workforce learning activities. Program data will inform the state on promising instructional practices and

effective instructional strategies. The state will use this information to disseminate information about models and promising practices related to the needs of adult learners. In programs where students readily make gains in reading, the state will support staff in the development of teacher lessons, resource links, and fund preparation for trainings to assist colleagues in successful reading instruction. The state will carefully monitor student data to see patterns on student transition to postsecondary, employment, and credential attainment. Programs having data that shows successful student exit trends will be provided with funds for to prepare workshops and regional trainings to share instructional strategies and activities that are positively impacting student outcomes.

The state recognizes the importance of students' acquiring 21st century work place skills, so the state will provide technical assistance to eligible providers on an as needed basis. Technical assistance will be available for instructional improvement in reading, writing, mathematics, English language acquisition, speaking, as well as distance learning. Technical assistance will be offered in two ways: training with staff from other eligible providers who have demonstrated effectiveness or independent contractors. In either case, the individual contractor will be selected based on their ability to provided rigorous, research-based content that will promote program improvement.

Working with one-stop partners to provide student access to education and training services will be a priority. Technical assistance may also be available for programs in the use of technology, including digital technology and technology for system efficiencies.

The state will require each program to conduct monthly audits to evaluate students' pre-posttest gains, retention, pathway activities, and student exit outcomes. The state will use the monthly audits to evaluate program effectiveness. As documented evidence indicates a programs' ability to meet the learner needs, the state will conduct further investigation to determine what unique factors are contributing to the programs' continued success. If there emerges a model that can be replicated by other programs the state will use leadership funds to disseminate information about the specific model that appears to be a promising practice.

The state will also conduct regularly scheduled on site monitoring to gather additional information about the eligible providers' successes in equipping students with skills needed for seamlessly transitioning from AE to employment, postsecondary, or training. A monitoring tool will be used to guide the onsite monitoring; an onsite monitor will review student files, data entry protocol, and overall adherence to WIOA requirements. The onsite monitor will also conduct student and staff interviews using a template designed to capture the providers' alignment with core partners and implementation of career pathways. The desk audit coupled with results from the onsite monitoring will be used to evaluate the quality and improvement of adult education and literacy activities across the programs. They will also be a source for the state to glean and disseminate information about models and promising practices.

The state will use leadership funds to disseminate information about programs who are implementing innovative practices that were not readily captured in the monthly desk audit.

Desk audits and onsite monitoring results will also be used to identify priorities for funding permissible activities. Combined these two activities will provide the state information on the eligible provider's implementation of the state-adopted content standards, teacher quality, and the systemic approach to student transition. These will be the high priorities for permissible funds if program analysis indicates providers are facing challenges.

All AE staff will be required to participate in a minimum number of hours of professional development annually that is provided MT AE Unit at the Office of Public Instruction. The state will provide continuing education units for teachers that will be tracked in the state student information system.

The state will work in collaboration with core partners to develop strategies for student retention and to provide assistance to eligible providers in developing and implementing the objectives of Title II of WIOA, as learner education gains and enhancement of employability skills will increase the success of clients across all core programs. This collaboration may require use of permissible funds.

F. Assessing Quality

The state will assess the quality of providers through data analysis. The state will review data to track providers' success in meeting state targets in the following areas: learning gains, entry into employment in required quarters, obtaining a secondary credential and enrollment into postsecondary or training, obtaining a secondary credential and gaining employment, or gaining a postsecondary credential. Monthly desk audits will provide the state with information on which providers are challenged in meeting targets and in need of technical assistance beyond the state leadership activities that are provided. Technical assistance will be targeted to the area of need; it will be individualized and focused.

At the end of a program year, providers not meeting targets will be required to participate in a state-determined technical assistance project that will continue throughout the next program year. If a program remains in a technical assistance plan for two years, they may be in jeopardy of not receiving AEFLA funds during subsequent years. When funds are not awarded to an existing provider, the state will run an RFP for a new eligible provider in the area, if there is no other ABE provider in the region.

Programs increasing student academic gains and outcomes cannot decrease in subsequent program years. Targets must be met or exceeded each year.

Allocations to eligible providers will be awarded according to the State performance-based funding formula. Points will be awarded for performance outcomes; programs not meeting outcomes will receive reductions in their allocation.

Adult Education and Literacy Program Assurances are included in Appendix B.

VIII. Vocational Rehabilitation

Mission

Our mission is real jobs with real wages. We maximize the potential for Montanans with disabilities to prepare for, obtain, retain, and advance in the same high-quality jobs and high demand careers as persons without disabilities. We deliver employment services consistent with an individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

Vision

Youth and adults with disabilities face many barriers to employment. Vocational Rehabilitation and Blind Services eliminates employment barriers through the belief that disability is natural, that society should maintain high expectations for people with disabilities, and that our services change lives. Our services build upon the civil rights of citizens with disabilities. Informed choice and the priority to serve those with the most significant disabilities drive everything we do. Our staff members are guiders, not deciders. The locus of control rests with the individual with a disability.

The bulk of our service centers on getting people with disabilities to believe in themselves and to set vocational goals and plans consistent with basic civil and human rights. We refrain from paternalistic practices and medical modeled services in which professionals dictate services. Our services insist on the rights and responsibilities of each participant. The people we serve have skin in the game, doing for themselves the things they can do for themselves. Our participants take personal responsibility to maximize their career dreams. Moreover, Vocational Rehabilitation and Blind Services champions competitive integrated employment, that is, real jobs in the community for real pay of livable wages.

In addition, Vocational Rehabilitation and Blind Services cultivates many partnerships including those with Community Rehabilitation Programs, Centers for Independent Living, tribal vocational rehabilitation programs, high schools, colleges, and workforce development programs. Our primary partner is the State Rehabilitation Council. And last but not least, Vocational Rehabilitation and Blind Services serves employers and Montana's business community. We apply the latest labor and management information along with business objectives to inform people with disabilities so that they can make choices based on job-driven information. Workers with disabilities contribute a great deal to Montana's workforce, and Vocational Rehabilitation and Blind Services enthusiastically supports business as one of our primary customers.

A. Input of State Rehabilitation Council

On September 11, 2015 the Montana State Rehabilitation Council provided the following input for the Federal Fiscal Year 2017 vocational rehabilitation portion of the Montana Combined State Plan. Responses to the input have been developed and were finalized at the December 9, 2015 VRBS leadership meeting. The following responses will be provided to the VRC prior to their scheduled March 3, 2016 meeting:

➤ **INTERNAL CONTINUOUS IMPROVEMENT**

SRC INPUT: Review VRBS quality assurance procedures. The procedures should focus on measuring results.

VRBS RESPONSE:

In the following response, it is reported that VRBS has initiated reorganization of supervision and state office responsibilities. Part of the reorganization will involve VRBS quality assurance procedures.

Currently, performance measures based on measurable data form the basis of most of the quality assurance practices. The agency will continue to assess additional ways to use the available data to measure agency effectiveness.

SRC INPUT: Reduce staff overload. Review staffing to see if assignments can be adjusted to be more efficient. While adding new staff does not seem to be an option in the near future. Perhaps there should be a review of potential staffing needs, which would allow the agency to act should the opportunity for new staff positions arise. Review the potential for temporary services options in staff overload areas.

VRBS RESPONSE: VRBS is in the process of doing a reorganization that is restructuring VRBS supervision and state office responsibilities. The reorganization eliminates a layer of supervision and spreads state office responsibilities to positions that can be located in any VRBS office in the state. VRBS is also reviewing caseloads across the state and is considering restructuring the territory responsibilities of various counselors in order to equalize caseload distribution.

It must be noted that the use of temporary services throughout state government is being restricted in response to the provisions in the Affordable Care Act.

Also, VRBS is establishing a Labor Management Council (LMC). The LMC will consist of an equal number of union and management members. The union will choose its members, and management will choose its members. The LMC will discuss anything members wish to bring to the table and make recommendations to the program. Members solicit input from all VRBS staff with the union representing that part of VRBS and management representing leadership. Staff overload is a potential discussion topic for the LMC. LMC meetings will occur quarterly.

Also, VRBS is in order of selection and recently closed category 3. Closure of category 3 was primarily related to the impact of the funding reserve for pre-employment transition services; another factor was the high caseloads of VRBS counselors. Order of selection is related to lack of resources. Staff resources are taken into account as well as financial resources. VRBS is doing a review of caseload size. If the review deems it necessary, category 2 may be closed.

SRC INPUT: Make the problems related to the new case management system, Montana Accounting and Case System (MACS), a short term emergency priority and develop an action plan to alleviate impact on staff as much as possible.

VRBS RESPONSE: The MACS case management system proved to be defective in many ways after it was activated. While a great deal of testing was done with the system prior to implementation, significant issues went unidentified until the system went live.

The utilization of an alternative to MACS is not possible. Information Technology (IT) projects require approval by the legislature and governor. The earliest that such action could occur would be during the 2017 legislature. By that time, MACS will be functioning much better than it is now.

In addition, there are issues related to MACS interacting with the supports and systems that are part of the overall department and state IT infrastructure. These parallel issues make it more difficult to determine the exact root of problems. It is likely any other system would have similar issues adjusting to the capabilities of the existing IT.

MicroPact is the company that built MACS and continues to support MACS. Marvalee Christoferson leads the coordination with MicroPact to identify and correct problems with MACS. Marvalee has developed a team that assists with testing new builds of MACS. Also, Marvalee has significant experience working with DPHHS staff involved with the existing IT infrastructure. Marvalee's background and dedication have been critical in the coordination of the efforts to correct problems with MACS and working with issues related to the current IT infrastructure.

While dealing with MACs is a priority, VRBS is dealing with multiple high priorities at this time. WIOA presents many changes and multiple deadlines that demand staff attention. As mentioned in the previous set of comments, VRBS has also initiated measures to reduce staff overload. These efforts should assist with the tension of multiple priorities the agency faces, but will take time to implement.

Most importantly, MACS is functioning and critical operations are being carried out despite the problems. Staff dedication to carrying on despite the difficulties is commendable. Improvements are being implemented. Work-arounds are also being developed and distributed to staff. VRBS believes that MACS will get better, and staff are working hard to realize this faith in the system.

➤ **PROVIDE 21st CENTURY QUALITY SERVICE**

SRC INPUT: Make sure consumers can financially benefit from going to work. Assist consumers in understanding the ramifications that working has on their various benefits in order for them to make an informed choice on whether to work and how much to work.

VRBS RESPONSE: VRBS has for many years emphasized referring consumers who are beneficiaries of Social Security to obtain benefits planning. The purpose of these referrals is to review the impact of work and wages on the benefits that the consumer receives. Benefits planning services look at the impact of work and wages on all benefits and not just Social Security benefits. The use of benefits planning has proved very helpful and will be continued.

If a person is not a Social Security beneficiary, counselors try to help the consumer to understand the impact of wages on their benefits. In many cases this involves referring the consumer to discuss the potential for work with the agency providing the benefits. It is very difficult for counselors to be aware of the regulations of all benefits packages, but they can counsel the consumer to get the information they need to make an informed choice.

SRC INPUT: Improve the VRBS image in electronic media. Consider quick reference codes and hash tags. Consider developing an app and utilizing social media networks. The agency should contract with someone with significant web development and social media experience to assist with the update.

VRBS RESPONSE: Part of the agency reorganization is expected to enhance the state office's efforts in the field of public relations. Therefore, it is expected the agency will be reviewing areas mentioned and have an increased emphasis in the area of public relations in the future.

It should be noted that DPHHS needs to be very concerned about the vulnerability to cyber -attacks. The protection of confidential information within the Department's electronic data infrastructure is a high priority. Due to these concerns, there are limitations on the amount and type of multi-media methods that VRBS is able to implement.

One idea that VRBS is considering is a scan bar on business cards. VRBS is interested in utilizing the developing opportunities that electronic media present and will explore the possibilities as they arise.

VRBS is currently engaged with a study through the University of Montana Rural Institute that involves teaching counselors and instructors on how to teach consumers to use social media for employment.

SRC INPUT: WIOA is a significant change in direction for VR nationally. VRBS needs to develop a clear set of statements on VRBS's plans related to the primary changes. The

messages developed need to be used consistently in communication with the public and stakeholders. The messages should be made available on the agency website.

VRBS RESPONSE: VRBS recently completed four town hall style meetings around the state. As an introduction at each meeting VRBS's Administrator, Jim Marks, presented the primary components of WIOA as they are currently understood. In addition, the activities that VRBS is implementing to cover some aspects of the changes related to WIOA are described in the introduction. It was also noted that the final regulations have not been released and in some areas VRBS is waiting for further clarification before proceeding with developing new procedures. The introductory remarks have received several compliments indicating that it does help to clarify the impact of WIOA.

A VRBS statewide training is planned once final regulations have been received and there has been adequate time for review of the regulations. The training will provide guidance to staff related to VRBS's plans for implementing the regulations.

There is a possibility that VRBS will again do town hall meetings next year related to the new regulations to help the public and stakeholders to understand and provide input on implementing the regulations.

➤ **NETWORK WITH OTHER AGENCIES & EMPLOYERS**

SRC INPUT: If VRBS again closes categories of service due to Order of Selection, consumers should be given as much direction as possible on what other agencies may be able to assist them.

VRBS RESPONSE: Consumers determined to be in a closed category during order of selection are given a list of alternative resources for services specific to the region they live in.

Also, WIOA mandates partnership with many other agencies involved with the workforce service system. The relationships built through this stronger partnership are expected to provide new opportunities for consumers in closed categories during order of selection.

SRC Input: VRBS should partner more with education.

VRBS RESPONSE: VRBS is more involved with educational programs in Montana than ever.

- VRBS is in the process of completing multiple contracts with educational programs to provide pre-employment transitions services.
- VRBS is providing financial assistance to schools to provide group services to students with disabilities. VRBS was previously only concerned with individualized services in schools.
- For the services to groups, VRBS has expanded eligibility to students with a disability who may be eligible for regular VRBS services. This greatly increases the number of students VRBS works with in each school.

- VRBS is now developing relationships with school district personnel in addition to the traditional relationships with local high school personnel.
- The Adopt-the School model implemented in recent years has greatly increased the presence of VRBS counselors in the local schools
- In some cases, VRBS counselors teach lessons on such things as being prepared for work.

SRC Input: Complete a brochure targeting employers in order to make them aware of employer services available to them through VRBS.

VRBS RESPONSE: VRBS intends to complete such a brochure. However, with WIOA mandating that state VR agencies develop services specifically for employers, it would be premature to develop such a brochure at this time. VRBS needs to complete the process of determining the services and delivery procedures for the new requirements in WIOA prior to developing such a brochure. VRBS also plans to develop a website for employers in addition to a brochure.

As mentioned, VRBS must begin to look at employers as a primary customer. VRBS plans an approach that will:

- Gather information from employers to be used to enhance services to consumers.
- Provide services to help employers see that Montanans with disabilities are solutions for their business needs, and VRBS is a portal for accessing highly qualified individuals to meet their needs.
- In addition, VRBS will work with our service partners to end portraying the hiring of persons with disabilities as a philanthropic or charitable activity.

The reorganization mentioned previously will include a section chief that will form a statewide team that will focus on various projects to implement the activities described above. Also, additional activities will be developed that support the view that supporting employers in the understanding of Montanans with disabilities supports VRBS traditional services, and accessing information on the needs of businesses also enhances traditional services.

B. Request for Waiver of Statewideness

VRBS is *not* requesting a waiver of statewideness.

C. Cooperative Agreements with Agencies Not Carrying Out Activities under the Statewide Workforce Development System

Cooperation, collaboration, and coordination with agencies not in the statewide workforce investment system are usually expressed through cooperative agreements or a memorandum of understanding (MOU). Vocational Rehabilitation and Blind Services (VRBS) presently has agreements with the following entities:

- Section 121 Vocational Rehabilitation Projects located in Montana

- Mental Health
- Developmental Disabilities (currently expired, but under negotiation)
- Montana Small Business Development Centers (SBDC)
- The Randolph-Sheppard/Business Enterprise Program
- Public Transportation Programs
- Social Security
- MonTECH (the State Assistive Technology Program)
- Non-educational agencies serving out-of-school youth

Section 121 Vocational Rehabilitation Projects

VRBS presently has cooperative agreements with all of the six Section 121 projects (Flathead Reservation, Fort Belknap Reservation, Fort Peck Reservation, Rocky Boy's Reservation, Northern Cheyenne Reservation and the Blackfeet Reservation) located in Montana. The purpose of these agreements is to establish procedures to assure continued coordination between the 121 projects and VRBS. These agreements are implemented for the sole purpose of enhancing, to the greatest extent possible, the delivery of rehabilitation services to persons with disabilities living in the state of Montana and residing on or near the six reservations that currently have a tribal vocational rehabilitation project.

Mental Health

This cooperative agreement has provisions that include:

1. To make available the required supported employment/follow-along services from community rehabilitation programs (CRPs) that are certified mental health providers. Follow-along services may be provided through community based psychiatric rehabilitation and support, and through case management services.
2. To serve persons identified as eligible for mental health service under Medicaid or the Mental Health Service Plan.
3. To strengthen supported employment services to Montana citizens eligible for vocational rehabilitation's supported employment services and for community mental health services funded by the Addictive and Mental Disorders Division.
4. To provide cross-training and technical assistance between our agencies.
5. To establish and evaluate annual goals for our interagency work towards coordinated vocational and support services.

Developmental Disabilities Program (DDP)

This cooperative agreement has provisions that include:

1. To strengthen supported employment services to Montana citizens eligible for vocational rehabilitation's supported employment services and who receive services through the developmental disability (DD) provider organizations.
2. To contract with DD provider organizations to provide supported employment work services through funds made available to them from the state general fund and Medicaid home and community waiver.

3. To make available the required supported employment, extended/follow along services from CRPs enrolled with VRBS. Long-term follow-along services are made available by DD provider organizations through a long-term sign off cooperative agreement with VRBS. This sign off is between the provider organization and VRBS. It is incumbent upon DD provider organizations to negotiate and secure any approving authority from the DDP. VRBS agrees DD provider organizations will provide copies of the long-term, follow-along sign off cooperative agreement documents to the DDP regional managers. The DDP provider organization's sign off commits the provider to making available this service, but does not commit funds. In terms of funding source and availability, the DDP Regional Manager provides the sign off that funds are available to provide the service.
4. For those residing in the Montana Developmental Center (MDC) who have been identified as being in need of vocational/supported employment services, those needs must be included in the community placement plan. The costs for long-term follow-along needs to be included in the resources allocated, and need to be made available to reimburse an enrolled provider for long-term follow-along services after discharge from MDC.

The current agreement with DDP has expired and due to turnover in the VRBS Field Chief position the development of an updated agreement has been delayed. Also, because WIOA has such an impact on this relationship the delay in final regulations related to WIOA has also been a factor delaying completion of a new agreement. It is anticipated that a new agreement will be developed in the next year.

Montana Small Business Development Centers (SBDCs)

The purpose of this agreement is to establish guidelines and procedures to be used by the Montana Small Business Development Centers (SBDC) and VRBS in coordinating the services of both programs on behalf of individuals with disabilities who desire to pursue the goal of self-employment. This agreement outlines each party's role and responsibilities, referral procedures, information exchange methods, forms used, and implementation, evaluation, amendments and termination procedures.

The Randolph-Sheppard/Business Enterprise Program (BEP)

The BEP program continues with three vendors. The program is at a point where it can consider starting one or two part-time routes if an interest is expressed by BLVS consumers to become a vendor.

Department of Agriculture

There is no Department of Agriculture project related to disabilities serving Montana at this time.

Public Transportation Programs

VRBS has MOUs with the public transportation programs in Great Falls and Billings, which are two of the larger cities in the state. The MOUs commit to procedures to assist VRBS's consumers to obtain documentation necessary to obtain transportation services at reduced fares.

State Use Contracting Programs Montana

State agencies may purchase supplies and services from sheltered workshops or work activity centers. Such purchases are exempt from competitive bidding laws and rules. The Montana Department of Administration maintains a list of certified sheltered workshops or work activity centers located in the state. The list includes the supplies and services provided by each sheltered workshop or work activity center. (Administrative Rules of Montana 2.5.607).

VRBS does not currently make purchases related to this agreement.

Social Security Administration

VRBS works with the Social Security Administration to collaborate on employment incentives and supports and maximize Social Security Administration/Vocational Rehabilitation (SSA/VR) reimbursement activity through the Ticket to Work Program.

State Program under section 4 of the Assistive Technology Act of 1998 (MonTECH)

VRBS has a contract with MonTECH to provide the required services of the Assistive Technology Act of 1998. Also, the two program cooperate through:

1. Having a VRBS representative on the MonTECH advisory board,
2. Providing funds to MonTECH to provide equipment to VRBS offices to allow consumers access to trying out common assistive technology across the state.
3. Training VRBS counselors in available assistive technology and how to access consumer evaluations related to assistive technology.
4. The MonTECH director recently resigned and VRBS will have a member on the search and selection committee for the new director.

Non-educational agencies serving out-of-school youth:

VRBS has contracts with the Montana Youth Leadership Forum (MYLF) and the Montana Youth Transitions Program. Both of these programs serve in-school and out-of-school youth.

MYLF provides a one-week intensive training for youth with disabilities in the area of:

1. Disability history and culture
2. Disability services such as vocational rehabilitation, independent living and social security benefits planning
3. Leadership Skills
4. Disability awareness and pride

The ultimate outcome of the program is that each youth has a personal plan for development and future plans to contribute to their community.

The Montana Youth Transitions Program is the comprehensive program for all information and coordination of services related to the transition of youth from high school to the adult world. The program has four major components:

- The Montana Youth Transition Website brings together all information related to transition activities and supports. The information is sorted into sections for:

- Youth
 - Parents
 - Service providers
- The Montana coordinator for the National Mentoring Day initiative that provides job shadowing activities for youth with disabilities throughout the state of Montana.
 - The yearly transition conference that has grown to be one of the largest human service conferences in Montana with over 200 participants at the most recent conference. The conference provides sectional tracts for youth, parents and teachers/service providers. The project provides scholarship assistance to attend the conference for youth and parents.
 - Coordination of five regional transition teams that provide a platform for the development of transition networks at the local level.

Cooperation in Training Activities:

VRBS routinely collaborates with other organizations to provide training opportunities for VRBS’ staff. The following is a list of collaborating organizations:

- University of Montana - Rural Institute on Disabilities
- Montana State University - Billings Montana Center for Inclusive Education
- Centers for Independent Living
- Brain Injury Association of Montana
- Client Assistance Program
- Disability Determination Services
- Rocky Mountain Rehab

D. Coordination with Education Officials

Office of Public Instruction: This cooperative agreement has provisions that include: Memorandum of Understanding (MOU) between Vocational Rehabilitation and Blind Services (VRBS) and the Office of Public Instruction (OPI).

Purpose: The purpose of this MOU is to enhance the working relationship between the above mentioned parties to provide more effective services to individuals with disabilities in compliance with the Individuals with Disabilities Education Act (IDEA), 20 U.S.C., 1485 and the Rehabilitation Act of 1973, 29 U.S.C. as amended. Within this agreement are strategies for the two agencies to work collaboratively in evaluating, serving and planning for students eligible for VRBS making the transition from school to adult education, integrated employment (including supported employment), continuing and adult education, independent living and community participation.

Joint Responsibility for Training: The OPI and VRBS shall jointly sponsor training for their respective staff members and Local Education Agency (LEA) personnel. The

training shall focus on requirements of federal and state law concerning education of individuals with disabilities, their transition from school to employment, vocational rehabilitation services, assistive technology, and the substance of this MOU.

Responsibilities of the OPI:

1. **Inform** - The OPI shall assist school districts to inform VRBS of students with disabilities who are on an IEP and may be in need of assistance through VRBS. The notice to VRBS shall occur no later than the first IEP at which transition services are considered in order for VRBS to participate in the future development of the student's IEP. For students enrolling closer to graduation or age 21, school districts are urged to inform VRBS as soon as those students are identified.
2. **Necessary Lead Time - Eligibility Determinations** – For the first IEP meeting following the initial notice to VRBS, the OPI shall encourage school districts to inform VRBS of the meeting in advance to allow sufficient time for VRBS to acquire the necessary diagnostic data to determine the student's eligibility. The notice to VRBS should include an invitation to the VRBS counselor to participate, from then on, in transition planning within the IEP process. VRBS participation in IEP meetings is subject to parental approval.
3. **Necessary Lead Time - IEP's** – For all IEP meetings subsequent to the first meeting, the OPI shall encourage school districts to schedule IEP meetings for eligible students with disabilities in a timely manner, and to include notice to VRBS and the invitation for the VRBS counselor to participate subject to parental approval. Development of vocational goals and objectives shall occur in collaboration with the IEP team.
4. **Notice to VRBS of Students with Disabilities not on an IEP** - The OPI shall assist local school districts with referrals of students with disabilities who do not receive special education services and related services and may be in need of services through VRBS. The notice to VRBS should occur at least one year before the student's anticipated graduation date.
5. **Technical Assistance** - The OPI shall provide technical assistance to local school districts concerning the provision of free, appropriate, public education, including the responsibility to provide assistive technology to assist with the education of students approaching transition to independent living and employment as appropriate.
6. **Monitoring Data for VRBS** -The OPI shall provide to VRBS the data it collects from school districts regarding the number of special education students they are serving. Data provided to VRBS will only be transferred if the release of the data is consistent with the requirements of the Family Education Rights and Privacy Act (FERPA).
7. **Related Services** - The OPI shall assist local school districts with coordination of vocationally related services with VRBS for eligible students. Coordination should commence in the early stages of transition. Vocationally-related service coordination

and corresponding agency responsibilities should be identified in the IEP and included on the student's IPE when appropriate.

Responsibilities of VRBS:

- 1. Consultation** - The VRBS counselor shall assist school districts in planning for the transition of students with disabilities from school to post school activities. The VRBS counselor shall act as a consultant for the school district. VRBS may provide consultation services to students and families only after VRBS takes an application from the student. When requested by the local school district, VRBS shall ensure that the VRBS' counselors/staff participate in the evaluation process of students who have applied for VRBS, and in the development of the IEP's for eligible students.
 - 2. Former Students** – VRBS shall encourage former students who are still eligible for IDEA services to enroll again in school for further study and training to enhance their opportunities for employment. Such former students shall also be eligible for VRBS customarily provided by VRBS to adults over the age of 21.
 - 3. Assistive Technology** - VRBS will provide assistive technology services relevant to functions outside those assistive technology services required to access the educational program.
 - 4. Related Services - (Vocational)** After the eligible individual exits the local school district, VRBS will continue to provide vocational services, i.e., vocational assessments, career exploration, job shadowing, vocational guidance and counseling and other required services as documented in the IPE.
 - 5. Transitions Coordinator** – VRBS' transition coordinator will coordinate with Montana OPI transitions specialists to develop and promote a seamless transition system. VRBS' transition coordinator oversees the implementation of VRBS' "Adopt a School" program. Adopt a School builds relationships between local schools and VRBS by establishing regular office hours at larger high schools for vocational rehabilitation counselors. These counselors connect students with disabilities to VRBS and establish collaborations with special education and 504 coordinators, teachers, school administration, parents, advocacy groups and others regarding the role of VRBS in the transition process. The VRBS' transition coordinator shall meet with staff and other interested parties in other school districts when invited to share best practices and facilitate communication between the parties. VRBS' staff will also be available to provide information on changes in the law or policy regarding transitions services.
- **Outreach** – VRBS assigns a vocational rehabilitation counselor to each high school in the state. Counselors shall inform student, families special and regular education teachers, school administrators, advocacy groups, and others about VRBS. Counselors will distribute both print and electronic materials that explain transition and rehabilitative services, and they will maintain monthly contact with local school authorities

OPI shall assist the local school districts with methods and procedures for outreach and identification of students and families who may benefit from VRBS. Assistance with the methods and procedures should include actions needed to engage those who are not aware of VRBS, including how the school districts identify and work with transition aged students who may be in alternative high schools, residential facilities, or are incarcerated.

- 7. Financial Responsibilities:** Montana is a local control state in which local school districts are financially responsible for the costs of services they are mandated to provide under the IDEA, and Section 504. OPI shall encourage and promote financial agreements between LEAs and VRBS.

Such agreements may be made on an individual basis and in consultation with all parties including students, their families, school officials, and vocational rehabilitation professionals.

If there is a dispute as to which entity is responsible for providing a necessary service, consultation will occur between the entities. Services or payments will be based on the rights of the student, availability of funds, and which agency is best positioned to provide the particular service at the time. Should the local school district and VRBS be unable to resolve the dispute after consultation with one another, the Dispute Resolution Procedure outlined in the Interagency Agreement between the Department of Public Health and Human Services and the OPI shall apply.

While not part of the MOU with the OPI, VRBS commits to the development and approval of an IPE before each eligible student able to be served under the order of selection leaves the school setting. Should Montana come out of order of selection, VRBS is committed to development and approval of an IPE before each student determined to be eligible for vocational rehabilitation services leaves the school setting.

It is anticipated that the MOU with OPI will be updated in the near future to reflect changing responsibilities relate to WIOA.

Local School Districts: In the last year, VRBS has initiated multiple contracts with local school districts to provide pre-employment transition services (Pre-ETS). School districts develop work plans on how they will provide the five required components of Pre-ETS and are reimbursed quarterly based on the number of students involved in Pre-ETS activities. The school districts are required to provide VRBS with the documentation of students participating in Pre-ETS.

MOU Office of the Commissioner of Higher Education (OCHE): The purpose of this MOU is to develop and adopt principles which will guide the planning and delivery of support services to individuals with disabilities who are mutual clients of Vocational Rehabilitation and Blind Services (VRBS) and students enrolled in the Montana University System (MUS). This MOU has provisions which include:

1. VRBS and the units of the MUS maintain different requirements for determination of eligibility, documentation of disability, and the provision of services or accommodations. This MOU does not require either VRBS or MUS to alter its policies for providing services or supports, and this MOU is not to be used as a basis for determining eligibility for VRBS or MUS services.
2. The units of the MUS through the guidance of the OCHE are required to provide services and accommodations to VRBS' clients to the same extent as they are provided to other students with disabilities, in accordance with Montana state law, the Americans with Disabilities Act of 1990 (PL 101-336) and Section 504 of the Rehabilitation Act (PL 93-112, as amended).
3. VRBS is not prohibited in this agreement from contracting with units of the MUS to provide services or support for VRBS' clients beyond those required to assure equal access to equal educational opportunities.
4. The MOU will provide both parties with the opportunity to enhance communication and the exchange of information regarding services offered by VRBS and the various campuses of the MUS.
5. VRBS and the units of the MUS will work together to enhance cross-referrals of individuals with disabilities, as appropriate to each individual's needs. Personal information about the individual will not be shared without an appropriate release of information.
6. The MUS will not require students who have a disability to apply for VRBS before providing services or support. For students who have applied for VRBS, the MUS will not deny or delay the provision of services or support while VRBS is in the process of determining eligibility for services.
7. VRBS are provided pursuant to an individualized plan for employment (IPE) which is developed jointly by the rehabilitation counselor and the eligible individual. In those situations where referral has been made to campus disability support services, the appropriate disability services staff may also be involved in helping to develop the IPE.
8. The VRBS' rehabilitation counselor and the MUS campus disability support services staff will respect the individual's right and responsibility to fully participate in all decisions regarding his or her vocational future. The IPE shall be developed and implemented in a manner that allows the individual an opportunity to exercise informed choice in selecting an employment outcome, the specific vocational rehabilitation services that are to be provided, the entity that will provide those services, and the methods that will be used to procure the vocational rehabilitation services.
9. VRBS' clients who attend a unit of the MUS may need reasonable accommodation, including auxiliary aids or services in order to have equal access to the programs and services offered at that particular institution.
10. The provision and cost of reasonable accommodations are the responsibility of the particular unit of the MUS. For individuals with disabilities who are mutual clients of VRBS and students at a unit of MUS, and are otherwise qualified for such aids or services, the funding source for auxiliary aids and services will be determined on an individual case-by-case basis.

11. Additional guidelines relative to interpreter services for eligible clients/students:

- The MUS unit will be responsible for procuring and paying interpreters. VRBS will reimburse for its share of the cost.
- The MUS unit will provide the appropriate VRBS/ office with an estimate of the number of hours and cost of interpreter services which will be billed to VRBS prior to the start of services.
- The VRBS' office must authorize payment for the interpreter services prior to the start of services.
- VRBS and the MUS unit will require full compliance with the Registry of interpreters for the Deaf (RID) Code of Professional Conduct.

In addition:

- Physical disabilities are included in the agreement to split evenly the cost of auxiliary aids and services.
- Pre-approval of any cost sharing agreements needs to be obtained prior to the start of the service.
- Documentation of services delivered must be provided to VRBS that meets or exceeds state auditing requirements.

E. Cooperative Agreements with Private Nonprofit Organizations

The designated state unit contracts with for-profit and non-profit providers of vocational rehabilitation services. Vocational Rehabilitation and Blind Services (VRBS) operates on a purchase-of-service basis. We have identified and enrolled rehabilitation providers who meet qualification standards established by the designated state unit. VRBS' staff communicates regularly with the providers regarding fee structures, services provided, and consumer satisfaction.

VRBS requires Community Rehabilitation Providers (CRP) to accept a set fee for service, but does not guarantee a minimum level of consumers to be referred. The contract used with CRPs follows the master contract developed by the Department of Public Health and Human Services (DPHHS) legal unit to cover liability and related issues. Services purchased by VRBS from CRPs are directly approved from the VRBS' counselors utilizing an authorization process. The amount of services purchased depends upon the amount and type of services needed by the consumer. Agencies eligible to receive authorizations must be enrolled vendors and must be current service providers of DPHHS; or have accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) or Rehabilitation Services Accreditation System (RSAS). In a limited number of cases, individuals with appropriate backgrounds are authorized to provide services in remote rural areas where a DPHHS, RSAS or CARF provider is not available.

VRBS has collaborated with the Developmental Disabilities Program (DDP) to develop a training program for direct line staff of CRPs that provide vocational services. The provider responsible to develop the training has been identified and in the upcoming year

an on-line training will be developed and available to all CRPs working with VRBS and/or the DDP. Satisfactory completion of the training will be mandatory for staff involved with vocational services for the two sponsoring agencies. There will be a test that can be taken to demonstrate competency related to the skills covered by the training. If the test is passed, then the person can opt out of the training.

F. Arrangements and Cooperative Agreements for the Provision of Supported Employment Services

Mental Health: VRBS has a negotiated cooperative agreement with the Addictive & Mental Disorders Division. The cooperative agreement provides guidance for: cross-training and technical assistance between our agencies, establishment and evaluation of annual goals for interagency work towards coordinated vocational and support services, and makes available the required supported employment/extended support/follow-along services from enrolled community rehabilitation programs (CRPs) and certified mental health providers.

Developmental Disabilities Program: VRBS has had a long and productive relationship with the Developmental Disabilities Program (DDP), and that program continues to sign off for long-term support services for many individuals with significant disabilities. As mentioned previously, the current cooperative agreement has expired and is currently in renegotiation to include issues related to implementation of WIOA. However, the agencies have continued to work under the conditions of the past agreement which include guidance for:

- Cross-training and technical assistance between our agencies to make available the required supported employment services.
- The short-term services to be provided through CRPs enrolled by VRBS.
- The long term follow-along services to be provided by DDP through developmental disability providers. DDP services are funded through the state general fund and the Medicaid home and community waiver.

Enrolled CRPs: VRBS works with a number of community based organizations across the state. Many are enrolled as extended support service providers to assure quality in service delivery for consumers. VRBS has enrolled programs in mental health services, developmental disabilities, as well as other disability organizations to provide these services at the local level.

Extended Employment Services: The extended employment service program is the state of Montana's long-term support services program available to individuals who cannot be funded through federal sources. The program provides sheltered, crew or community-based employment services. In many of the past legislatures there have been generous increases in funding recognizing the unmet needs for these services. However, the most recent legislature provided level funding. The extended employment services program is administered and managed by Rocky Mountain Rehab, p.c. (RMR) of Billings, Montana through a contract with the Department of Public Health and Human Services, Disability Employment and Transitions Division. In the last two years, VRBS and RMR have been

working to transition some of the extended employment's sheltered employment and crew resources to competitive integrated community placement supports. These efforts have been successful, but a larger shift in resources will be necessary to meet the needs of consumers for long-term supports in competitive integrated settings if level funding of the program continues.

G. Coordination with Employers

VRBS coordinates with employers through several avenues, including new initiatives that are in the planning stage, all of which are designed to enhance efforts to identify competitive integrated employment and career exploration opportunities in order to facilitate the provision of VR services and transition services, including pre-employment transition services.

These initiatives include:

- A VRBS website for businesses to use to learn about hiring individuals with disabilities, which will include a best practice guide regarding the areas a business should address to recruit and employ individuals with disabilities;
- VRBS is undergoing a reorganization of administrative staff and there will be a Section Chief charged with improving VRBS's knowledge about the availability of jobs across the Montana and how to improve VRBS's ability to match employment opportunities to job seekers;
- The development of a business tracking tool, which allows VRBS to document ongoing relationships with businesses and ensure deliverables and services are provided; and
- Using the Talent Acquisition Portal through the National Employment Team to open further opportunities for employment in Montana and the country.

H. Interagency Cooperation

VRBS will continue to collaborate and work towards a cooperative agreement with the Department of Public Health and Human Services, the state agency responsible for administering the state Medicaid plan under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) that outlines the roles and responsibilities of all parties regarding the delivery of VR services and long-term support services for individuals with the most significant disabilities who have been determined to be eligible for home and community-based services under a Medicaid waiver, Medicaid state plan amendment, or other authority related to a state Medicaid program.

Specific examples of collaboration include:

- Working collaboratively with VRBS and the Developmental Disability Program's Medicaid waiver to develop long-term supports needed for supported employment consumers
- Working with the Supported Employment Leadership Network in order to assist the

Developmental Disability Program to adjust their Medicaid waiver services to increase services related to employment

Also, VRBS works closely with the Social Security sponsored Work Incentives Planning and Assistance project in Montana to assist consumers to understand the impact of working on their benefits, including Medicaid.

It is anticipated that additional cooperative agreements with the state Medicaid agency and service agencies funded through Medicaid will be developed in the upcoming year to respond to changes made in WIOA legislation.

The description of how VRBS will collaborate with the Developmental Disabilities Program and Mental Health is described in Section F.

I. Comprehensive System of Personnel Development; Data System on Personnel and Personnel Development

1. Data System

Comprehensive System for Personnel Development (CSPD) information is managed by the Human Resource Development (HRD) Specialist of the Vocational Rehabilitation and Visual Services (VRBS). This position keeps track of trainings offered, staff attending training, CRC credits for qualified counseling staff and their support team members.

VRBS staffing by type of staff (data from RSA 2):

Note: some positions were reclassified in 2014. Therefore, some categories show big shifts that year and subsequent years.

	2010	2011	2012	2013	2014	2015
Administrative	6	6	5	5	38	38
Counselor	37	39	39	41	47	47
Support/Other	40	41	45	45	2	2
Total Staff	83	86	89	91	87	87

NOTE: The RSA2 looks at positions and what part of the year they are filled. It is not the same as the number of bodies or the numbers of FTE.

In fall 2015, VRBS reorganized to become "flatter" organizationally. Three regional managers were converted to section chiefs dealing with statewide issues: Youth, Employers, and Quality Assurance. One regional manager position was vacant at the time and was converted to a counselor supervisor position. VRBS leadership believes this will make the organization more responsible for federal changes.

In FY2014, VRBS served 7,755 Montanans with disabilities, which means that each counselor served approximately 165 consumers. In FY2015, VRBS served 7,419 Montanans with disabilities, which means that each counselor served approximately 158 consumers. The calculation is based on using the RSA data reported above

The population in western Montana continues to grow, while the population in eastern Montana decreases. Eastern Montana has such large travel distances for counselors to meet with consumers that a reduction of staff in less populated parts of the state is not possible. However, one counselor position from Billings was moved from the Billings office to the Havre office and another was moved from the Butte office to the Bozeman office. The increase in the Havre office staff was due primarily to the new emphasis in dealing with students with disabilities and the fact that the Havre office serves many small schools in a very large geographic area (travel distances can be over 200 miles). The increase in the Bozeman staff was related to the rapid increase in population in the Bozeman area in recent years.

When all the positions are filled, VRBS has enough staff to provide vocational rehabilitation services to the state. In the next five years, VRBS will continue to investigate the feasibility of increased counselor staffing to meet the transitions needs of Montana’s youth with disabilities. VRBS would like to see a transitions counselor in each of its four regional offices. Of course, population growth and client demographics will be closely monitored. If our counseling staff increases, it is possible that additional support staff would also be necessary.

In recent years, VRBS experienced significant turnover in upper management positions, including the state director, and several regional administrators. Even though VRBS management has stabilized, VRBS continues to prepare for succession through its VRBS’ Futures Program, which is discussed elsewhere in this plan.

	Job Title	Total positions	Current vacancies	Projected vacancies over the next five years
1	Division Administrator	1	0	0
2	Bureau Chiefs	2	0	1
3	Prog Mgrs (IL, Deaf; Soc Sec; HRD; Transportation, 3 section chiefs, and BLVS Admin)	9	0	3
4	Central Office Administrative Support Staff	2	1	0
5	Counseling Staff (BLVS, Gen Prog, & counselor sups)	48	3	5
6	Orientation and Mobility Specialists	4	0	0
7	Vision Rehabilitation Therapists	5	0	0
8	Field Administrative Support Staff	28	0	5
9	Tech Sup (Bud Anly; Bud Anly Sup; Prog An; AT SP)	4	0	2

2. Collection and Analysis of Personnel Development

VRBS continues to review, on a yearly basis, the reported training needs of its entire staff. This is part of our overall maintenance of the comprehensive system for personnel development. Of particular concern to VRBS is the implementation of a system of personnel development that will ensure an adequate supply of qualified rehabilitation personnel for the designated state unit. VRBS developed a new CSPD policy that clarifies requirements and expectations of employees engaged in CSPD plans. Additionally, a "tip sheet" was developed to notify counselors of institutions of higher education that offer RSA scholarships. The State Rehabilitation Council has had an opportunity to review and make comments on the development of the plans and policies regarding qualified personnel.

Currently 94% of VRBS's professional counseling and supervisory staff are identified as Certified Rehabilitation Counselors (CRC), which are qualified to sit for the CRC, or are under a CSPD Plan (including actively researching graduate schools). At this time, six counselors are engaged in graduate studies and four counselors are researching and/or applying to graduate schools. Two counselors who have Masters in related fields are researching graduate programs to satisfy the requirements to sit for the CRC exam. Currently, VRBS has three counselor vacancies. As vacancies open, the new counselors may require graduate school preparation. In the last year, four counselors have been hired that have a Masters in related fields and have begun classes or are researching programs that provide the educational requirements to sit for the CRC exam. In addition, two counselors hired in the last year had the ability to sit for the exam and were successful in obtaining a CRC credential.

Montana's personnel policy has been rewritten so applicants who have achieved the CRC status receive a higher priority for hiring than those without it. In addition, Montana vigorously recruits applicants with a Masters in rehabilitation counseling when there are vacancies. Montana State University - Billings (MSU-B) is Montana's only institution of higher education that offers instruction (BA or MA) in rehabilitation counseling. VRBS has a good working relationship with MSU-B. Additionally, VRBS has fostered good working relationships with out-of-state institutions such as Utah State University. Both MSU-B and Utah State have sought input from VRBS related to curriculum development and how to best prepare students to work in the public VR program. VRBS has successfully recruited and hired graduates of these programs, all of whom were well prepared to sit for the CRC examination. VRBS is also working with West Virginia University and the University of Kentucky to qualify its employees. The following table illustrates the education status of employees of VRBS preparing for CRC qualification.

	Institutions	Students enrolled	Employees sponsored by agency and/or RSA	Graduates sponsored by agency and/or RSA	Graduates from the previous year
1	Utah State University	1	1	0	0
2	West Virginia University	3	3	0	0
3	University of Wisconsin - Stout	0	0	0	1
4	Montana State University - Billings	1	0	0	1
5	University of Kentucky	2	2	2	1

3. Plan for Recruitment, Preparation and Retention of Qualified Personnel

The management team of VRBS maintains close and regular contact with field services teams. Together, they monitor and fulfill staffing needs. In fiscal year 2015, VRBS filled all existing counseling positions. When necessary, VRBS makes counselor position transfers based on changes in caseload numbers in various parts of the state.

VRBS continues to recruit the highest quality staff available. Individuals coming to VRBS without a Master's degree in rehabilitation counseling will be hired on the condition that they will develop a CSPD plan to meet the standard.

Through the extensive outreach efforts of the Blind and Low Vision Services (BLVS) staff and the HR staff within the department, BLVS can sometimes attract candidates from across the country for Vision Rehabilitation Therapists and Orientation and Mobility Specialists. In other cases, BLVS must hire someone locally on a training assignment and pay for their schooling.

Montana has no state university training for either Vision Rehabilitation Therapy or Orientation and Mobility. Therefore, attracting highly qualified professionals in these areas will continue to be a problem for BLVS. Training positions have been developed to address this dilemma.

VRBS maintains contact with Montana State University-Billings to update them on VRBS. The agency gathers information on degree requirements, and works with rehabilitation counseling instructors to ensure that university requirements are compatible with those needed to qualify counselors to effectively and efficiently serve Montanans with significant disabilities who are eligible for vocational rehabilitation services.

VRBS works with Montana colleges to recruit individuals from minority backgrounds and persons with significant disabilities. VRBS takes affirmative action to employ and advance in employment, qualified individuals with significant disabilities.

In Montana, Native Americans make up the largest minority population. Six Native American Section 121 projects are located on reservations and employ Native Americans as rehabilitation counselors. However, with the CSPD standard requiring education at the

graduate level, the general VRBS program has difficulty recruiting qualified Native Americans for employment within the agency.

By developing a plan to assure adequate numbers of CRC counselors and by providing leadership training at all levels, VRBS is working to develop future leaders who will be ready to take over key positions as they are vacated. Towards this effort, VRBS has formed the VRBS Futures Group that will work directly with the current management staff of VRBS in the design and implementation of the process and format for case services to consumers. Staff participating on the VRBS Futures Group, will obtain the skills necessary to take VRBS into the future. The VRBS Futures Group is facilitated by a member of the VRBS leadership team.

The VRBS' Futures Group is composed of current staff who have been successfully employed by the agency for a minimum of two years, have completed specific prerequisite training in supervision and/or management and who are or have been, enrolled in approved leadership training, as finances allow.

Participation in the VRBS Futures Group involves a competitive application process and involves a three-year term for participants and two-year term for the leadership team facilitator. Successful completion of a three-year term in the VRBS Futures Group has a proposed equivalency of two years of management experience within VRBS. Allowing staff to participate in real-life problem solving and real-life improvements to our current service delivery system serves the agency well and provides a mechanism for honing the skills of future leaders within the agency.

Presently, staff members are taking advantage of regularly offered video conference training on a variety of pertinent topics.

4. Personnel Standards

VRBS has a system for ensuring the yearly evaluation of each counselor's CSPD status (to determine percentage of "qualified" staff") and performance of each staff member. The performance evaluation of rehabilitation counselors and other professionals is paramount to our efforts to ensure quality services to Montanans with disabilities. Our evaluations are tied to specific performance activities leading to those quality services.

The standard for counseling staff in Montana is to qualify to sit for the CRC examination or to have qualified to sit in the past, with the completion of additional coursework---and then to completed such coursework. Initially, VRBS had targeted 2007 as the year in which we would meet our CSPD goal of having 100% of its counselors meet the standard of qualifying to sit for the CRC examination. Unfortunately, as more experienced employees retire, there is not a ready pool of qualified professionals to hire into those vacated positions.

In "difficult to recruit for positions" VRBS will hire individuals with a baccalaureate degree in a related field (at the minimum) and develop a CSPD plan to ensure that the

employee moves toward qualifying to sit for the CRC examination. It typically takes an individual hired with a baccalaureate degree three years to meet the standard. Blind and Low Vision Services instructional staff must be eligible to hold certification from the Academy for Certification of Vision Rehabilitation and Education Professionals.

In fiscal year 2015, VRBS identified 13 rehabilitation counselors who require graduate level training to qualify to sit for the CRC examination. Currently, four are researching and applying to graduate schools, two have related Masters and are researching schools, and six are fully matriculated students engaged in graduate studies. One counselor has chosen not to pursue training. The following is the status of the 12 counselors mentioned above:

- Six are in the process of determining their school choice
- One should complete training in June 2016
- Four should complete training in 2017
- One will complete training in 2018

VRBS anticipates that the distance education graduate programs will take the average rehabilitation counselor two to three years to complete. Without the distance-learning component, VRBS would be unable to set this plan in motion, as this allows for the counselor to complete their graduate education while remaining on the job. Through continued use of the distance education programs, VRBS anticipates maintaining/increasing the numbers of CRCs over the next several years. The average number of VRBS' counselors who complete a graduate program in rehabilitation counseling is three per year. This trend has been observed over the last decade.

CSPD requirements dictate graduate level coursework. CSPD funds are also written into the current in-service training grant; however, Rehabilitation Services Administration scholarships are utilized whenever available. The RSA In-Service grant has been terminated under the WIOA of 2014 and will not be available for graduate training in the future. VRBS comprehensive efforts to meet the staff training needs prove to be of significant benefit in terms of recruitment of new staff and retention of existing staff.

5. Staff Development

VRBS performs a complete training needs assessment on all employees each year. VRBS identifies, through this process, major themes for training large groups as well as individualized training topics identified by staff and their supervisors. This assessment provides for a comprehensive set of training topics that remain fluid as emerging priorities are developed either at the national level or within the state. It is also used to provide information for conference planning purposes to associations such as the Montana Association for Rehabilitation, Montana Youth Transitions and the Association for Education and Rehabilitation of the Blind and Visually Impaired.

The VRBS HRD Specialist has responsibility for in-service training, the preparation of Montana's in-service training grant, and for overall coordination of the agency's

comprehensive system for personnel development. VRBS also completes CSPD assessments on all counselors in a plan to meet the standard. Each year, staff who do not meet the standard are counseled and their annual course of action is determined and documented. Of course, the purpose of this annual review is to continue to move counselors toward meeting the standard. Once counselors meet the standard by qualifying to sit for the CRC examination they receive a pay raise, with an additional raise successful at completion of the CRC exam.

VRBS places a heavy emphasis on leadership at all levels and continuous improvement of staff skills at all levels. Leadership and training related to succession planning are available to all staff in one form or another. VRBS currently utilizes the Emerging Leaders Series through the Center for Continuing Education in Rehabilitation at Western Washington University and the state's leadership program for staff development. Building on the formalized leadership/management training available to staff through the aforementioned programs, VRBS helps future leaders hone their skills through participation in the VRBS Futures Group. Additionally, there is emphasis on training in the areas of rehabilitation technology, informed choice, cultural diversity, current rehabilitation trends and disability information, and the Rehabilitation Act with its amendments. Training on topics such as rehabilitation technology, assessment, vocational counseling, and job placement is held at annual meetings such as the annual spring conference and Montana Association for Rehabilitation conference. Also, VRBS has initiated web based trainings on areas where training has been identified as a need. For the web-based trainings, either agency personnel or Montana based resources are utilized to provide the training. In addition, staff frequently participate in online trainings offered by a variety of resources. Often a representative of the agency is sent to out-of-state training to bring back and disseminate significant knowledge from research and other sources.

6. Addressing Individual Communication Needs

VRBS requires that rehabilitation counselors who are hired specifically to work with deaf and hard of hearing consumers have fluent sign language skills. Sign language interpreters for the deaf or hard of hearing are also provided when necessary. Other accommodations, such as documentation in alternative formats, are routinely made by VRBS. The policy of VRBS is to consult with the consumer to determine the most appropriate mode of communication.

Montana has a relay system for telephone communication with consumers who are deaf or hard of hearing and all offices are equipped with Ubi-Duos. Three offices (with the highest numbers of deaf/hard of hearing clients) have video phones for enhanced communication. The Montana Telecommunications Access Program is housed in the Disability Employment and Transitions Division and lends tremendous technical support to the staff of VRBS working with sensory impaired consumers. BLVS has also developed a full time Assistive Technology Specialist position. VRBS purchases interpreter services as needed by consumers.

The issue of consumers whose primary language is not English is a very rare issue in Montana. The issue is most likely to occur with Native American consumers who are the largest minority group in Montana. Even with this group, it is quite rare to have a consumer whose primary language is not English. Montana is fortunate to have six Native American vocational rehabilitation projects (funded through section 121 of the Rehabilitation Act) located in Montana. The local offices have good working relationships with the Native American projects and they are an excellent resource for assisting Native Americans who are not English speakers.

The Billings region has the largest population of Spanish speaking consumers and they have utilized assistance from the local migrant council when working with consumers whose primary language is Spanish.

In other very rare instances when working with consumers who speak other languages as their primary language, counselors have been able to utilize family members of the consumer to interpret. Also, Montana has colleges and universities that offer a variety of foreign languages and if necessary it may be possible to utilize instructors or students from these programs to assist with interpreting or identifying community resources to assist with communication.

7. Coordination of the Comprehensive System for Personnel Development under the Individuals with Disabilities Education Act

The VRBS CSPD coordinates with the requirements of the CSPD under the Individuals with Disabilities Education Act (IDEA) in that both necessitate the following.

1. A description of the procedures and activities that the State of Montana will take to ensure an adequate supply of qualified personnel.
2. Detailed in-service training procedures to ensure that all personnel have access to training resources to enhance their professional skills, ultimately improving service delivery to consumers
3. In-service training of all personnel.
4. A system for determining, on an annual basis:
 - The number and type of personnel needed
 - Which institutions of higher education in the state are preparing vocational rehabilitation personnel, the number of students enrolled in the programs, the number who graduate with credentials to qualify for employment with the agency, and
 - When to recruit, prepare, and retain qualified personnel, including personnel from minority backgrounds, and personnel with significant disabilities.

The HRD Specialist continues to explore ways of coordinating training between VRBS, OPI, and the schools. Across the state, there are a number of transition fairs held annually at the high schools. VRBS presents at the transition fairs, and provides information regarding VRBS and how to access those services.

J. Statewide Assessment

Each VR program is required to conduct a statewide assessment every 3 years. The currently completed three-year Needs Assessment was a statewide assessment, jointly conducted by Vocational Rehabilitation and Blind Services (VRBS) and the State Rehabilitation Council (SRC). This assessment examined the need to establish develop or improve community rehabilitation programs, and the rehabilitation needs of individuals with disabilities, particularly the vocational rehabilitation needs of:

1. Individuals with the most significant disabilities including their needs for supported employment services;
2. Individuals who are minorities and individuals with disabilities who have not been served or are underserved by VRBS;
3. Individuals with disabilities served through other components of the statewide workforce investment system;

Three types of input were analyzed:

1. Direct inputs such as the consumer satisfaction survey, VRBS counselor survey, focus forums (small regional groups of consumers), consumer survey related to status 30 contacts, and the public hearings.
2. Other indicators such as the Client Assistance Program report of needs, SRC input, demographic trends, involvement with the State Employment Leadership Network (SELN), program evaluation tools (such as the standards and indicators and federal annual report), and our current strategic plan summary.
3. Priorities from other programs such as the federal priorities, and legislative priorities.

Method:

The most recent complete assessment took place between **October 1, 2010 and June 14, 2013**. As indicated above, the assessment sought information from a number of sources.

A consumer satisfaction survey was sent to consumers of VRBS **each of three years of the assessment**: approximately 1,750 surveys were sent out each year. The survey response rate was between 20 and 25% each year.

A public hearing was held each of the three years of the assessment, with each providing general input on improving the VRBS program and input on the draft goals, activities and performance measures of the VRBS' strategic plan. Teleconferencing sites were located in Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, Miles City and Missoula for all of the hearings. For the 2012 hearing, a rural site (Glasgow) was added. For the 2013 hearing again a rural site (Havre) was added. In addition, during the 2012 and 2013 hearings a call in option was available to join the hearing. During 2013, a link to provide public comment was added to the Disability Employment and Transitions website. Also, during FY 2012, public hearings separate from the statewide public

hearing were held on 4 of the reservations located in Montana (Blackfeet, Fort Peck, Fort Belknap, and Northern Cheyenne). Participation at the statewide public hearing each year ranged from about 60 participants to over 100 participants. Written comments were also accepted. From 10 to 100 written comments were received each year.

In **May of 2012**, VRBS' counselors were surveyed to gather input on their perceived needs of the consumers that they serve and 13 counselors responded.

In **FY 2013**, Six Section 121 tribal vocational rehabilitation projects were surveyed and VRBS received responses from four of the project directors.

In **FY 2013**, VRBS conducted phone interviews with 69 consumers who were closed in status 30 as either refused services or failure to cooperate in order to assess the reason for leaving services in more detail.

Throughout fiscal year 2012 and 2013, VRBS was involved with the State Employment Leadership Network (SELN), which is a group of agency personnel, community rehabilitation providers, and consumers that are planning to make integrated competitive community placement a goal for all Montanans with intellectual disabilities.

VRBS' management staff and the SRC met on **January 17th, 2013** to discuss the results of the comprehensive needs assessment, and to provide further input on the needs of Montanans with disabilities. Following that meeting a draft of the strategic plan was developed. On **May 10, 2013**, the management staff, SRC the Statewide Independent Living Council, and Client Assistance Program representative met to review the draft plan and provide additional input. On **June 14, 2013**, VRBS' management team met and finalized the strategic plan.

a. Needs of individuals with disabilities who have the most significant disabilities, including their need for supported employment services:

An individual with a "most significant disability" means an individual with a disability who meets the criteria for having a significant disability and in addition has serious limitations in three or more functional capacities (such as, but not limited to, mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of employment outcome. In addition, the person will require multiple services over an extended period of time. Findings of the comprehensive statewide needs assessment for individuals with the most significant disabilities indicate needs for:

- Expansion of services in rural areas
- Reduction of the extended support services waiting list for supported employment
- Assistance with Social Security work incentives and protection of current SSI/SSDI benefits
- Increases in earnings and benefits

- Better transportation services
- Contact with mental health centers and promotion of supported employment services
- Assistance at the high school level with independent living and social skills
- Increased services for individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved
- The need for a separate advisory group for persons with low vision or blindness.
- Concern about persons with disabilities being paid below minimum wage

b. Native Americans

According to 2010 census data 89.4% of Montana’s population is white and 6.3% is American Indian or Alaska Native persons. Persons reporting two or more races made up 2.5% of the population. In Montana, for most persons reporting two or more races, at least one of the races would be American Indian. Other minorities make up the remaining 1.8% of the population. Six Section 121 Native American VR projects are located in Montana, covering six of the seven reservations located in Montana. Although most Native Americans on or near the reservation prefer to be served by their Section 121 project, a number are served by VRBS or by both VRBS and the Section 121 project.

In FY 2013, VRBS served 1,425 minority consumers (17.6% of the caseload), of which 719 were Native American, 326 were of two or more races, 81 African Americans, 29 were Asian American, 250 were Hispanic/Latino and 20 were Hawaiian or Pacific Islander. The majority of Native American Montanans live on reservations. Many more live just outside the reservation. However, Montana does have a number of urban areas that have significant numbers of Native American residents. This population is served by Native American service centers (Billings, Butte, Helena, Missoula, and Great Falls). Staff of VRBS maintain contact with the Native American Services Centers to seek appropriate referrals and to obtain information on the needs of Native Americans with disabilities residing away from reservations. Input on issues related to serving Native Americans with disabilities was received from Section 121 Directors and public hearings conducted on reservations. Input received included:

- The Crow Nation should be encouraged to apply for a tribal vocational rehabilitation project
- There is a need for independent living services on the reservations
- There is a need for assistance related to the Ticket to Work Program
- Montana VRBS’ counselors need to make appropriate follow up when there are referrals from a tribal vocational rehabilitation project
- There is a need for assistance related to assistive technology
- Transportation difficulties limit access to employment on reservations
- It is difficult to develop plans for employment due to lack of resources on the reservation

- There are problems getting good documentation of disability. Indian Health records are available, but often there is a wealth of information that is provided with little of the information relevant to the person's disabling conditions, particularly impediments to employment. Setting up appointments to get adequate documentation is difficult. Psychological testing and other specialty testing often requires going to a site off the reservation
- There is a lack of job opportunities on the reservations and many of the consumers are not interested in leaving the reservation
- There is a lack of sheltered and supported employment opportunities on reservations
- There is also some difficulty serving hearing impaired persons on the reservations, but on the Blackfeet reservation there have been some procedures developed that have been successful
- There needs to be assistance for helping tribal members develop their own businesses
- It is difficult to identify tribal members who have hidden disabilities

c. Persons with Mental Disabilities including Severe and Persistent Mental Illness

In recent years, the disability makeup of the VRBS caseload has significantly changed. In 1986, 69% of the consumers had physical disabilities, 19% had mental disabilities, and 12% had sensory disabilities. In 2013, 34% of the consumers had physical disabilities, 54% had mental disabilities, and 12% had sensory disabilities. The number of cases with mental disabilities has significantly increased, especially in areas like severe and persistent mental illness, learning disabilities and attention deficit hyperactivity disorder. While the numbers served have grown, the fact that many of the VRBS' staff have had less experience working with this population has led to the SRC considering consumers with mental disabilities an underserved group because VRBS counselors may not be able to provide the same level of quality with this group of consumers. Findings of the comprehensive statewide needs assessment for individuals with mental disabilities including severe and persistent mental illness include:

- The need for more mental health centers to provide job placement and supported employment services
- More information regarding Social Security Work Incentives
- Improved transportation options
- Better communication between VRBS and the Addictive and Mental Disorders Division
- The need for a statewide task force to work on improving long-term follow along services for persons with mental disabilities

d. Status 30 Closure Phone Interviews

Most of the consumers who were interviewed indicated the following reasons for discontinuing VR services prior to initiating a plan:

- Personal problems took precedence over vocational goal
- No longer required VR assistance
- Disability was too debilitating to consider planning for work

e. Needs of Individuals Requiring Supported Employment Services

Issues identified to improve supported employment services include:

- 1) Expansion of services to rural and remote areas by the continued certification of private providers who meet VRBS' qualification levels for job assistance and supported employment services
- 2) Expansion of mental health providers as CRP's to serve those with severe and persistent mental illness
- 3) Planning for the needs of consumers requiring higher level of long-term supports was identified through participation with the SELN.

The new comprehensive needs assessment process has begun. The process is similar to the process of the last three-year assessment. The following is an outline of the planned activities that will make up the comprehensive statewide assessment:

- Each year there will be a customer satisfaction survey conducted and an analysis of the survey results.
- A statewide town hall meeting will be held each of the three years to gather input from consumers and other stakeholders.
- In FY 2016 VRBS' counselors will be surveyed to gain their input on the needs of consumers.
- VRBS will continue to be involved with the State Employment Leadership Network to gather information on how VRBS can assist with the Employment First initiative activities.
- In FY2016 the input that has been obtained from the previous activities will be presented to the VRBS' leadership team to assess and develop priorities for the upcoming strategic plan.
- After a draft of priorities are developed, input on the priorities and potential strategies for achieving the priorities will be obtained from the SRC and if possible the SILC.
- In FY 2016 a final draft of the strategic plan will be presented to the SRC for any final recommendations.

The next comprehensive statewide needs assessment will be completed before FY 2017. The process for this needs assessment is actively underway. The assessment method is very similar to the one described above. However, the new assessment includes methods for assessing the needs of youth and students with disabilities related to pre-employment and transition services, and the needs of individuals with disabilities for transition career services and pre-employment transition services and the extent to which such services are

coordinated with transition services provided under the Individuals with Disabilities Education Act.

Procedures related to the above include surveys of youth and students with disabilities and other stakeholders involved with transition services and focus groups related to these issues.

K. Annual Estimates

For Federal Fiscal Year (FFY) 2016 the Vocational Rehabilitation and Blind Services (VRBS) estimates that total projected program costs for both administrative and client services funded under Title I and Title VI-B will be \$17,425,779 including both federal and non-federal funds, assuming additional Title I reallotment funds will be available to be requested by the state. VRBS projects an estimated overall deficit of \$(2,057,113) for FFY 2016 in Title I funds and, as such, will continue to operate under an order of selection.

According to data provided by the 2014 American Fact Finder, there are approximately 68,927 people with disabilities who are between the ages of 18 and 64 years of age residing in Montana. From this population data set, VRBS anticipates serving 4,300 clients at a case cost of \$11.1 million using Title I funding, with 816 consumers becoming employed. Our program also anticipates that a total of 200 consumers will receive Title IV-B Supported Employment services at an overall case cost of around \$300,000 with an estimated 34 consumers employed in FFY 2016.

VRBS first implemented order of selection in March 2014 and currently has only Priority Category Three closed as of October 19, 2015. VRBS is unclear in the future status of category closures or re-openings for FFY 2016 at this time. The table below represents estimates based on preliminary FFY 2016 projections:

Category	Title I or Title VI	Estimated Funds	Estimated Number to be Served	Average Cost of Services
Priority Category One	Title I	\$8,246,836	2,736	\$3,014
Priority Category Two	Title I	\$2,051,726	1,048	\$1,958
Priority Category Three	Title I	\$755,240	316	\$2,390
Priority Category One	Title VI	\$300,000	200	\$1,500
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				—

Totals		\$11,353,802	4,300	\$2,640
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L. State Goals and Priorities

VRBS and the State Rehabilitation Council (SRC) have developed the goals and priorities, which are listed below. As stated previously, VRBS and the SRC met on January 17, 2013 to look at the results of the statewide needs assessment, and to begin development of the State Plan. VRBS' management staff, SRC, the Statewide Independent Living Council, and the Client Assistance Program representative met again in May 2013 to discuss the draft of the strategic plan, and to make final recommendations. Each of the preceding reviews included a review of the standards and indicators and yearly performance related to the standards and indicators. The goals and priorities established for the ensuing 2014-2016 were:

Goal 1: Assure high quality employment for Montanans with disabilities through the vocational rehabilitation program.

Goal 2: Improve the infrastructure that supports VRBS in order to increase the agency's potential to promote work and independence for Montanans with disabilities.

In order to achieve the preceding goals, the following priorities were established:

Priority 1: The VRBS' delivery process will become more seamless through reducing procedures and practices that create unnecessary delay in the development of plans and delivery of services.

Performance Measure 1.1: Individualized Plans for Employment (IPE) will be developed within 120 days of a person becoming eligible or the counselor will obtain an approved waiver for a limited time extension.

Target: At least 90% of IPE extensions will be in the case file and valid.

Performance Measure 1.2: Reduce the number of status 30 closures.

Target: The number of status 30 closures will decrease each year of the plan.

Performance Measure 1.3: Decrease the number of pre-plan assessments (excluding assessments to determine eligibility).

Target: The number of pre-plan assessments (excluding assessments to determine eligibility) will decrease by 2% each year of the plan.

Priority 2: Employees of VRBS will be satisfied with their jobs.

Performance Measure 2.1: High satisfaction will be expressed on the annual employee satisfaction survey.

Target: Positive responses on the survey for each question will be 85% or higher.

Performance Measure 2.2: Staff turnover will not be excessive.

Target: The number of VRBS' staff leaving for non-retirement reasons will be less than 10 persons each year.

Priority 3: VRBS will have a quality community rehabilitation provider (CRP) network.

Performance Measure 3.1: There will be an increase in CRP job placement or job search referrals that lead to a successful placement.

Target:

The following percentages will be the targets for each year of the plan:

2014: above 30% 2015: above 31% 2016: above 32%

Performance Measure 3.2: The procedures for dealing with CRP compliance with contract and performance expectations will be implemented.

Target: Each report of issues related to CRP compliance will be investigated by regional personnel and a report of findings will be on file. Actions related to the report will have been implemented.

Performance Measure 3.3: There will be an increase in the weekly wages at closure earned by consumers served by CRPs.

Target: The weekly wages at closure earned by consumers served by CRPs will increase each year of the plan.

Performance Measure 3.4: Consumer satisfaction with CRP services will be monitored.

Target: A procedural guidance related to measuring consumer satisfaction with CRP activities will be completed by October 1, 2015 and performance measures and targets will also be developed.

Performance Measure 3.5: CRP vocational direct service staff will complete appropriate training or otherwise demonstrate competency.

Target: When the DPHHS training program is developed, CRPs will be required to have vocational direct service staff successfully complete the training within a specific period of time or complete a competency exam. If this is not done, the CRP's enrollment as a VR provider will be jeopardized.

Priority 4: VRBS will increase its capacity to serve un-served and underserved populations.

Performance Measure 4.1: VRBS will utilize caseload based data and census data to identify specific issues related to unserved or underserved populations.

Target: Issues identified by the caseload research and census research will generate guidance addressing issues that are impacting unserved or underserved populations.

Priority 5: VRBS will increase its capacity to serve transition age (14-24) youth with disabilities.

Performance Measure 5.1: VRBS will increase the number of IEPs completed with transition youth before they graduate from high school.

Target: The number of IEPs completed with transition youth before they graduate from high school will increase each year of the plan.

Performance Measure 5.2: VRBS will increase the number of 26 closures for transitions age (14-24) youth.

Target: The number of 26 closures for transitions age consumers will increase by 3% each year of the plan.

Performance Measure 5.3: VRBS will increase the number of transition age youth (14-24) served.

Target: The number of transitions age youth served will increase by 5% each year of the plan.

Priority 6: VRBS will increase the quality of successful closures by placing more consumers in positions that pay a living wage and have employee benefits.

Performance Measure 6.1: On the consumer satisfaction survey, 26 closures will indicate VRBS assisted them in meeting their needs.

Target: For the question "I believe the program has met most of my needs." 90% of the responses from 26 closures will be positive.

Performance Measure 6.2: Real income for 26 closures will increase.

Target: Wages at closure combined with benefits income for 26 closures will increase faster than the rate of inflation for each year of the plan.

Performance Measure 6.3: The number of 26 closures with health benefits will increase.

Targets: The percentage of 26 closures that have health benefits provided by employers will increase each of the three years of the plan.

The percentage of 26 closures that have employer provided health insurance, Medicaid, or Medicare will increase each year of the plan.

Priority 7: VRBS will become a model of an accessible work place for individuals with disabilities.

Performance Measure: 7.1: VRBS will address identified barriers to accessibility in VRBS' offices.

Targets: Each year of the plan, VRBS will address barriers to accessibility identified in accessibility studies conducted in 2012. When all the identified barriers are removed the target will be met.

When VRBS changes to or adds a new office, an accessibility study will be completed within a year and a plan will be developed to address identified accessibility barriers. When all identified barriers are removed the target will be met.

When individual employees have a specific accessibility barrier not addressed in the preceding surveys, they will report the barrier to their supervisor, and the issue will be assessed and a plan for removal developed. When all individualized barriers are removed the target will be met.

Performance Measure 7.2: VRBS will work to be a resource for making the network of services for persons with a disability accessible.

Target: VRBS will develop and provide guidance procedures for staff on information that can be provided to other agencies in the network on resources available for addressing the workplace for accessibility.

M. Order of Selection

Justification for order of selection:

Since Montana's Vocational Rehabilitation and Blind Services program (VRBS) does not believe it will be able to serve all eligible individuals with the available financial resources, it has implemented an order of selection.

VRBS first entered into order of selection in March of 2014. It did so believing that it may not be able to serve all eligible individuals with the available financial and/or personal service resources. This belief remains in place as well for Federal Fiscal Year (FFY) 2016. Accordingly, effective October 19, 2015, VRBS closed Priority Category Three.

The following paragraphs below present our justification by describing the factors that impact our belief that remaining in an order of selection is necessary.

The Workforce Innovation and Opportunity Act (WIOA) requires a 15% reserve for pre-employment transition services. As such, VRBS anticipates the required service to students with disabilities who are eligible or potentially eligible for services will necessitate VRBS to focus its efforts to provide services to local school districts. These efforts, both in terms of financial and staff resources, will be above and beyond the services that were historically provided solely through case services in years past.

Specifically, according to the Montana Office of Public Instruction's data, the State of Montana has 413 public school districts which contain 171 high schools. In order to

create the necessary infrastructure to provide pre-employment transition services, which previously has not existed prior to WIOA, members of the VRBS field staff travel to varying high schools or district offices to meet with school personnel, many of whom are located in rural environments. We anticipate that this will result in a higher backlog of traditional case services in order to meet the requirement of pre-employment transition services for students with disabilities for FFY 2016 and future years.

Additionally, the trend of the availability of reallocation Title I funds nationally may indicate that additional federal funds might not be available in the full amount requested by the state even if the non-federal matching funds are sufficient and available. This assumption is based on the national data provided by RSA when comparing year-over-year the net amount relinquished versus requested in aggregate for all grant recipients through FFY 2015's reallocation period. This is another indicator to VRB Services that remaining in an order of selection status is merited.

Finally, political unrest, both nationally as well as statewide, regarding budget reductions, deficits, funding limitations (i.e. the national debt ceiling) and other potential detrimental factors beyond our direct control in delivering of the program's services to recipients necessitates VRBS to exercise caution in managing and planning its resources. An order of selection is a valid mechanism in which to do so.

Description of Priority categories:

VRBS has established the following three priority categories under order of selection:

Priority Category One – Most Significantly Disabled (MSD): Eligible individuals with serious functional limitations in three or more functional capacities, and who will require multiple services over an extended period of time.

SD Priority Category Two: Eligible individual(s) with serious functional limitations in one or more functional capacities, and who will require multiple services over an extended period of time.

- **OR** - The individual is a recipient of Social Security Disability Benefits (SSDI) or Supplemental Security Income (SSI) as a result of disability or blindness.

NSD Priority Category Three: All other eligible individuals with disabilities.

Priority of categories to receive VR services under the order:

Those individuals in Priority Category One will have the highest priority and will be served first, followed by individuals in Priority Category Two, and finally by those individuals in Priority Category Three. All individuals within a higher priority category will be served before any individual in the next lowest priority category.

Regardless of which category closure scenario is in effect, eligible individuals will be released from the statewide waiting list first by priority category, highest to lowest; and then by order of application date, oldest to newest.

Service and outcome goals, and the time within which these goals may be achieved for individuals in each priority category within the order:

The time frames for achieving these goals by priority category are depicted in the table below:

Priority Category	Number of individuals to be served	Estimated number of individuals who will exit with employment after receiving services	Estimated number of individuals who will exit without employment after receiving services	Time within which goals are to be achieved	Cost of services
1	2,936	509	533	Immediately to one year	\$8,546,836
2	1,048	266	212	Immediately to two years	\$2,051,726
3	316	75	100	Suspended indefinitely	\$755,240

N. Goals and Plans for Distribution of Title VI Funds

The goal of the state’s supported employment program is to maintain a system whereby individuals with the most significant disabilities are afforded the opportunity to participate in integrated competitive employment.

Supported employment services are provided on a statewide basis through the Title VI, Part B funds. Supported employment in competitive/integrated work settings with ongoing support services for individuals with the most significant disabilities for whom competitive employment has not traditionally occurred, or for whom competitive employment has been interrupted or intermittent as a result of a significant disability. Fund allocation on a statewide basis ensures an equitable statewide service delivery.

Vocational Rehabilitation and Blind Services (VRBS) will continue to encumber Title VI, Part B funds on a fee-for service basis. When supported employment services exhaust Title VI, Part B funds, then Title I funds will be utilized to provide needed supported employment services. In that way, consumers in need of supported employment services will continue to be served in compliance with the Rehabilitation Act, as amended.

VRBS estimates that approximately \$375,000 will be expended on supported employment services in FY 2016. Funding sources include: \$300,000 in Title VI, Part B funds. It is estimated that a total of 200 consumers will receive supported employment

services, and that there will be 34 supported employment consumers employed. It is also estimated that approximately \$75,000 of Title 1 funds will augment the Title VI, Part B funds to provide supported employment services to additional consumers. Therefore, it is anticipated that an additional 75 consumers will receive supported employment services and an additional 6 supported employment consumers will be employed.

VRBS has identified the following sources of funding for long-term support services. Each funding source has a different group of providers for the services, but most of the extended services providers are CRPs enrolled with VRBS:

- A. Extended Employment Services - Rocky Mountain Rehab
- B. Mental Health cooperative agreement
- C. Developmental Disabilities cooperative agreement
- D. Private pay to CRP (CRP is signoff)
- E. Natural supports
- F. Medicaid waiver program
- G. Utilize employment work expenses as an option for Social Security recipients.

VRBS prioritizes the use of supported employment models that maximize integration of persons with the most significant disabilities in real work sites, doing meaningful work. VRBS does not support the use of segregated bench work, sheltered, enclave or segregated crew models. VRBS has been aware of and used customized employment techniques for some time, however with the passage of WIOA, VRBS plans to emphasize these techniques to a greater degree.

O. State's Strategies

Methods Used to Expand and Improve Services to Individuals with Disabilities

The comprehensive needs assessment is the primary process for identifying areas related to innovation. Activities supported specifically by innovation and expansion funds include the consumer satisfaction survey and meetings for the State Rehabilitation Council (SRC) and the Statewide Independent Living Council.

Other activities related to expanding services are detailed in below in activities to achieve goals and priorities.

Identification of How a Broad Range of Assistive Technology Services and Assistive Technology Devices Will Be Provided at Each Stage of the Process

The primary method of providing assistive technology and devices to consumers has been through the relationship with MonTECH of the University of Montana Rural Institute (Rural Institute). MonTECH has been Montana's federally funded assistive technology project since 1991. MonTECH's primary purpose is to assist individuals with disabilities to maintain or increase their level of functioning and independence in all environments through access to and use of assistive technology devices and services to consumers throughout the state.

The current strategy for more effectively using MonTECH's resources is an annual training for Vocational Rehabilitation and Blind Services VRBS staff to learn more about the services available through MonTECH and how to access them.

The Blind and Low Vision Services (BLVS) assistive technology specialist provides training and support to BLVS consumers and staff on technology related to blind and low vision issues.

Description of How Assistive Technology Services and Devices Will Be Provided on a Statewide Basis

MonTECH has implemented a process of demonstrating equipment and assessing technology needs through the use of video conferencing. VRBS hopes to assist with expansion of these efforts through expanding the computer communication technology available in VRBS offices. Each VRBS office has been provided with a variety of assistive technology items that are commonly used by persons with disabilities. MonTECH will be able to assist with the demonstrations of this equipment through the video conferencing systems.

Each BLVS regional office has a rehabilitation teacher who has background in technology related to blind and low vision and each regional office has some demonstration equipment available for consumers to test equipment before purchase. MonTECH provides additional demonstration equipment to the three BLVS offices outside of Missoula (MonTECH is located in Missoula and their office supplements the BLVS resources for that region).

Outreach Activities to Identify and Serve Individuals with the Most Significant Disabilities who are Minorities

Native Americans represent the only significant minority group in Montana. Montana has seven reservations and some of the reservations are home to more than one tribe. Each reservation has an autonomous governing body. In addition, the Little Shell Chippewa Tribe is granted Montana recognition, but not federal recognition and does not have a reservation. VRBS has counselors who serve consumers on each reservation. These counselors coordinate with Section 121 project staff to identify potential referrals

and resources. Native Americans with disabilities living on reservations face unique challenges.

- First, they are eligible for a combination of tribal, federal, and state programs to meet their vocational and health needs. This requires extensive coordination and cooperation between agencies.
- Secondly, they are faced with significant cultural and economic barriers. Unemployment on these reservations varies from 4.7%% to 11.7%, while Montana's statewide unemployment rate is 3.7% (Montana Department of Labor and Industry website). Today there are very few private or self-employment opportunities on reservations; most employment comes through tribal and federal programs.

Six Section 121 vocational rehabilitation projects (Confederated Salish & Kootenai, Blackfeet, Chippewa Cree, Assiniboine Sioux, Fort Belknap, and Chief Dull Knife College) are located in Montana. This gives improved access to vocational rehabilitation services for Native Americans with disabilities residing on or near reservations served by the projects. Section 121 projects have a better grasp of the cultural and service delivery barriers that exist on reservations and can help support VRBS counselors as needed.

VRBS' counselors assigned to these six reservations coordinate with each project staff as needed. In addition, the VRBS program manager visits each 121 project annually and provides technical assistance when requested.

In some cases, VRBS has access to specialized programs, or services, which are not always found on reservations. VRBS works to network, coordinate, offer technical assistance, and provide training opportunities for Section 121 project staff to ensure consumers with disabilities have access to the full range of vocational rehabilitation services. Cooperative agreements have been completed with each of the Section 121 projects and are monitored on an annual basis.

Another example of VRBS and Section 121 coordination relates to a recent unfortunate set of circumstances. The Blackfeet Vocational Rehabilitation Project recently received word that they would not be refunded effective October 1, 2015. VRBS met with the Blackfeet Project and it was determined that the Blackfeet Project had adequate carryover funds to operate for an additional year in a more limited fashion. VRBS and the Blackfeet Project were able to work out arrangements so that VRBS could expand services on the Blackfeet Reservation and a quality service delivery system could be maintained, despite the funding limitations of the Blackfeet Project. It is hoped that the Blackfeet Project will be refunded in October 2016.

In order to ensure that VRBS is meeting the needs of Native Americans that do not live on or near the reservation, VRBS staff meet with: Missoula Native American Center, Helena Indian Alliance, Great Falls Indian Family Health Center, Butte - North American Indian Alliance, and the Indian Health Board of Billings Clinic. VRBS provides program referral information regarding VRBS and the transitions services for youth. During the

fall 2013 SRC meeting a group from the Helena Native American Pow Wow organization provided a presentation on issues related to urban Native Americans.

Identification of Outreach Procedures Used to Identify and Serve Individuals with Disabilities who have been Unserved or Underserved by VRB

For several years VRBS has considered Native Americans as the unserved/underserved population of the state. In addition, VRBS conducted an assessment of case work data to determine other potential unserved/underserved populations and will be developing outreach strategies for the groups identified.

Plans for Establishing, Developing, or Improving Community Rehabilitation Programs

VRBS continually assesses the need to establish, develop and improve community rehabilitation programs through town hall meetings, break out listening session at the Montana Association for Rehabilitation Conference, the State Employment Leadership Network meetings and ongoing informal communication. The need areas being addressed at this time include:

1. Expansion of services to rural and remote areas by the continued certification of private providers who meet VRBS qualification levels for job placement and job coaching services
2. Expansion of mental health providers as CRP's to serve those with severe and persistent mental illness

In the past six years, through the collaboration with multiple agencies, CRPs, and consumers involved with the State Employment Leadership Network many initiatives are under consideration that will increase the number of persons with significant intellectual disabilities to be placed in competitive community employment. A significant number of the initiatives under consideration include assisting CRP services to be prepared to serve this population. One initiative that has been started is to develop web based training for vocational services staff of CRPs that is required by VRBS.

Strategies to Improve the Performance with Respect to the Section 116 of WIOA

Many of the strategies developed to meet the goals established by the comprehensive needs assessments are aimed at improving the long range outcomes of persons exiting VR. Those strategies are detailed below in the section on activities to achieve goals and objectives. Also, VRBS and the SRC will continue to monitor the performance outcomes throughout the year to assure compliance in meeting the required indicators.

Strategies for Assisting Other Components of the Statewide Workforce Investment System in Assisting individuals with Disabilities

VRBS staff are members of the local community management teams (CMTs). As members of these teams, VRBS staff offer consultation and technical assistance on disability issues as needed. Also, most of the enrolled CRPs are active members of the CMTs.

VRBS and DLI have an agreement for access to electronic wage data to verify employment history and income for consumers for the purpose of closure data and SSA/VR reimbursement submission.

In the upcoming year VRBS will explore developing a cooperative agreement with the Department of Labor and Industry Youth Program.

Agency's Strategies to Achieve Goals and Priorities Consistent with the Comprehensive Needs Assessment

In May 2013, the management staff of VRBS met with representatives of the SRC to discuss comprehensive needs and priorities for the upcoming year. The group looked at formal input from public hearings, focus forums, VRB staff, consumer satisfaction survey, Client Assistance Program, SRC, state and national sources (CSAVR, RSA policy changes, legislative activities, umbrella agency activities), and other surveys. Information from this meeting is used to plan for the next three years and for the legislature. VRBS and the SRC have developed the goals, objectives, and strategies. In addition, performance measures have also been identified and will be used over the three years of the plan to measure progress.

For the strategic plan covering FFY 2014 through FFY2016, the format of strategies was changed. In past plans, strategies were connected to specific priorities or objectives. In reviewing this plan's strategies, it was determined that several strategies applied to multiple priorities. Therefore, the strategies will not be listed with specific priorities. Rather, the priorities will be listed numerically and then after the strategy, the priorities that are expected to be impacted will be listed.

VRBS' STRATEGIC PLAN 2014-16

Goal 1: Assure high quality employment for Montanans with disabilities through VRB.

Goal 2: Improve the infrastructure that supports VRB in order to increase the agency's potential to promote work and independence for Montanans with disabilities.

Priority 1: The VRBS' delivery process will become more seamless through reducing procedures and practices that create unnecessary delay in the development of plans and delivery of services.

Priority 2: VRBS' employees will be satisfied with their jobs.

Priority 3: VRBS will have a quality community rehabilitation provider network.

Priority 4: VRBS will increase its capacity to serve un-served and underserved populations.

Priority 5: VRB will increase its capacity to serve transition age (14-24) youth with disabilities.

Priority 6: VRBS will increase the quality of successful closures by placing more consumers in positions that pay a living wage and have employee benefits.

Priority 7: VRBS will become a model of an accessible work place for individuals with disabilities.

Strategies to Address Priorities

Expand options in areas such as self-employment, online and home employment, including expanding the Business Enterprise Program.

Priorities addressed: 1, 4, and 6

Develop additional consumer support and input mechanisms for the Blind and Low Vision Services (BLVS) program, such as establishing an advisory group.

Priorities addressed: 1, 4, 5, and 6

Be able to provide more assistance to consumers related to assistive technology.

Priorities addressed: 4, 5, and 6

Use technology to assist counselors in having more time to work with consumers and less time doing paper work.

Priorities addressed: 1, 2, and 7

Improve VRBS counselor's relationships with employers.

Priorities addressed: 1, 3, 4, 5, and 7

Develop and provide guidance on transition age timelines.

Priorities addressed: 1, 2, and 5

Implement new CRP compliance procedure.

Priorities addressed: 1, 2, and 3

Develop procedures to increase quality/quantity of services in rural areas.

Priorities addressed: 1, 2, and 4

Review wait time for supported employment and provide guidance on reducing the time involved or approaches for adding value to the wait time.

Priorities addressed: 1, 2, 3, 4, and 5

Develop a paperless case management and vendor payment system.

Priorities addressed: 1, 2, 3, and 7

Improve working relationship with mental health agencies.

Priorities addressed: 3, 4, and 5

Improve working relationships with Development Disabilities Program.

Priorities addressed: 3, 4, and 5

Provide training and ideas for serving individuals with autism.

Priorities addressed: 4 and 5

Explore alternatives for job placement services.

Priorities addressed: 1, 3, 4, 5, and 6

Support initiatives and procedures that increase opportunities for persons with disabilities to obtain state and federal government jobs.

Priorities addressed: 4, 5, and 6

Encourage regular meetings between VRBS and Section 121 Project staff.

Priorities addressed: 1, 4

Review potential of streamlining eligibility process for dual cases with Section 121 projects.

Priorities addressed: 1, 4

Utilize counseling techniques that are less-directive. This will increase consumer motivation to participate in the process.

Priorities addressed: 1, 2, 4, 5, and 6

Review supports and orientation procedures for new counselors to ensure their start with VRBS is a positive and productive period.

Priorities addressed: 1, 2, 3, 4, 5, 6, and 7

Continue to explore methods to facilitate increased productive and supportive communication between counselors. The emphasis should be on supporting the counselors in smaller offices. Utilize tools such as interactive video to facilitate such activities.

Priorities addressed: 1, 2, 3, 4, 5, 6,

Explore methods and techniques for an ongoing consistent approach to providing feedback to counselors and obtaining feedback from counselors.

Priorities addressed: 1, 2,

Ensure that staff are aware of training requirements and opportunities for possible advancement in the agency.

Priorities addressed: 2

Encourage CRPs to be active in Community Management Team activities.

Priorities addressed: 3, 4, and 6

Encourage staff participation in activities and conferences related to minority groups and other potentially unserved and underserved populations.

Priorities addressed: 2, 4

Explore providing training for counselors on how to effectively participate in the Individualized Education Plan process.

Priorities addressed: 1, 3, and 5

Build relationships with other youth oriented programs that can be contacted to increase the connections with transition age youth.

Priorities addressed: 4, 5

Explore methods for outreach to businesses on the benefits of working with VRBS to gain employees.

Priorities addressed: 1, 6

Provide counselor training on new health care law.

Priorities addressed: 1, 2, and 6

Explore increased use of Working Well with a Disability, Living Well with a Disability classes and other programs that help consumers to prepare for employment.

Priorities addressed: 1, 4, 5, and 6

Explore partnerships to allow continued availability of Newsline provided through the National Federation of the Blind.

Priorities addressed: 4 and 6

P. Evaluation and Reports of Progress: VR and Supported Employment Goals

Priority 1: The VRBS delivery process will become more seamless through reducing procedures and practices that create unnecessary delay in the development of plans and delivery of services.

Performance Measure 1.1: Individualized Plans for Employment (IPE) will be developed within 120 days of a person becoming eligible or the counselor will obtain an approved waiver for a limited time extension.

Performance Measure 1.1: Individualized Plans for Employment (IPE) will be developed within 120 days of a person becoming eligible or the counselor will obtain an approved waiver for a limited time extension. After initiation of the measurement, it was determined that the wording did not reflect the original intent. The wording was changed to: At least 90% of cases that enter plan development will have an IPE completed within 120 days or have a valid extension placed in the case file.

Target: At least 90% of IPE extensions will be in the case file and valid. After initiation of the measurement of this measure, it was determined that the wording did not reflect the original intent. The language was changed to: At least 90% of cases that enter plan development will have an IPE completed within 120 days or have a valid extension placed in the case file.

2014: 89.2% of cases that entered plan development will have an IPE completed within 120 days or have a valid extension placed in the case file.

It should be noted that a significant number of cases that did not have an extension had an IPE completed or the case was closed within a month of the 120-day target. It is possible that in many of these cases the counselor was aware the IPE was near completion or the

case was near closure and did not feel obtaining an extension was an efficient use of counselor and supervisor time.

Taking those cases into account 92.2% of the cases that entered plan development will have an IPE completed within 120 days or have a valid extension placed in the case file. The target was not met for fiscal year 2014. However, VRBS came very close to the target and the consideration of possible reasoning that some extensions were not completed would indicate the measure was met.

2014 analysis: It is expected that in the upcoming year a significant improvement will occur as staff are becoming more familiar with procedures. In addition, guidelines for completion of the IPE have changed. The new guideline for completion of the IPE is within 90 days of entering plan development. Therefore, a much smaller percentage should exceed the 120-day target.

The most recent data available was through the 3rd qtr. of FY 2015. At that time, 94.4% of cases that entered plan development will have an IPE completed within 120 days or have a valid extension placed in the case file.

The target was met for fiscal year 2015.

2015 analysis: Staff are following current guidelines more closely and it is expected that there will be even more improvement in the upcoming year.

Performance Measure 1.2: Reduce the number of status 30 closures

Target: The number of status 30 closures will decrease each year of the plan.

Baseline 2013 Status 30 closures: 1,327

2014: 1010 status 30 closures

The target was met for fiscal year 2014.

2014 analysis: Staff have become aware of moving consumers into active plans more quickly and this has resulted in decreases in status 30 closures. No changes are necessary at this time.

2015: The most recent data available was through the 3rd qtr. of FY 2015. At that time there were 578 status 30 closures. It is believed that the target will be met given the third quarter reading is almost half of the target amount of status 30 closures.

2015 analysis: Staff continue to be aware of moving consumers into active plans more quickly and this has resulted in decreases in status 30 closures. No changes are necessary at this time. It is believed the use of available data to determine eligibility, rather than requiring new assessments has been a key component in the improvement in this area.

Performance Measure 1.3: Decrease the number of pre-plan assessments (excluding assessments to determine eligibility).

Target: The number of pre-plan assessments (excluding assessments to determine eligibility) will decrease by 2% each year of the plan.

Baseline 2013 pre plan assessments: 1,657

2014: 1323 pre plan assessments Target with 2% decrease: 1624

The target was met for fiscal year 2014.

2014 analysis: Training was provided on this issue and staff have developed strategies for gathering information necessary for plan development without consumers needing to complete assessments. No further action is required.

2015: 652 pre plan assessments through June 30, 2015 (most recent data available data)

Target with 2% decrease: 1296 pre plan assessments 75% of target would be 972.

Based on data reflecting 75% of the fiscal year, the target was met.

2015 analysis: Staff continue to acquire information necessary to complete IPEs without utilizing pre plan assessments. It is believed that staff are particularly utilizing school background information to determine eligibility more frequently than in the past. No further action is required.

Priority 2: VRBS employees will be satisfied with their jobs.

Performance Measure 2.1: High satisfaction will be expressed on the annual employee satisfaction survey.

Target: Positive responses on the survey for each question will be 85% or higher

2014: As VRBS was in the process of developing an employee satisfaction survey the Department of Public Health and Human Services (DPHHS) decided to do an employee satisfaction survey. It was decided that questions from the Department survey would be used for this measure rather than have VRBS employees complete two different surveys. One unfortunate aspect of this choice was that the DPHHS was unable to break the numbers down any further than the Division level. The Disability Employment and Transitions Division is much larger than just VRBS. Also, the questions strongly emphasized how the employees felt about DPHHS and did not contain many questions that were considered appropriate in meeting the intent of this priority.

The target was not met for fiscal year 2014 due to not having appropriate survey.

2014 analysis: The instrument used was not appropriate. VRBS plans to develop their own staff satisfaction survey in the upcoming year and do a survey of staff.

2015: The new VRBS staff satisfaction survey is in the final stages of development, but the survey was not completed by the end of the fiscal year. It is expected the instrument will be finalized next year and a survey process completed.

The target was not met for fiscal year 2015 due to the failure to develop a new survey and procedures to assess staff satisfaction.

2015 analysis: The implementation of an adequate staff satisfactions survey and procedures for conducting the survey should be a priority in the upcoming year. VRBS management should closely monitor the progress of this activity to ensure that it is completed in the upcoming year.

Performance Measure 2.2: Staff turnover will not be excessive.

Target: The number of VRBS staff leaving for non-retirement reasons will be less than 10 persons each year.

2014: 8 persons left VRBS last year for non-retirement reasons. Six persons retired. The target was met for fiscal year 2014.

2014 analysis: Staff turnover has decreased significantly from preceding years. No changes are planned.

2015: 6 persons left VRBS last year for non-retirement reasons. Six persons retired. The target was met for fiscal year 2015.

2015 analysis: Staff turnover has decreased significantly from preceding years.

One strategy that should impact this Priority is that as mentioned in the responses to the State Rehabilitation Council, VRBS is establishing a Labor Management Council (LMC). The LMC will consist of an equal number of union and management members. It is hoped that the LMC will assist in increasing staff satisfaction.

Priority 3: VRBS will have a quality community rehabilitation provider (CRP) network.

Performance Measure 3.1: There will be an increase in CRP job placement from job search referrals that lead to a successful placement.

Target:

The following percentages will be the targets for each year of the plan:

2014: above 30% 2015: above 31% 2016: above 32%

2014: 24.9%

The target was not met for fiscal year 2014.

2014 analysis: During the past year VRBS implemented a strategy of requiring training for new CRP staff. The required training does have a significant amount of material on placement strategies. It is hoped that implementing the new training will improve the placement percentages.

2015: 18.6%

The most recent data available was through the 3rd qtr. The target was not met for fiscal year 2015 and is lower than the previous year. This is particularly disturbing given that the economy in Montana has been improving overall in the last year. It should be noted that 4th quarter data is not included at this time and 4th quarter is traditionally a high placement quarter. However, it would be quite surprising for 4th quarter data to be strong enough to meet the target. The additional quarter might bring this year into closer alignment with the previous year.

2015 analysis: The team of CRP liaison staff should review this situation. There should be a review of how to use the resources of the Department of Labor and Industry to augment the CRP activities. In addition, there were several strategies listed in the previous section that may improve performance in this area. The strategies should be reviewed to see if some strategies might be given more emphasis in order to meet the target.

Performance Measure 3.2: The procedures for dealing with CRP compliance with contract and performance expectations will be implemented.

2015: Target: Each report of issues related to CRP compliance will be investigated by regional personnel and a report of findings will be on file. Actions related to the report will have been implemented.

2014: There were two reports of issues with CRPs during Fiscal Year 2014. One report was investigated and resolution is in negotiation.

The second required guidance from the Department legal unit, which indicated there were potential problems with the provider appropriately compensating consumers while they were on the job. This will be reviewed further with the CRP.

The target for fiscal year 2014 was met.

2014 analysis: The procedures seem to be understood and have been implemented. No changes are necessary.

2015: 2 reports were made. Follow-up corrected the problem.

Follow-ups related to last year's reports have been continuing appropriately.

The target for fiscal year 2015 was met.

2014 analysis: The procedures seem to be understood and have been implemented. No changes are necessary.

As part of the recent reorganization, the regions have been done away with. Therefore, from this point on it will be local supervisory personnel that will complete investigations with assistance from state office personnel.

Performance Measure 3.3: There will be an increase in the weekly wages at closure earned by consumers served by CRPs.

Target: The weekly wages at closure earned by consumers served by CRPs will increase each year of the plan.

of the plan. We were not able to get weekly wages, but do have hourly rate.

Baseline 2013 Average hourly wage for consumers placed with CRP assistance: \$9.55

2014: Average hourly wage for consumers placed with CRP assistance: \$9.69

The target for fiscal year 2014 was met.

2014 analysis: Because the target was met no changes are planned at this time.

2015: Average hourly wage for consumers placed with CRP assistance: \$10.61

The target for fiscal year 2015 was met.

2015 analysis: Because the target was met no changes are planned at this time.

Performance Measure 3.4: Consumer satisfaction with CRP services will be monitored.

Target: A procedural guidance related to measuring consumer satisfaction with CRP activities will be completed by October 1, 2015 and performance measures and targets will also be developed.

2014: Discussions have started on developing the guide. A request for samples from other states has been made, but no useful information was obtained. Also, satisfaction surveys utilized by CRPs in relation to CRP services have been gathered and are under review.

Progress toward target is adequate for fiscal year 2014.

2014 analysis: Activities in this area have been adequate and it is anticipated that the survey will be finalized in the next year and procedures for completing the survey can be worked on at that time.

2015: The survey has been developed and the process for conducting the surveys is being developed.

The target was not met for 2015.

2015 analysis: A priority of the CRP liaison group for the next year should be to complete the procedures related to the survey and implement the procedures.

Performance Measure 3.5: CRP vocational direct service staff will complete appropriate training or otherwise demonstrate competency.

Target: When the DPHHS training program is developed, CRPs will be required to have vocational direct service staff successfully complete the training within a specific period of time or complete a competency exam. If this is not done, the CRP's enrollment as a VR provider will be jeopardized.

2014: The target was met in 2014. Feedback from the CRPs has been that they do not agree with making the training mandatory before a person can provide VRBS service, but they have found the training to be a good starting point for new employees.

2014 analysis: The requirement has been implemented and no further changes are planned at this time.

2015: There was some difficulties for a short time when the organization that maintains the CRP exam reorganized, but those difficulties are over and the process continues.

The target was met in 2015.

2015 analysis: While the target has been met, VRBS is considering putting the course enrollment information on the agency website in the upcoming year. It is also being considered that staff of agencies and schools providing work-based learning experiences as part of pre-employment transition services will be required to take the training. If they are not required, it will be a recommendation that they take the training.

Priority 4: VRBS will increase its capacity to serve un-served and underserved populations.

Performance Measure 4.1: VRBS will utilize caseload based data and census data to identify specific issues related to unserved or underserved populations.

Target: Issues identified by the caseload research and census research will generate guidance addressing issues that are impacting unserved or underserved populations.

2014: It was decided to review subsequent years of data to determine that there was consistency over time. At this time the additional reviews have not been completed.

The target was not met for fiscal year 2014.

2014 analysis: While there may be some significant issues that have been identified in the research there has not been any progress towards addressing the issues. Also, there

has been inadequate time to do additional review of the data to confirm that the original findings are valid.

2015: No progress was made on this measure and the target was not met.
The target was not met for fiscal year 2015.

2015 analysis: The issue should be addressed by management to determine how time can be allocated to conduct this type of research and implement plans to address issues that are identified.

Priority 5: VRBS will increase its capacity to serve transition age (14-24) youth with disabilities.

Performance Measure 5.1: VRBS will increase the number of IPEs completed with transition youth before they graduate from high school.

Target: The number of IPEs completed with transition youth before they graduate from high school will increase each year of the plan.

Baseline 2013 transition age youth with disabilities completing IPE before graduation: 117

2014: 99 youth with disabilities completed IPEs before graduation.
The target was not met for fiscal year 2014.

2014 analysis: Completing IPEs prior to graduation is a major change in philosophy for VRBS staff. Of particular concern is establishing a vocational goal at this stage of the consumer's development. Training was provided related to this issue and staff are becoming more accepting of initial broad vocational objectives. In addition, concepts of the "adopt the school" program are being utilized in more schools. These factors should help to meet the goal in the upcoming year.

2015: The most recent data available was through the 3rd qtr. of FY 2015. 155 youth with disabilities completed IPEs before graduation. There may have been additional students who completed during the 4th quarter of the fiscal year. However, because this quarter is made up of primarily summer months following graduation the numbers were probably small as only students enrolling in additional years of high school would meet the criteria.

The target was met for fiscal year 2015.

2015 analysis: The target was met this year. With the advent of Pre-Employment Transition Services (Pre-ETS) it is expected that even greater improvement will be seen in this measure.

Performance Measure 5.2: VRBS will increase the number of 26 closures for transitions age (14-24) youth.

Target: The number of 26 closures for transitions age consumers will increase by 3% each year of the plan.

Baseline 2013 transition age youth with disabilities were closed 26: 184

2014: 190 transition aged youth with disabilities were closed 26. Target with 3% increase: 190

The target was met for fiscal year 2014.

2014 analysis: While the target was met, it was not exceeded. VRBS should give consideration to developing additional strategies to address this issue.

2015: 129 transition aged youth with disabilities were closed 26. (this is the total as of June 30, 2015, which was most recent available.)

Target with 3% increase: 196 transition aged youth 26 closures 147 would be 75% of total

Based on VRBS achieving 75% of the target based on data for 75% of fiscal year, the target was not met for fiscal year 2015.

2015 analysis: While it appears that the target was not met, it should be noted that the 4th quarter is often a quarter with the highest numbers of 26 closures. Therefore, it is possible that VRBS was close to or may have met the target once 4th qtr. information is included. However, again even if the target was met, it is unlikely that it was exceeded in a significant way and VRBS should consider additional strategies related to this performance measure. Increased activity with Pre-ETS should increase success with this measure in the future. Also, VRBS is in the process of developing a model for providing services similar to Pre-ETS services to youth with disabilities that are no longer in school. It is hoped this model will be operational sometime in the upcoming year and increase the number of 26 closures of youth with disabilities.

Performance Measure 5.3: VRB will increase the number of transition age youth (14-24) served.

Target: The number of transitions age youth served will increase by 5% each year of the plan.

Baseline 2013: The number of IPE's completed on transition age youth with disabilities was 2,002

2014: The number of IPE's completed on transition age youth with disabilities was 1,965. Target with 5% increase: 2,102 transition age youth served.

The target was not met for fiscal year 2014.

2014 analysis: It was expected that with the expansion of the Adopt a School model that this target would have been met. It is anticipated that with additional expansion of the Adopt a School model and initiation of Pre-ETS that the target should be met next year.

2015: The number of IPE's completed on transition age youth with disabilities through June 30, 2015 (most recent data available) was 1,980.

Target 2,060 transition age youth served. 75% of target is 1,545.

Based on VRBS achieving 75% of the target, the target was met for fiscal year 2014.

2015 analysis: As anticipated the initiation of Pre-ETS has assisted in meeting the target this year. It is anticipated that with expansion of Pre-Employment Transition Services VRBS will be even more successful in this area next year. Because Pre-ETS includes services to groups, it is expected that recruitment of youth eligible for VRBS will be enhanced and students that would have been missed in previous out-reach efforts will be applying and will be completing IPEs. Also, in the upcoming year VRBS will be contracting with the Rural Institute Research and Training Center to work with schools

on how to initiate and implement Pre-ETS, which should increase the effectiveness of the Pre-ETS initiative.

Priority 6: VRBS will increase the quality of successful closures by placing more consumers in positions that pay a living wage and have employee benefits.

Performance Measure 6.1: On the consumer satisfaction survey, 26 closures will indicate VRBS services assisted them in meeting their needs.

Target: For the question "I believe the program has met most of my needs." 90% of the responses from 26 closures will be positive.

2014: 93.4% positive responses on the target question.

The target was met.

2014 analysis: No changes were recommended.

2015: The surveys for 2015 have not been completed at this time as the survey is conducted on the calendar year. Also, there has been a hold on the survey process for a couple of months as the agency is contemplating a different method for distributing the surveys.

Performance Measure 6.2: Real income for 26 closures will increase.

Target: Wages at closure combined with benefits income for 26 closures will increase faster than the rate of inflation for each year of the plan.

2013:

Monthly Wages only: \$1,334.20

Monthly Wages + monthly income: \$1,576.37

2014:

Monthly Wages only: \$1,345.05; $\$1,334.20 + \text{inflation (1.5\%)} \$20.01 = \$1,354.21$

Monthly Wages + monthly income: \$1,591.41; $\$1,576.37 + \text{inflation (1.5\%)} \$23.65 = \$1,600.02$

The target was not met for fiscal year 2014

2014 analysis: VRBS is very close to meeting this target. It is anticipated that the required CRP training should assist with better placements in that sector. Also, the improving Montana economy should assist consumers obtain better paying vocational outcomes.

2015 (October 1, 2014 to June 30, 2015)

Monthly Wages only: \$1,322.46 $\$1,354.21 + \text{inflation (0\%)} \$0 = \$1,354.21$

Monthly Wages + monthly income: \$1,619.02 $\$1,600.02 + \text{inflation (0\%)} \$0 = \$1,600.02$

The target was not met for fiscal year 2015 in relation to monthly wages, but was met with regard to monthly wages + benefits.

2015 analysis: Unfortunately VRBS consumers lost ground with regard to monthly wages in the last year. However, the target with regard to wages + benefits was met. It should be noted that there was an increase in the number of transition age youth that were placed in 26 during this time span. An increase in this age group could decrease the average wage because this age group tends to receive entry level wages. Also, this age group may be retaining their benefits while they develop increased skill development and experience necessary for higher wages.

Performance Measure 6.3: The number of 26 closures with health benefits will increase.

Targets: The percentage of 26 closures that have health benefits provided by employers will increase each of the three years of the plan.

Baseline 2013: 31.3% of 26 closures have health benefits provided by employers

2014: 33.7% of 26 closures have health benefits provided by employers.

The target was met for fiscal year 2014.

2014 analysis: The target was met and no changes are planned.

2015: Through June 30, 2015 27.4% of 26 closures have health benefits provided by employers.

The target was not met on June 30, 2015.

2015 analysis: The target was not met. One change that may have occurred during this time period was the initiation of market place insurance and consumers may be obtaining insurance through the market place rather than through employers. This may have a particularly high impact in Montana due to the high percentage of small businesses.

The percentage of 26 closures that have employer provided health insurance, Medicaid, or Medicare will increase each year of the plan.

Baseline 2013: 61.8% of 26 closures have employer provided health insurance, Medicaid, or Medicare.

2014: 62.0% of 26 closures have employer provided health insurance, Medicaid, or Medicare.

The target was met for fiscal year 2014.

2014 analysis: The target was met and no changes are planned.

2015: Through June 30, 2015 59.8% of 26 closures 26 closures have employer provided health insurance, Medicaid, or Medicare.

The target was not met on June 30, 2015, but is close enough that it may be met by September 30, 2015.

2015 analysis: The issue of market place insurance is again an issue for this measurement. It is believed that overall consumers with health insurance after placement has increased due to the availability of market place insurance, but that cannot be measured at this time.

Priority 7: VRBS will become a model of an accessible work place for individuals with disabilities.

Performance Measure 7.1: VRBS will address identified barriers to accessibility in VRB offices.

Targets: Each year of the plan, VRBS will address barriers to accessibility identified in accessibility studies conducted in 2012. When all the identified barriers are removed the target will be met.

2014: Local offices report that identified barriers are being addressed.

2014: The target was met this fiscal year.

2014 analysis: The target was met and no changes are planned.

2015: Local offices report that identified barriers are being addressed.

2015: The target was met this fiscal year.

2015 analysis: The target was met and no changes are planned.

When VRBS changes to or adds a new office, an accessibility study will be completed within a year and a plan will be developed to address identified accessibility barriers. When all identified barriers are removed the target will be met.

2014: No new offices were added.

2015: One office was added an accessibility study was completed and issues identified are being addressed by the landlord involved.

2015: The target was met this fiscal year.

2015 analysis: The target was met and no changes are planned.

When individual employees have a specific accessibility barrier not addressed in the preceding surveys, they will report the barrier to their supervisor, and the issue will be assessed and a plan for removal developed. When all individualized barriers are removed the target will be met.

2014: No accessibility barriers were reported by staff.

2015: No accessibility barriers were reported by staff.

Performance Measure 7.2: VRBS will work to be a resource for making the network of services for persons with a disability accessible.

Target: VRBS will develop and provide guidance procedures for staff on information that can be provided to other agencies in the network on resources available for addressing the workplace for accessibility.

2014: There was a lengthy turnover in the position that was to develop the procedures described above and no progress has been made on this performance measure.

2014: The target was not met this fiscal year.

2014 analysis: Now that the position is filled the person in the position should be notified of this responsibility and work on the task should be initiated.

2015: There were other high priority issues that needed to be addressed and this task was not addressed.

2015: The target was not met this fiscal year.

2015 analysis: This task should be made a priority for completion in the upcoming year. VRBS will include this activity as part of the responsibilities under a contract to review the assistive technology practices of the agency and update those practices.

Supported Employment Goals

VRBS continually assesses the need to establish, develop and improve CRPs. Among the need areas being addressed at this time are:

- Expansion of services to rural and remote areas by the continued enrollment of private providers who meet VRBS qualification levels for job placement and job coaching services. New providers are being developed in the northern Montana and in other remote areas of the state.
- Expansion of mental health providers as CRPs to serve those with severe and persistent mental illness VRBS continues to work on this issue, but there have been no new providers added in the last year. VRBS is working with an initiative of the Addictive and Mental Disorders Division to improve employment of persons with significant mental health disabilities. Some of the providers that the Addictive and Mental Disorders Division are developing as part of this initiative may become VRBS enrolled CRPs in the future.
- VRBS in collaboration with the Developmental Disabilities Program developed an on-line training to be required of all providers. This provides a core set of information and techniques for all providers in the state.

The VR program's performance on the performance accountability indicators under section 116 of WIOA

FY 2014 data is:

Employment rate 2 nd quarter after exit:	71.0%
Employment rate 4 th quarter after exit:	66.9%
Median Wage:	\$3,540
Credential Rate	11.6%
Measurable Skill Gains	21.2%
Effectiveness in Serving Employers	

This information is baseline and actual performance levels will be set when further guidance is received.

In the past, each core program has collected data according to its respective needs, leading to gaps in the prior data available to inform the new performance measure targets. When possible, WIA data was used to fill in the gaps. Proposed performance measures were adjusted downwards to reflect the worker shortage in the current labor market.

However, existing data does not allow calculation of measurable skill gains and credential attainment rates for each core program. While the programs will adjust to capture new data, preliminary estimates for those measures were made without support from historic data. The rates are baseline best-guess estimates and will likely change as more guidance is received.

Without any precedent for gauging the effectiveness of employer services, Montana will test new measures to fill this need. In the upcoming low-unemployment environment we will work with businesses seeking help with their hiring challenges by providing information and resources on sound hiring and retention practices and by educating them on the value of hiring populations previously not considered by Montana's businesses, including individuals with disabilities. VRBS has not previously had a measure related to effectiveness of serving employers. VRBS is seeking guidance on the issue and it is anticipated that when new regulations are finalized there will be adequate guidance to provide a measurement and projection.

Use of Innovation and Expansion Funds

- Support the Statewide Independent Living Council and the State Rehabilitation Council, which each meet four times during the year to conduct business. Expenditures included travel, stipends, supplies, meeting room rental, interpreters, and facilitation services.
- To pay some costs related to the consumer satisfaction survey

Q. Quality, Scope, and Extent of Supported Employment Services

Quality of Supported Employment:

Vocational Rehabilitation and Blind Services (VRBS) enrolls providers who will be making supported employment time limited services available. The enrollment process requires that providers have met a set of standards described in administrative rules. This enrollment process ensures that the providers maintain the necessary education, skills, and degree of professional expertise to provide a level of service commensurate with VRBS work service standard. VRBS values its priority partners who have met the required standards. Supported employment providers evaluated by the developmental disability system or mental health system represent the majority of our providers. The Commission on Accreditation of Rehabilitation Facilities (CARF) and Rehabilitation Services Accreditation System (RSAS) are also utilized by providers. Other providers are individuals who have been selected to provide services for a limited number of consumers in a rural area where there are no established providers.

As mentioned previously, VRBS and the Developmental Disabilities have collaborated to develop training for CRP vocational services staff. The training will be required. It is felt this will significantly improve the quality of CRP supported employment services.

Scope of Services:

The scope of services available may include one or more of the following services depending on the individual's needs:

- Vocational Evaluation
- Community Based Assessment
- Supported Employment
- Job Readiness Service
- Job Placement Services

Also, services such as transportation to work place, work clothing, etc. are provided when necessary.

Extended support services are available through a variety of programs following closure of the VR case. These services are described previously in this document.

VRBS will be reviewing the opportunity to provide extended services for youth as allowed under WIOA. Guidelines for this service are likely to be developed in the next year.

Extent of Supported Employment:

An individual shall be eligible to receive supported employment services using Title VI Part B funds if:

1. The individual is eligible for vocational rehabilitation services.
2. The individual is determined to be an individual with the most significant disabilities; and
3. There is comprehensive assessment of rehabilitation needs of the individual including an assessment of rehabilitation career and job needs, and identifies supported employment as the appropriate rehabilitation objective for the individual.

Cooperative Agreements:

When a goal requiring supported employment is identified in the IPE, a document (cooperative agreement) signed and dated by the extended service provider reflecting the commitment of extended service provisions will be placed in the file prior to closure. A similar commitment is obtained from the fund provider when appropriate.

Funding Extended Support Services Prior to Closure:

VRBS provides time-limited services needed to support an individual in employment (with the exception of extended services for youth with the most significant disabilities between the ages of 14-24). VRBS can fund a maximum of 24 months of job coaching and follow-along services unless the Individualized Plan of Employment (IPE) indicates

that more than 24 months of services are necessary for the individual to achieve job stability prior to transitioning to extended support services. Prior to the purchase of supported employment services, the need for services, the appropriate extended support services, funding, and the appropriate agency to provide the services are established and identified on the IPE. Supported employment services are available statewide.

VR Program Certifications and Assurances are included in Appendix 2.

**APPENDIX 1
WIOA CORE PROGRAM PERFORMANCE MEASURES**

	Year: PY 2016		Year: PY 2017	
	Proposed/ Expected Level	Negotiated/ Adjusted Level	Proposed/ Expected Level	Negotiated/ Adjusted Level
Employment (Second Quarter after Exit)				
Adults	71.0		71.0	
Dislocated Workers	60.1		60.1	
Youth* (Education, Training or Employment)	49.6		49.6	
Adult Education	Baseline		Baseline	
Wagner- Peyser	70.9		70.9	
Vocational Rehabilitation	71.0		71.0	
Employment (Fourth Quarter after Exit)				
Adults	66.9		66.9	
Dislocated Workers	67.2		67.2	
Youth* (Education, Training or Employment)	55.7		55.7	
Adult Education	Baseline		Baseline	
Wagner- Peyser	66.7		66.7	
Vocational Rehabilitation	66.0		66.0	

Median Earnings (Second Quarter after Exit)	Proposed/ Expected Level PY16	Negotiated	Proposed/ Expected Level PY18	Negotiated
Adults	\$5,913		\$5,913	
Dislocated Workers	\$7,192		\$7,192	
Youth* (Education, Training or Employment)	\$2,727		\$2,727	
Adult Education	Baseline		Baseline	
Wagner-Peyser	\$5,384		\$5,384	
Vocational Rehabilitation	\$3,540		\$3,540	
Credential Attainment Rate				
Adults	51.9		51.9	
Dislocated Workers	52.7		52.7	
Youth* (Education, Training or Employment)	50.0		50.0	
Adult Education	Baseline		Baseline	
Wagner-Peyser	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Vocational Rehabilitation	11.6		11.6	
Measurable Skill Gains				
Adults	Baseline		Baseline	
Dislocated Workers	Baseline		Baseline	
Youth* (Education, Training or Employment)	Baseline		Baseline	
Adult Education	36.9		36.9	
Wagner-Peyser	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Vocational Rehabilitation	21.2		21.2	

Effectiveness in Serving Employers	Proposed/ Expected Level PY16	Negotiated	Proposed/ Expected Level PY17	Negotiated
Adults	Baseline		Baseline	
Dislocated Workers	Baseline		Baseline	
Youth* (Education, Training or Employment)	Baseline		Baseline	
Adult Education	Baseline		Baseline	
Wagner-Peyser	Baseline		Baseline	
Vocational Rehabilitation	Baseline		Baseline	

Additional Indicators of Performance				
1.				
2.				
3.				
4.				
5.				
6.				

APPENDIX 2
MEMBERSHIP OF THE MONTANA STATE WORKFORCE INNOVATION BOARD

Crum, Dave <i>Private Sector</i> Chair	Bioscience Alliance Board 3324 13 th Avenue, South Great Falls, MT 59405	406-750-3361 Dave_crum@gfps.k12.mt.us
Aarstad, Rich <i>Workforce</i>	MEA/MFT 225 N. Roberts PO Box 201201 Helena, MT 59620-1201	406-444-6779 raarstad@mt.gov
Bentley, Dean <i>Private Sector</i>	Northwestern Energy 40 East Broadway Street Butte, MT 59701	406-565-1179 Dean.bentley@northwestern.com
Blumenthal, Casey <i>Private Sector</i>	Montana Hospital Association 705 Touchstone Drive, Unit F Helena, MT 59601	406-442-1911 casey@mtha.org
Bucy, Pam <i>Public Sector</i>	Dept. of Labor & Industry PO Box 1728 Helena, MT 59624-1728	406-444-9091 PBucy@mt.gov
Eychner, Scott	Pam Bucy's designee	406-444-2648 seychner@mt.gov
Bundtrock, Tina <i>Private Sector</i>	Benefis Native American Programs 2600 11 th Avenue, South Great Falls, MT 59405	406-455-4863 TinaBundtrock@benefis.org
Byrd, Vicky <i>Workforce</i>	Executive Director Montana Nurses Association 20 Old Montana State Highway Montana City, MT 59634	406-459-2915 Vicky@mtnurses.org
Christian, Clay <i>Public Sector</i>	Higher Education – OCHE 2500 E. Broadway Street PO Box 203201 Helena, MT 59620-3201	405-444-0374 cchristian@montana.edu
Cech, John	Clay Christian's designee	406-444-0316 jcech@montana.edu
Doran, Anna <i>Private Sector</i>	Big Dipper Ice Cream 1101 University Street Helena, MT 59601	406-529-5040 AnnaforMontana@gmail.com

Ekblad, Al <i>Workforce</i>	Montana AFL-CIO 137 Gerber Road Great Falls, MT 59072	406-442-1708 alekblad@mtaflcio.org
Gatzemeier, Paul <i>Private Sector</i>	Coal Black Cattle Co. LLC 7256 Highway 3 Billings, MT 59106	406-696-9842 Paul.gatzemeier@earthlink.net
Hall, Larry <i>Private Sector</i>	S & K Electronics 56301 US Highway 93 Ronan, MT 59864	406-883-6241 Larry_hall@skcorp.com
Hammerquist, Kirk <i>Private Sector</i>	Milk River Construction 470 Kinshella Road Kalispell, MT 59901	406-885-2925 windflower.cheri@yahoo.com
Harrington, Jasyn <i>Workforce</i>	Career Training Institute 347 N. Last Chance Gulch Helena, MT 59601	406-443-0800 jasyneh@ctibrc.org
Helt, Jacquie <i>Workforce</i>	SEIU Healthcare 775NW 1042 E. Broadway Helena, MT 59601	406-549-5931 or 406-544-9682 Jacquie.helt@seiu775.org
Hunt, William <i>Private Sector</i>	Hunt Law Firm LLC PO Box 731 Shelby, MT 59474	406-434-3900 bhunt@3rivers.net
Hushka, Niles <i>Private Sector</i>	KLJ Engineering 220 Aspen Springs Rd. Bozeman, MT 59715	406-586-2093 Niles.hushka@kljeng.com
Juneau, Denise <i>Public Sector</i>	Office of Public Instruction PO Box 202501 Helena, MT 59620	406-444-5658 djuneau@mt.gov
Bowles, Margaret	Denise Juneau's Designee	406-444-4443 mbowles@mt.gov
Kellogg, Fred <i>Private Sector</i>	Country Pasta 46835 US Highway 93 Polson, MT 59860	406-270-1770 fkellogg@countrypasta.org
Lee, Billie <i>Private Sector</i>	BillieLee Project Consulting 405 16 th Avenue E. Polson, MT 59860	406-253-5064 billie.lee@bleeconsulting.com
McCarvel, Miles <i>Workforce</i>	Iron Workers Union Local 14 201 N. Russell Missoula, MT 59801	406-829-9051 Ironmiles14@gmail.com

McGinley, Mike <i>Public Sector</i>	Beaverhead Co. Commissioner 2 South Pacific Street, Suite 4 Dillon, MT 59725	406-683-3750 mmcginley@beaverheadcounty.org
McKee, John <i>Private Sector</i>	Headframe Spirits 21 S. Montana Street Butte, MT 59701	406-494-7368 john@headframespirits.com
Minto, Robert <i>Private Sector</i>	ALPS Corporation PO Box 9169 Missoula, MT 59807	406-728-3113 rminto@ALPSnet.com
Opper, Richard <i>Public Sector</i>	Dept. of Public Health & Human Services PO Box 4210 Helena, MT 59604	406-444-5622 Ropper@mt.gov
Marks, Jim	Richard Opper's Designee	406-444-2591 Jimmarks@mt.gov
Reardon, Jay <i>Workforce</i>	1135 Avian Road Helena, MT 59602	406-465-5595 jpr19557@gmail.com
Ricci, Vince <i>State Representative</i>	1231 5 th Avenue Laurel, MT 59044-9602	406-628-7020 Rep.Vince.Ricci@mt.gov
Rogers, John <i>Governor's Rep.</i>	Chief Business Devel. Officer Governor's Office PO Box 200801 Helena, MT 59620	406-444-5470 johnrogers@mt.gov
Shirtliff, Andy	John Rogers' Designee	406-444-5472 ashirtliff@mt.gov
Rose, Loren <i>Private Sector</i>	Pyramid Lumber PO Box 295 Seeley Lake, MT 59868	406-677-2201, ext. 26 lorenr@pyramidlumber.com
Smith, Cary <i>State Senator</i>	5522 Billy Casper Drive Billings, MT 59106-1029	406-698-9307 Sen.Cary.Smith@mt.gov
Templer, Arlene <i>Public Sector</i>	DHRD Dept. Head/WIOA Director Confederated Salish & Kootenai Tribes PO Box 275 Pablo, MT 59855	406-675-2700, ext. 1038 alreinet@cskt.org

Trent, Scott
Private Sector

Montana Rail Link
101 International Drive
Missoula, MT 59808

406-523-1513
strent@mtrail.com

Weber, Jane
Public Sector

Cascade County Commissioner
325 2nd Avenue North #111
Great Falls, MT 59401

406-454-6810
Jweber@casadecountymt.gov

APPENDIX 3 ASSURANCES AND CERTIFICATIONS

Common Assurances

1. The State has established a policy identifying circumstances that may present a conflict of interest for a State Board or local board member, or the entity or class of officials that the member represents, and procedures to resolve such conflicts;
2. The State has established a policy to provide to the public (including individuals with disabilities) access to meetings of State Boards and local boards, and information regarding activities of State Boards and local boards, such as data on board membership and minutes;
3. The lead State agencies with optimal policy-making authority and responsibility for the administration of core programs reviewed and commented on the appropriate operational planning elements of the Combined State Plan, and approved the elements as serving the needs of the populations served by such programs;
4. (a) The State obtained input into the development of the Combined State Plan and provided an opportunity for comment on the plan by chief local elected officials, businesses, labor organizations, institutions of higher education, the entities responsible for planning or administering the core programs, required one-stop partners and the other Combined Plan programs, other primary stakeholders, including other organizations that provide services to individuals with barriers to employment, and the general public, and that the Combined State Plan is available and accessible to the general public;

(b) The State provided an opportunity for review and comment on the plan by the State Board, including the State agency official for the Unemployment Insurance Agency;
5. The State has established, in accordance with WIOA section 116(i), fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through allotments made for the core programs to carry out workforce development activities;
6. The State has taken appropriate action to secure compliance with uniform administrative requirements in this Act, including that the State will annually monitor local areas to ensure compliance and otherwise take appropriate action to secure compliance with the uniform administrative requirements under WIOA section 184(a)(3);
7. The State has taken the appropriate action to be in compliance with WIOA section 188, Nondiscrimination, as applicable;
8. The Federal funds received to carry out a core program will not be expended for any purpose other than for activities authorized with respect to such funds under that core program;

9. The State will pay an appropriate share (as defined by the State Board) of the costs of carrying out section 116, from funds made available through each of the core programs;
10. The State has a one-stop certification policy that ensure the physical and programmatic accessibility of all one-stop centers with the Americans with Disabilities Act of 1990 (ADA):
11. Service providers have a referral process in place for directing Veterans with Significant Barriers to Employment (SBE) to DVOP services, when appropriate; and
12. Priority of service for veterans and eligible spouses is provided in accordance with 38 USC 4215 in all workforce preparation, development or delivery of programs or services funded directly, in whole or in part, by the Department of Labor.

Title 1-B Assurances

1. The State has implemented a policy to ensure Adult program funds provide a priority in the delivery of career and training services to individuals who are low income, public assistance recipients or basic skills deficient;
2. The State has implemented a policy to ensure local areas have a process in place for referring veterans with significant barriers to employment to career services provided by the JVSG program's Disabled Veterans' Outreach Program (DVOP) specialist;
3. The State has established a written policy and procedure that set forth criteria to be used by chief elected officials for the appointment of local workforce investment board members;
4. The State established written policy and procedures to ensure local workforce investment boards are certified by the governor every two years in accordance with WIOA section 107(c)(2);
5. Where an alternative entity takes the place of a State Board, the State has written policy and procedures to ensure the alternative entity meets the definition under WIOA section 101(E) and the legal requirements for membership;
6. The State established a written policy and procedure for how the individuals and entities represented on the State Workforce Development Board help to determine the methods and factors of distribution, and how the State consults with chief elected officials in local areas throughout the State in determining the distributions;
7. The State will not use funds received under WIOA Title I to assist, promote, or deter union organizing in accordance with WIOA section 181(b)(7);
8. The State distributes adult and youth funds received under WIOA equitably throughout the State, and no local area suffers significant shifts in funding from year-to-year during the period covered by this plan;

9. If a State Workforce Development Board, department, or agency administers State laws for vocational rehabilitation of persons with disabilities, that board, department or agency cooperates with the agency that administers Wagner-Peyser services, Adult and Dislocated Worker programs and Youth Programs under Title 1;
10. The State agrees to report on the impact and outcomes of its approved waivers in its WIOA Annual Report;
11. The State has taken appropriate action to secure compliance with the Uniform Guidance at 2 CFR 200 and 2 CFR 2900, including that the State will annually monitor local areas to ensure compliance and otherwise take appropriate action to secure compliance with the Uniform Guidance under section WIOA 184(a)(3);

Wagner-Peyser Assurances

1. The Wagner-Peyser Employment Service is co-located with one-stop centers or a plan and timeline has been developed to comply with this requirement within a reasonable amount of time. (sec 121(e)(3));
2. The State agency is complying with the requirements under 20 CFR 653.111 (State agency staffing requirements) if the State has significant MSFW one-stop centers;
3. If a State Workforce Development Board, department or agency administers State laws for vocational rehabilitation of persons with disabilities, that board, department or agency cooperates with the agency that administers Wagner-Peyser services, Adult and Dislocated Worker programs and Youth Programs under Title 1; and
4. State agency merit-based public employees provide Wagner-Peyser Act-funded labor exchange activities in accordance with Department of Labor regulations.

Adult Education and Family Literacy Act Program Certifications and Assurances

CERTIFICATIONS

1. The plan is submitted by the State agency that is eligible to submit the plan.
2. The State agency has authority under State law to perform the functions of the State under the program.
3. The State legally may carry out each provision of the plan.
4. All provisions of the plan are consistent with State law.
5. A State officer, specified by title in the certification, has authority under State law to receive, hold, and disburse Federal funds made available under the plan.
6. The State officer who is submitting the plan, specified by the title in the certification, has authority to submit the plan.
7. The agency that is submitting the plan has adopted or otherwise formally approved the plan.
8. The plan is the basis for State operation and administration of the program.

Signature of Authorized Certifying Official
Montana Office of Public Instruction

Title

ASSURANCES

1. The eligible agency will expend funds appropriated to carry out title II of the Workforce Innovation and Opportunity Act (WIOA) only in a manner consistent with fiscal requirements under section 241(a) of WIOA (regarding supplement and not supplant provisions);
2. The eligible agency will ensure that there is at least one eligible provider serving each local area, as defined in section 3(32) of WIOA;
3. The eligible agency will not use any funds made available under title II of WIOA for the purpose of supporting or providing programs, services, or activities for individuals who are not “eligible individuals” within the meaning of section 203(4) of WIOA, unless it is providing programs, services or activities related to family literacy activities, as defined in section 203(9) of WIOA;
4. The Integrated English Literacy and Civics Education program under section 243(a) of WIOA will be delivered in combination with integration of local workforce needs;

5. The Integrated English Literacy and Civics Education program under section 243(a) of WIOA will be designed to (1) prepare adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to economic self-sufficiency and (2) integrate with the local workforce development system and its functions to carry out the activities of the program; and
6. Using funds made available under title II of WIOA to carry out a program for criminal offenders within a correctional institution, the eligible agency will give priority to serving individuals who are likely to leave the correctional institutions within five years of participation in the program.

SF-424B – Assurances – Non-Construction Programs

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management, and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of

1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1721 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, AAudits of States, Local Governments, and Non-Profit Organizations.≡
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

Standard Form 424B (Rev. 7-97) Back

Certification Regarding Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriate funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Applicant's Organization

Printed Name and Title of Authorized Representative

Signature

Date

Insert SF LLL Form here, if applicable -

<http://www2ed.gov/fund/grant/apply/appforms/appforms.html>

Vocational Rehabilitation Certifications and Assurances

CERTIFICATIONS

1. The Montana Vocational Rehabilitation and Blind Services State unit is authorized to submit the VR services portion of the Combined State Plan under title 1 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by WIOA, and its supplement under title VI of the Rehabilitation Act;
2. As a condition for the receipt of Federal funds under title 1 of the Rehabilitation Act for the provision of VR services, the Montana Department of Public Health and Human Services agrees to operate and administer the State VR Services Program in accordance with the VR services portion of the Combined State Plan, the Rehabilitation Act, and all applicable regulations, policies, and procedures established by the Secretary of Education. Funds made available under section 111 of the Rehabilitation Act are used solely for the provision of VR services and the administration of the VR services portion of the Combined State Plan;
3. As a condition for the receipt of Federal funds under title VI of the Rehabilitation Act for supported employment services, the Montana Department of Public Health and Human Services agrees to operate and administer the State Supported Employment Services Program in accordance with the supplement to the VR services portion of the Combined State Plan, the Rehabilitation Act, and all applicable regulations, policies and procedures established by the Secretary of Education. Funds made available under title IV are used solely for the provision of supported employment services and the administration of the supplement to the VR services portion of the Combined State Plan;
4. The Montana Vocational Rehabilitation and Blind Services State unit has the authority under State law to perform the functions of the State regarding the VR services portion of the Combined State Plan and its supplement;
5. The State legally may carry out each provision of the VR services portion of the Combined State Plan and its supplement.
6. All provisions of the VR services portion of the Combined State Plan and its supplement are consistent with State law.
7. The Disability Employment and Transitions Administrator has the authority under State law to receive, hold, and disburse Federal funds made available under the VR services portion of the Combined State Plan and its supplement;
8. The Disability Employment and Transitions Administrator has the authority to submit the VR services portion of the Combined State Plan and the supplement for Supported Employment services;
9. The agency that submits the VR services portion of the Combined State Plan and its supplement has adopted or otherwise formally approved the plan and its supplement.

Signature of Authorized Certifying Official

Title

Applicant Organization

ASSURANCES

1. **Public Comment on Policies and Procedures:** The designated State agency assures it will comply with all statutory and regulatory requirements for public participation in the VR Services Portion of the Combined State Plan, as required by section 101(a)(16)(A) of the Rehabilitation Act.
2. **Submission of the VR services portion of the Combined State Plan and Its Supplement:** The designated State unit assures it will comply with all requirements pertaining to the submission and revisions of the VR services portion of the Combined State Plan and its supplement for the State Supported Employment Services program, as required by sections 101(a)(1), (22), (23), and 606(a) of the Rehabilitation Act; section 102 of WIOA in the case of the submission of a unified plan; section 103 of WIOA in the case of a submission of a Combined state Plan; 34 CFR 76.140.
3. **Administration of the VR services portion of the Combined State Plan:** The designated State agency or designated State unit, as appropriate, assures it will comply with the requirements related to:
 - (a) the establishment of the designated State agency and designated State unit, as required by section 101(a)(2) of the Rehabilitation Act.
 - (b) the establishment of either a State independent commission or State Rehabilitation Council, as required by section 101(a)(21) of the Rehabilitation Act. The designated State agency or designated State unit, as applicable:
 - (B) has established a State Rehabilitation Council
 - (c) consultations regarding the administration of the VR services portion of the Combined State Plan, in accordance with section 101(a)(16)(B) of the Rehabilitation Act.
 - (d) the financial participation by the State, or if the State so elects, by the State and local agencies, to provide the amount of the non-Federal share of the cost of carrying out the VR program in accordance with section 101(a)(3).
 - (e) the local administration of the VR services portion of the Combined State Plan, in accordance with section 101(a)(2)(A) of the Rehabilitation Act. Identify if the designated State agency allows for the local administration of VR funds. No
 - (f) the shared funding and administration of joint programs, in accordance with section 101(a)(2)(A)(ii) of the Rehabilitation Act. Identify if the designated state agency allows for the share funding and administration of joint programs. No
 - (g) statewideness and waivers of statewideness requirements, as set forth in section 101(a)(4) of the Rehabilitation Act. The designated State agency is **not** requesting a waiver of statewideness for one or more services provided under the VR services portion of the Combined State Plan.
 - (h) the descriptions for cooperation, collaboration, and coordination, as required by sections 101(a)(11), (24)(B), and 606(b) of the Rehabilitation Act.
 - (i) all required methods of administration, as required by section 101(a)(6) of the Rehabilitation Act.
 - (j) the requirements for the comprehensive system of personnel development, as set forth in section 101(a)(7) of the Rehabilitation Act.

- (k) the compilation and submission to the Commissioner of statewide assessments, estimates, State goals and properties, strategies and progress reports, as appropriate, and as required by sections 101(a)(15), 105(c)(2), and 606(b)(8) of the Rehabilitation Act.
- (l) the reservation and use of a portion of the funds allotted to the State under section 110 of the Rehabilitation Act for the development and implementation of innovative approaches to expand and improve the provision of VR services to individuals with disabilities, particularly individuals with the most significant disabilities.
- (m) the submission of reports as required by section 101(a)(10) of the Rehabilitation Act.

4. Administration of the Provision of VR Services: The designated State agency, or designated State unit, as appropriate, assures that it will:

- (a) comply with all requirements regarding information and referral services in accordance with sections 101(a)(5)(D) and (20) of the Rehabilitation Act.
- (b) impose no duration of residence requirement as part of determining an individual's eligibility for VR services or that excludes from services under the plan any individual who is present in the State in accordance with section 101(a)(12) of the Rehabilitation Act.
- (c) provide the full range of services listed in section 103(a) of the Rehabilitation Act as appropriate, to all eligible individuals with disabilities in the State who apply for services in accordance with section 101(a)(5) of the Rehabilitation Act. No
- (d) determine whether comparable services and benefits are available to the individual in accordance with section 101(a)(8) of the Rehabilitation Act.
- (e) comply with the requirements for the development of an individualized plan for employment in accordance with section 102(b) of the Rehabilitation Act.
- (f) comply with requirements regarding the provisions of informed choice for all applicants and eligible individuals in accordance with section 102(d) of the Rehabilitation Act.
- (g) provide vocational rehabilitation services to American Indians who are individuals with disabilities residing in the State, in accordance with section 101(a)(13) of the Rehabilitation Act.
- (h) comply with the requirements for the conduct of semiannual or annual review, as appropriate, for individuals employed either in an extended employment setting in a community rehabilitation program or any other employment under section 14(c) of the Fair Labor Standards Act, as required by section 101(a)(14) of the Rehabilitation Act.
- (i) meet the requirements in sections 101(a)(17) and 103(b)(2) of the Rehabilitation Act if the State elects to construct, under special circumstances, facilities for community rehabilitation programs
- (j) with respect to students with disabilities, the State,
 - (A) has developed and will implement,
 - (i) strategies to address the needs identified in the assessments; and
 - (ii) strategies to achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis; and
 - (B) has developed and will implement strategies to provide pre-employment transition services (sections 101(a)(15) and 101(a)(25)).

- 5. Administration of the VR services portion of the Combined State Plan:** The designated State agency or designated State unit, as appropriate, assures it will comply with the requirements related to:
- (a) the establishment of the designated State agency and designated State unit, as required by section 101(a)(2) of the Rehabilitation Act.
 - (b) the establishment of a State Rehabilitation Council, as required by section 101(a)(21) of the Rehabilitation Act. The designated State agency or designated State unit, as applicable:
 - (B) has established a State Rehabilitation Council.
 - (c) consultations regarding the administration of the VR services portion of the Combined State Plan, in accordance with sections 101(a)(16)(B) of the Rehabilitation Act.
 - (d) the financial participation by the State, or if the State so elects, by the State and local agencies, to provide the amount of the non-Federal share of the cost of carrying out the VR program in accordance with section 101(a)(3).
 - (e) the local administration of the VR services portion of the Combined State Plan, in accordance with section 101(a)(2)(A) of the Rehabilitation Act. The designated State agency allows for the local administration of VR funds – No.
 - (f) the shared funding and administration of joint programs, in accordance with section 101(a)(2)(A)(ii) of the Rehabilitation Act. The designated State agency allows for the shared funding and administration of joint programs – No.
 - (g) statewideness and waivers of statewideness requirements, as set forth in section 101(a)(4) of the Rehabilitation Act. The designated State agency is not requesting a waiver of statewideness for one or more services provided under the VR services portion of the Combined State Plan.
 - (h) the descriptions for cooperation, collaboration, and coordination, as required by sections 101(a)(11), (24)(B), and 606(b) of the Rehabilitation Act.
 - (i) all required methods of administration, as required by section 101(a)(6) of the Rehabilitation Act.
 - (j) the requirements for the comprehensive system of personnel development, as set forth in section 101(a)(7) of the Rehabilitation Act.
 - (k) the compilation and submission to the Commissioner of statewide assessments, estimates, State goals and priorities, strategies, and progress reports, as appropriate, and as required by sections 101(a)(15), 105(c)(2), and 606(b)(8) of the Rehabilitation Act.
 - (l) the reservation and use of a portion of the funds allotted to the State under section 110 of the Rehabilitation Act for the development and implementation of innovative approaches to expand and improve the provision of VR services to individuals with disabilities, particularly individuals with the most significant disabilities.
 - (m) the submission of reports as required by section 101(a)(10) of the Rehabilitation Act.
- 6. (a) Financial Administration of the Supported Employment Program:** The designated State agency assures that it will expend no more than 2.5 percent of the State’s allotment under title VI for administrative costs of carrying out this program; and, the designated State agency or agencies will provide, directly or indirectly through public or private entities, non-Federal contributions in an amount that is not less than 10 percent of the costs of carrying out supported employment services provided to youth with the most significant disabilities with the funds reserved for such purpose under section 603(d) of

the Rehabilitation Act, in accordance with section 606(b)(7)(G) and (H) of the Rehabilitation Act.

- (b) The designated State agency assures that it will use funds made available under title VI of the Rehabilitation Act only to provide supported employment services to individuals with the most significant disabilities, including extended services to youth with the most significant disabilities, who are eligible to receive such services; and, that such funds are used only to supplement and not supplant the funds provided under Title 1 of the Rehabilitation Act, when providing supported employment services specified in the individualized plan for employment, in accordance with section 606(b)(7)(A) and (D), of the Rehabilitation Act.

- 7. (a) **Provision of Supported Employment Services:** The designated State agency assures that it will provide supported employment services as defined in section 7(39) of the Rehabilitation Act.

- (b) The designated State agency assures that:
 - i. the comprehensive assessment of individuals with significant disabilities conducted under section 102(b)(1) of the Rehabilitation Act and funded under title 1 of the Rehabilitation Act includes consideration of supported employment as an appropriate employment outcome, in accordance with the requirements of section 606(b)(7)(B) of the Rehabilitation Act
 - ii. an individualized plan for employment that meets the requirements of section 102(b) of the Rehabilitation Act, which is developed and updated with title 1 funds, in accordance with sections 102(b)(3)(F) and 606(b)(6)(C) and (E) of the Rehabilitation Act.

APPENDIX 4
PLAN COMMENTS RECEIVED