

Governor's State Workforce Investment Board

Red Lion Colonial Inn, Helena, Montana

May 4, 2007

MINUTES

BOARD MEMBERS PRESENT: Chair Dan Miles, Vice Chair Marty Copps, Dave Crum, Mike DesRosier, Georgia Gibbs-Atkinson, Kirk Hammerquist, Jacquie Helt, Keith Kelly, Robbe Lindsay, Mike McGinley, Tom McKenna, Joan Miles, Sandi Miller, Mike O'Neill, Arlene Parisot, Tony Preite, Gail Richardson, Jeff Rupp, Karen Sullivan, and Linda Woods.

BOARD MEMBERS ABSENT: Evan Barrett, John Beaudry, Arlene Becker, Tom Curry, Mike Grove, Llew Jones, Maureen Kenneally, Lane Larson, Rodney Miller, Alan Skari, and Teresa Wall-McDonald.

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

GUESTS: Dan Casey, Phil Grossberg, Alyssa Townsend-Hudders, Mike Boysza, Jasyn Harrington, Lisa Newman, Roxanne Bullard, Cherelee Martin, Sara Fox, Gretchen Bingman, Norma Vylansek, Patti Furniss, Marla Ducello, Pam Harada, Michael Bissell, Dan Flynn, Curt Campbell, Mona Amundson, Al Ekblad, Will Stubsten, George Palmer, Carol Evanger, Ingrid Childress, Wolf Ametsbichler, Carolyn Stoltz, Jim Baker, Darla Joyner, Stephanie Gray, Emily Lipp Sirota, Deb Buxbaum, Craig Davis, Theresa McCarthy, Darrel Hannum, Tom Frisby, Connie Kinsey, Pam Watson, Mary Berg, Patricia Hulla, Debbie Krantz, Kate Kahle, Roy Jones, Mike Nephew, Denise McGivern, Suzanne Ferguson, Gary Warren, Leslie Duffy, Sheila Hogan, Todd Younkin, and Maggie Driscoll.

I. Welcome and Introductions

Chairman Dan Miles called the meeting to order at 8:15 a.m. He welcomed State Board members and guests. He introduced new State Board members Mike McGinley and Sandi Miller, and new SWIB Staff Administrative Assistant Danielle Nettleton. Chairman Miles announced the State Board has received resignations from Gary Perry and Julie Jordan.

Chris Wilhelm conducted roll call and addressed house keeping items. Ms. Wilhelm reviewed the documents presented. Chairman Miles requested and received consensus to relax Roberts Rules of Order to encourage active and open discussion.

- **Agenda**
Chairman Miles requested the authority to re-arrange agenda items as necessary to accommodate presenters' schedules. There were no objections.
- **Meeting Minutes – August 31, 2006**
Chairman Miles asked if there were any changes to the August 31, 2006 SWIB meeting minutes. No modifications were identified

II. Workforce Programs and Oversight Bureau

■ Reports

○ Monitoring/TAT

Suzanne Ferguson provided an update of WIA Unit activities. She reported that all providers are performing, and are in good standing. In PY 04, WIA monitoring identified \$48,000 in disallowed costs for Project Challenge: Work Again (PCWA). All disallowed costs have been paid back to the DLI. Because of these findings, the USDOL monitored the WIA unit in the fall of 2005 and identified \$350,000 in questionable costs. In working with PCWA, the State determined all costs were for payments to participants, but were lacking documentation. PCWA incorporated all requested changes to remedy the situation. The State has not required reimbursement for the questionable costs. The State later identified \$35,000 in disallowed costs involving an employee. That individual is no longer employed with PCWA and is under investigation for criminal actions by the Department of Justice.

Ms. Ferguson stated WIA continues to monitor the Wagner Peyser Trade Adjustment Assistance (TAA) program and the Job Services, which are performing well. She advised WIA continues to provide Technical Assistance Training (TAT) for service providers twice a year, once in the spring and once in the fall. A Youth Summit scheduled for June 19 and 20 in Bozeman will include about 100 youth attendees. Chairman Miles thanked Ms. Ferguson for keeping the Board informed and getting the issue with the disallowed and questionable costs resolved.

○ Navigator Grant Application

Gary Warren reported that the Field Operations Bureau submitted a Navigator Grant for a disability program. The Bureau was informed in January that they were successful and would be awarded \$682,988 to fund the two-year program. The Bureau is awaiting receipt of the funding and documentation of specifications. The amount awarded is 30% less than what was requested, and will be shared with Vocational Rehabilitation out of the Department of Public Health and Human Services.

○ New MontanaWorks

Leslie Duffy informed the Board that effective July 1, 2007, several of Montana's workforce programs will move to a new and improved management information system. The new MontanaWorks will improve overall coordination and integration, resulting in better customer service and better program performance reporting capabilities. It will capture data for participants in the following programs:

- Workforce Investment Act - Adult, Dislocated Worker and Youth
- Trade Adjustment Assistance
- Labor Exchange
- Veterans
- Displaced Homemakers

The updated system will provide cost savings and eliminate duplication. WIA staff will travel the state to provide technical assistance and training to all providers before July 1. Ms. Duffy informed the Board of the types of data the system will collect and the partnerships it will bring together.

- WIA Title I-B PY2007 Funding Allocation

Pam Watson reported that the Dislocated Worker, Adult and Youth programs funding over the previous year has decreased from a total of \$7,014,482 for PY06 to \$6,367,152 for PY07. She utilized a spreadsheet to identify cost savings by breaking out funding as it would have been without the transition, and as it is because of the transition. Ms. Watson reported that an increase of \$833,488 in funding is available to the service providers in PY07 as a result of the transition to a single state-wide planning area. Tom McKenna asked for clarification on unused monies. Ms. Watson said that all money had been used in the past, and that unused funding it would be returned to the USDOL. She informed the Board that 3 ½ new positions have been added since the transition to manage administrative duties.

Darla Joyner requested incentive funds for service providers be considered in the future.

Darrel Hannum informed the board that funding levels were lower for Havre, Hill, Blain, and Liberty Counties for PY07 than in previous years. He commented that other counties have gained funding for PY07. Discussion ensued about equitable funding among counties. Cherelee Martin informed the Board that historically there have been problems with funding in Eastern Montana; fewer resources make it harder to serve clients. Ms. Watson stated that funding levels are direct to counties, based on formulas required by the USDOL.

The Board requested the WIA Unit look into the options available to modify or change the funding allocation formula for PY07. They also requested a committee be formed to identify options for more equitably distributing funding.

Mr. Wright informed the Board that the only hold harmless policy available is for the CEP area, which protects them from taking more than a 10% loss in current year funding levels. The BOS could potentially take a larger loss due to absorbing the balance of the funding cut.

Sheila Hogan from Career Training Institute (CTI) encouraged the Board to look into options for shared funding; she informed the Board that several options had been presented in the past.

Mr. Kelly reported that the WIRED program is a source of funding for a 32 county region in eastern Montana.

Keith Kelly moved to accept the funding as presented on the front page of the handout. Robbe Lindsay seconded the motion, which carried with Jeff Rupp abstaining.

III. WIA Title I-B Program Service Provider Selection

Ms. Watson provided an overview of the packet materials and explained the selection process. She informed the Board that the Workforce Systems Committee and Youth Council identified the Request for Proposal (RFP) criteria, deciding how to score it and the weight given to each question. Leisa Smith gathered individuals who were involved with the workforce system or had a history with the programs to develop three different

selection teams that would score the RFP's. Each individual came to an independent score; the committees then met and agreed on a consensus score. Department of Administration (DOA) then released the official results. Ms. Watson informed the Board that there were a few minor changes to the scores provided in the meeting packet.

- Title I-B Dislocated Worker Program

Ms. Watson reminded the Board they had taken action to conduct an RFP for a single statewide provider. The Job Service Operations Bureau submitted the only RFP for the Dislocated Worker Program, received 630 of 640 points possible, and scored 98%. The minimum passing score was 70% of the total possible points. Ms. Watson reported that the selection team questioned the sub-contractor, Project Challenge: Work Again, and their disallowed costs. She advised that the State of Montana's Department of Labor and Industry (DLI) must approve all subcontractors that will be involved. DLI will negotiate contracts and ensure negotiated elements are adhered to. Contracts will be in place by July 1, 2007. Ms. Parisot commented that Job Service is a statewide program. Ms. Watson reported that all of last years monitoring reports were in good standing.

Ms. Parisot moved to approve the Dislocated Worker Program provider as recommended by the WIA Unit. Marty Copps seconded the motion, which carried with Keith Kelly abstaining.

- Title I-B Youth Program

Ms. Watson informed the board of that the score for Northwest Human Resources Council in Kalispell was revised to be 750. Ms. Watson reported there were two offerors who proposed to cover MACo District 1. Currently, Action for Eastern Montana is providing services to MACo Districts 1, 2, and 3. The Northeast Glasgow Job Service Workforce Center, collaborating with JMG, has proposed to serve MACo District 1. The proposals for districts 5, 11 and 12 provided weak responses within the sub sections. The WIA unit can ask for more details when negotiating contracts with the offerors and will provide technical assistance if needed. The JMG Foundation missed one required element and subsequently did not pass the general evaluation by the Department of Administration. Mona Amundson from the Glasgow Job Service Workforce Center explained their reasons for submitting an offer to serve MACo District 1. Mike Nephew with Action for Eastern Montana, explained their reason for submitting an offer, and that they currently cover 17 counties in Eastern Montana with offices located in Glasgow, Miles City, and Sydney.

Mike O'Neil motioned to approve the highest scoring offeror in each MACo district, contingent upon the Department receiving requested information. Georgia Gibbs-Atkinson seconded the motion, which carried with Mr. Rupp and Mr. Kelly abstaining.

- Title I-B Adult Program

Ms. Watson informed the Board that the total points possible for the RFP were 640. There was a tie for highest scorer at 87%; highest scorers were Billings Job Service Workforce Center collaborating with the YWCA Employment and Training Center, and Career Training Institute collaborating with the Helena Job Service Workforce Center. She stated that the score for DLI Workforce Services Division for Missoula and Bitterroot Workforce Centers was revised to be 533 points. MACo District 6 had 2 offerors who each scored 512 points, or 80%. Ms. Watson recommended that the Board approve the highest scoring offeror in each district, and approve the existing provider in MACo District 6 as they have a

good history. Ms. Watson advised that the Cut Bank Job Service Workforce Center hotels in Browning twice a week.

Jackie Helt motioned to approve the highest scoring offeror for each MACo District and the existing provider in MACo District 6. Tom McKenna seconded the motion, which carried with Arlene Parisot and Mr. Kelly abstaining.

Concern was expressed regarding competing applicants for RFPs who are in the same service delivery area and are part of the same CMT. Keith Kelly urged members and the public to address issues between service providers at the CMT level. He stated a brief training session is scheduled for newly selected service providers on June 21, 2007 in Great Falls, and invited SWIB members to attend in order to be better acquainted with service providers.

Members requested staff review the RFP process and determine where it can be improved.

IV. Lineman's Training Program

Mr. Kelly reminded the Board that a waiver was presented in August of 2006 to transfer \$400,000 of WIA Adult and Dislocated Worker Programs funding to the Incumbent Worker Program in the Department of Commerce. The waiver was approved by the USDOL. At this time, the Department of Commerce is not prepared to track Common Measures, which is required of all WIA funding. Mr. Kelly proposed that the Board transfer the funding back to the WIA Adult and Dislocated Worker Programs, identifying a proposed benefit to be the ability to utilize the money for Lineman's Training Program participants.

Mr. O'Neill reported that College of Technology - Butte put the program together based on the studies showing a shortage of linemen. Montana's energy industry currently needs 25 line workers, and will approximately need 45-50 workers a year for the next 10 years. This could also become a pre-apprenticeship training program. Montana's residents currently leave the state to attend a Lineman's training program in other states. Mr. O'Neill gave a brief overview of how the school will operate, including the estimated costs of attending. Mr. Kelly informed the Board that this is a one-time opportunity; the funds could be used to help provide loans, affordable housing, and even childcare to qualified participants.

Dave Crum moved to transfer any unspent money from the Incumbent Worker Program and return it to the Adult and Dislocated Worker Programs. Joan Miles seconded the motion, which carried with Ms. Parisot abstaining.

V. Reports and Information –

- Apprenticeship and Training Program Update
Mark Maki, Director of the State Registered Apprenticeship and Training Program reported that the program started with 1,300 regular apprentices in 350 different programs within 53 counties. There are currently 700 employers, with 85-90% of all apprentices in the construction trades. Experiencing a 12-13% growth there are currently 1,460 registered apprentices with 25% of them graduating. Construction is up by current labor market standards. Third year apprentices are making \$15-16 / hour; receiving \$42 million in wages and \$7 million going back to Montana in taxes. Statistically, 85% of all graduates in 1997 are still working in the jobs they learned and are still living in Montana.

Chairman Miles encouraged the Apprenticeship and Training Program, with the help of the Boards Apprenticeship committee, to identify options to increase the numbers of participants such as possible legislative action. Dave Crum advised the Board that in the past programs have been able to find alternative sources of funding by thinking outside of the box to help expand their program.

- **Legislative Update**

Mike Cooney, President of the Senate, reported that the legislature did not pass a balanced and sustainable budget for PY07-08. He reported that many bills were passed for the good of Montana. Senator Cooney stated that the 6 legislative leaders will meet on Monday, May 7, 2007 to help build trust before the beginning of the Special Session. Senator Cooney said the major and minor leaders are not far from coming to an agreement on the issues at hand. Ms. Helt asked what Senator Cooney was hearing from the people back at home. Senator Cooney responded that the people of Montana are upset with both sides of the Legislature for not passing a budget. Mike McGinley asked if Senator Cooney thought Montana's new term limits have anything to do with the fact the parties do not trust each other. Senator Cooney replied that in the past, Legislators had to have been involved with 8-10 terms before they could become president of the party; he became president after only 3 terms. Mr. O'Neill asked if money had been allocated for job training. Senator Cooney reported that money for job training was part of HB820, which died in session. He stated the Governor was reviewing all parts of the budget to try and come to an agreeable conclusion. He advised board members and the public that if there is a bill they would like to see stay, now is the time to speak up for it.

Ingrid Childress informed the Board of updates with the DLI. Bills in Business and Employers, Business standards, Weight and Building codes were passed. They clarified codes, reviewed cosmetology services in nursing homes, Human Rights were revised for the first time since 1997, a Workers Compensation Advisory group was formed, and Professional employment laws were simplified. SB440, sponsored by Joe Tropila, cleaned up all local Board language and mandated the Board has a Veteran member.

- **Committee Updates –**

For details, please see individual committee minutes available on the SWIB website at www.swib.mt.gov.

Health Care Task Force (HCTF)

Ms. Smith reported that the HCTF report was presented to the Executive Committee. The Executive Committee requested the report be delivered to Governor Schweitzer. SWIB staff will utilize the report to identify projects for each committee. Ms. Sullivan expressed her appreciation to SWIB Staff, the HCTF, and the Executive Committee for their time and efforts. Chairman Miles urged members to read the report, which is on the SWIB website.

Executive Committee

Chairman Miles reported that the Executive Committee met December 18, January 26, March 27, and April 20, taking action on behalf of the SWIB. The committee approved the Adult, Youth, and Dislocated Worker RFP criteria, six One-Stops, and reviewed and approved the Two-Year Strategic State Plan be submitted to the USDOL.

Apprenticeship Advisory Committee

Ms. Smith reported that she and Mark Maki attended a couple of Board of Regents meetings. There is a Program Development MOU demonstrating good faith between

business, labor, and education. The MOU has been utilized several times to develop new Apprenticeship programs. Mr. O'Neil reported that the committee is looking forward to meeting and has new items to be addressed.

Economic Development Committee

Ms. Smith reported that the committee would be looking at the benefits and relationships between workforce training and economic development.

Workforce Services Committee

Robbe Lindsay reported that the committee met during the early stage of the RFP process. The committee is trying to move forward with video conferencing. The committee would like to experiment with the use of Met Net and report back to the Board.

Youth Council

Ms. Smith reported that the Youth Council met in October to determine criteria for the Youth RFP. Council members met at the South Central JobLINC, and were invited to participate in the grand opening celebration.

One-Stop Committee

Ms. Cops reported that the committee has certified 12 One-Stops. An additional 4 business plans are under staff review and 2 are pending site reviews. Mr. Rupp said that it is the committee's intent to get local Community Management Teams (CMTs) to work together. He expressed concern that two one-stop proposals were submitted for the same service delivery area.

The following Certified One-Stops were presented plaques recognizing their effective community partnerships and continuous improvement in the workforce system, and offered a photo opportunity:

- Bitterroot One-Stop Workforce System (Hamilton)
- Central Montana One-Stop Workforce System (Lewistown)
- Havre Area Workforce System (Havre)
- Mission Valley One-Stop Workforce System (Polson)
- Northeast Montana One-Stop Workforce System (Glasgow / Wolf Point)
- Yellowstone Area System (Bozeman / Belgrade / Livingston).

VI. Next Steps -

■ State Plan

Ms. Smith reported that the State of Montana is required to develop a State Plan in order to be eligible to receive Wagner Peyser funding. SWIB staff wrote sections 3 and 5 of the 5-year plan. The State Plan is a strategic plan in line with the Governors vision. Ms. Smith informed the Board that the State Plan is now available on the SWIB website.

■ Continuous Improvement / SWIB Survey

Ms. Smith reported that staff distributed a survey at the TAT in April. The survey asked how the Board and Staff meet or exceed expectations, and how the Board could help develop better partnerships. After reviewing the surveys, it was clear that many people did not know SWIB's role in the larger picture. Many surveys indicated that CMTs would like to have Board members from their areas attend CMT meetings. Ms. Smith reported that in the spirit of continuous improvement, staff would like to continue thinking "outside the box"

to identify regionally and globally developing ideas. Taking their lead from the Governor's vision, staff would like the State Board to have a stronger impact in communities. Ms. Smith provided the Board with a survey, reviewed it, and asked them to please fill out the survey and return it to staff before they leave.

- **Board Appointments**

Ms. Smith informed the Board that all members' 2-year terms will end June 30. Members can serve an unlimited number of terms. Continued service on the Board is not automatic. All members wishing re-appointment must apply by June 30 via the Governor's website at <https://app.mt.gov/cqi-bin/governor/appointment.cgi>.

- **Desiree Taggart Memorial Award Call for Nominations**

Ms. Wilhelm gave the purpose and a brief history of the award. She informed the Board of the three categories for nominations and the eligibility requirements. Ms. Wilhelm informed the Board that all nominations are due by May 31, 2007. A selection team will be identified to score the nominations individually; staff will compile the scores and present them to the Executive Committee. The Executive Committee's recommendations for award recipients will be submitted to the Governor, who will make the final determination in each category. The Governor and SWIB will present awards at a meeting in the October.

VII. Other Business -

Chairman Miles encouraged all members to continue with the Board; asking each member to think long and hard before making their final decision. Mr. DesRosier provided the Board with a letter from the Blackfeet Tribe. Mr. DesRosier explained that the tribe put the letter together to introduce themselves to the Board. The Blackfeet Manpower System has applied for a One-Stop certification. The letter indicates the number of unemployed on the reservation is not changing. Mr. DesRosier asked the Board to change their focus towards the reservations.

Georgia Gibbs-Atkinson presented Board members with beaded pens, explained the hardship residents of Poplar experience, and indicated a high unemployment rate with limited prospects. She indicated that selling beaded items is how many residents pay their bills. She requested the Board look at unemployment rates on reservations as a possible project. Mr. Kelly informed the Board that the percentage of unemployed vary from source to source but all studies show there is an alarmingly high percent of people unemployed on Montanans reservations. Gail Richardson proposed the Board develop a committee to look into the unemployment issues on the reservations and possibly hold a Board meeting on the reservation.

VIII. Next Meeting(s)

SWIB members indicated they would like a retreat in the fall, and would let staff determine the date based upon survey responses and facility availability.

XII. Adjourn

With no further business, Chairman Miles adjourned the meeting at 3:32 p.m.

Dan Miles, Chairman

Date