



# Montana Department of LABOR & INDUSTRY

State Workforce Investment Board

A proud partner of the

americanjobcenter  
network

## State Workforce Investment Board Minutes

June 2, 2015

7:30 a.m. – 3:00 p.m.

Holiday Inn Conference Center Downtown Helena

22 North Last Chance Gulch, Helena, MT

Ball Room

**BOARD MEMBERS PRESENT:** Dave Crum, Chair; Dean Bentley; Dan Bernhardt; Casey Blumenthal; Commissioner Pam Bucy; Tina Bundtrock; John Danielson; Paul Gatzemeier; Kirk Hammerquist; Jasyn Harrington; Jacquie Helt; William Hunt; Fred Kellogg; Representative George Kipp; Billie Lee; Mike McGinley; John McKee; Robert Minto; Meg O’Leary; Representative Vince Ricci; John Rogers; Loren Rose; and Jane Weber

**DESIGNEES PRESENT:** Margaret Bowles (Designee for Denise Juneau); Andy Shirtliff (Designee for John Rogers was present for the afternoon session)

**BOARD MEMBERS ABSENT:** Nan LeFebvre, Vice-Chair; Sarah Calhoun; John Cech; Al Ekblad; Larry Hall; Keith HeavyRunner; Niles Hushka; Senator Mary McNally; Rodney Miller; Richard Oppen; Kim Ormsby; Tammy Pilcher; Brandon Schmidt; Senator Cary Smith; Eric Smith; and Scott Trent.

**STAFF:** Casey Schreiner and Greg Cano

**GUESTS:** ; Mary Berg (Career Futures); Lynn Clark (Career Futures); Deb Chouinard (Helena Job Service); Dan Dobyns (RevUp Montana); Suzanne Ferguson (Department of Labor & Industry); Carol Hanel (Department of Labor & Industry); Jenny Harris (Department of Labor & Industry- Workforce Services Division); Tami Hoar (Montana Independent Living Project); Kate Kahle (Department of Labor & Industry); Natalie Kemille (Confederated Salish & Kootenai Tribes (CSKT)-Temporary Assistance for Needy Families (TANF)); Connie Kinsey (Department of Labor & Industry); Michelle Marsh (Department of Labor & Industry); Linda Moody (Career Futures); Pat Murdo (Legislative Services); Lisa Newman (Career Training Institute); Glenn Opiel (Montana Chamber of Commerce); Joe Rangitsch (Department of Labor & Industry); Erik Rose (Office of the Commissioner of Higher Education (OCHE)); Arlene Temple (Confederated Salish & Kootenai Tribes) CJKT –Department of Human Resources (DHRD); Pam Watson ( Department of Labor & Industry); Peggy Williams (Department of Public Health & Human Services (DPHHS)); Tanner Woodward ( Department of Labor & Industry); and Kathy Yankoff (Department of Labor & Industry)

### Welcome and Introductions

Chair Dave Crum called the meeting to order. He welcomed Board members and guests.

### **Roll call:**

Roll call was taken by Greg Cano. A quorum was reached. Housekeeping items were reviewed with the board and general public.

Chair Crum introduced Representative Vince Ricci and Representative George Kipp to the board. They were appointed by the House of Representatives to serve on the SWIB board.

## **Agenda:**

Chair Crum asked for a consensus to approve the June 2, 2015 agenda. Mr. Bentley moved to approve the agenda as presented, Ms. Bundtrock seconded the motion. The motion carried unanimously.

Chair Crum asked if there was a motion to approve the December 2, 2014 SWIB Meeting minutes. Ms. Helt submitted an edit and/or correction for the minutes. She sent the amendment to Mr. Cano via email. Chair Crum asked Ms. Helt to summarize her edits as Mr. Cano had not yet received her email. Ms. Helt reported out her amendments to the minutes.

Mr. Kellogg also pointed out several grammatical errors and submitted the corrected version, via hard copy, to Mr. Cano.

Mr. Schreiner suggested that the board needed to take a vote for each amendment made to the minutes. Mr. Rose so moved a motion to accept the amendments made by Ms. Helt and Mr. Kellogg. Mr. Minto seconded the motion made by Mr. Rose. Chair Crum asked for a motion to approve the amended minutes. Mr. Minto made the motion to approve the amended meeting minutes and Mr. Kellogg seconded the motion. The motion was carried unanimously.

## **I. Local Workforce Development Activities Updates**

Chair Crum asked each SWIB Board member to introduce themselves and give a brief update regarding his/her workforce and/or economic region-Highlights include:

**Mr. Bentley:** Mr. Bentley works for NorthWestern Energy in Labor Relations. The Apprenticeship program at NorthWestern Energy is experiencing continued growth. Butte continues to grow with new restaurants. He sits on the Montana Tech Foundation Board, as well as being the President of the Alumni Association. A new milestone was reached: 540 graduates from Montana Tech this past year. 60 % of the alumni have graduated in the past 10 years.

**Representative Kipp:** Representative Kipp represents Montana House District 15. Representative Kipp has lived on the Flathead Reservation and currently resides on the Blackfeet Reservation. Representative Kipp's background includes two associate degrees and a journeyman license. He has been employed with the Blackfeet Tribe as a director of multiple programs, including Natural Resources, Low Energy and TERO and previously worked at the Blackfeet Community College as a Vocational Educational Director. He is currently the Executive Director of the Direct Employment and Native American Career Technical Education Program for the Blackfeet Tribe. He is very concerned about the high unemployment rate on the reservations. During the 64<sup>th</sup> Legislature, he introduced multiple bills help remedy the tribal unemployment rate and direct funds to the tribes. None of the bills were successful. He is very excited for the opportunity to serve and see how he can affect positive changes for Indian Country.

**Ms. Blumenthal:** Ms. Blumenthal is with the Montana Hospital Association (MHA). MHA's focus is on the healthcare workforce and the Montana HealthCARE grant which she will be speaking about later in the meeting. MHA monitors activities statewide to support programs such as Blackfeet Community College which started the LPN program several years ago. They are now moving into an RN program. Because of their success, Aaniiih Nakoda College, located in Harlem, wants to start an RN program, as well. One of the projects she works with is the Robert Wood Johnson Foundation Grant for academic progression in nursing. One of the focal areas within that grant is diversity in nursing. Because of Montana's Native American population, (running around 6 % of our total), MHA would like to increase the number of Native American nurses up to that percentage of the nursing workforce. As of now, it is 2-3%. MHA is having a nursing-education collaborative summit meeting next week at the Great Northern, in Helena on June 8-9, 2015. The discussion

will center on nursing and education and how to meet the needs of employers. Nursing changes, as does all of healthcare, so education programs need to stay current. In fact, part of the Montana HealthCARE grant is to redesign nursing curriculum across the state in all of the two-year colleges. It is a huge effort! Another part of that grant involves two of the Montana Area Health Education Centers (AHEC's). They have been hiring people to assist with the grant. They have also developed some shared services for MHA members for recruiting physicians and other kinds of providers by offering them different companies they can contract with or use to help them find people at a discount. This is a benefit both ways.

**Ms. Bundtrock:** Ms. Bundtrock is from Great Falls. Accessible Space, Inc. (ASI) is growing leaps and bounds. There is an East end shopping unit-very big news! The hospital continues to grow and expand services. The Great Falls Clinic is building a smaller hospital and it is almost completed.

**Mr. Gatzemeier:** Mr. Gatzemeier is from Billings. His primary business is Coal Black Cattle-an energy development/property development/construction management company. They are working with the Crows to develop a hydroelectric project located on the Bighorn River. The current power station there is a 150 Megawatt coal plant that is closed and being sold to be demolished. There are a number of direct and support jobs created because of this closure. Billings has formed a non-profit to assist in therapy for Veterans.

**Representative Ricci:** Representative Ricci has been a small business owner for 35 years. He and his wife own a restaurant across from Laurel High School. As a result, he has many interactions with high school students. He would like to reach more kids. He is associated with Graduation Matters. He would like to invite "trades" people to the high school to explain the importance of completing high school and to educate students regarding the alternatives to college. His two sons both participated in the Apprenticeship program. One son was very good with his hands, but had poor math skills. His other son was a very good student, but he lacked the "hands-on" training that he needed. Graduation is important. The Cenex Oil Refinery in Laurel is starting a 400 million dollar expansion this July.

**Ms. Harrington:** Ms. Harrington is the Executive Director of the Career Training Institute in Helena. The CTI administers several job training programs. In Helena, there are construction/remodels and expansions of businesses and new buildings. Several people found work in the construction industry and as a result of either restaurants and/or retail openings; people have found work, as well. Ashley Furniture just reopened in Helena. They hired 30 people. They are currently in conversations with Xerox ACS who is the claims processor for Medicaid. With the new Help act, they are expected to hire 50 people within the next month. CTI is working with them on a training program to prepare employees.

**Mr. McGinley:** Mr. McGinley is the Beaverhead County Commissioner. He owns his own small business-a meat processing business for the last 33-34 years. In regards to economic development in Beaverhead County, agriculture is doing really well-particularly the cattle business. Mr. McGinley introduced the board and public to new vodka: Gorgeous Vodka. A young man with Celiac disease, born and raised in Dillon, started a distillery in Rigby, Idaho and makes Gorgeous Vodka. It has been growing by leaps and bounds. The story he tells on his website is really unique. His distributors want to move the distillery to Montana, so they can tell the Montana story. He has a contract to distribute 30 thousand cases of the vodka per year. They were recently in San Francisco at a trade show hoping to win the bronze award, but came home with the "Gold medal!" When the distributor moves to Montana, it will provide opportunities for employment.

**Mr. Hammerquist:** Mr. Hammerquist is from the Flathead region. Points of interest from the Flathead: 1) Construction is going strong. 2) He has retired from Hammerquist & Casalegno Construction. He wants to pass his skills on to youth. 3) He has found an avenue to passing his skills on to youth via Flathead High School. The high school has a new program called Student Build. Students will build their first home, next year, for profit. Kirk has volunteered to be an assistant teacher next year. They have money, plans and the land.

**Mr. Danielson:** Mr. Danielson works for the Montana Department of Labor-Jobs for Montana's Graduates (JMG) and Workforce Investment Act (WIA) Youth program. He lives in Kalispell. Through the WIA youth program, they serve the Flathead, Lake, Lincoln and Sanders Counties. Construction is strong in Flathead County. Approximately 700 construction jobs were available through the Job Service in that area. Within the WIA Youth program, he has been working to foster some new partnerships. During the summer, WIA youth will work with the Kootenai Forest Service and gain forestry work experience.

**Mr. Hunt:** Mr. Hunt is an attorney who works for several local governments and has a private practice in Shelby. The unemployment rate in his area is extremely low. Job Service people continue to say that there are several hundred openings in the area; but not enough qualified employees.

**Mr. Rogers:** Mr. Rogers is the Governor's Representative from the Governor's Office of Economic Development. Mr. Rogers discussed Montana's Economic Development clusters. He acknowledged that beer and distillery clusters needed to be recognized. Microbreweries, just by themselves, have become a 60 million dollar industry. There are upwards of 52 microbreweries in the state and they all seem to be booming. Distilleries have really added to that as they are popping up all over the state. Next week, he is going to Calgary for the Global Petroleum show and we're getting a donation from the distilleries so we can show off the distilleries to the Canadians. They may not be aware of Montana distilleries. In terms of job training, the College of Great Falls welding program renovations are underway. Construction started early in the month. Renovation will occur with the existing space and relocation of the carpentry facilities to another building. They will be expanding their welding and metal fabrication program-which is going great guns and busting out of the seams. Dual enrollment is big there-last year they graduated 12 young people who technically graduated from the College of Great Falls and got their certification from the welding program one week before they graduated from high school. Miles Community College is going to expand into an existing facility in Miles City. They want to ramp up truck driving training courses in heavy equipment. Several weeks ago, they met with a company called Digital Works out of Iowa. They have a unique training program and like to partner with local entities to work on various ITE related jobs where people can work from home. They work especially with at-risk populations. He will be partnering with Tribal Colleges regarding this training program. He will also be attending Bio International with the Montana BioScience Alliance. This consists of BioScience industries and other clusters in Montana. There are 300 + BioScience companies in the state. He will be attending Bio International to promote Montana's BioScience Industry in Philadelphia.

**Ms. Bowles:** Ms. Bowles is the Director of the State Adult Basic Education & Literacy Program for Montana. She is working on a project called Moving Pathways Forward. It targets low-skilled transitioning adults moving into the workforce. She will presenting this project in the afternoon session today.

**Mr. Rose:** Mr. Rose is the Chief Operating Officer of Pyramid Mountain Lumber in Seeley Lake. They are one of nine sawmills remaining in Montana. Seeley Lake is a small rural community with tourism rising. There is a shallow workforce. His company is looking hire 15 people, but they cannot be found. Like other communities, they are struggling with the trades and the ability to find skilled employees. He doesn't think there is a Mill employer in Montana who wouldn't hire a millwright or an electrician today. He also co-chairs the Natural Resource KIN for Main Street Montana. This encompasses timber and mining. At his first meeting-all the representatives echoed the same problem-not able to find employable people, willing to work, pass a drug test, and show up every day ready to work. He believes that negative media regarding timber and mining. Both pay incredible wages, but the connotation, in the general media, is negative. Part of his KIN role is to educate Montanans as to the value of those industries and the importance of those jobs. How do they get young people interested in that type of employment that doesn't require a skill set; but requires common sense and the initiative to work.

**Mr. Minto:** Mr. Minto is the CEO of ALPS Corporation of Missoula. The unemployment rate in Missoula is at 4 %. Labor market statistics suggest that Missoula is at or below full employment. His company is "stealing"

employees from other employers to get the people they need. They can't find people for their job openings. The Missoulian has been running an article for a number of months called: "Montana by the Letters." They feature a town by a letter and this week it was Ismay. Years ago, they changed the name of Ismay to Joe; referring to Joe Montana, but the name has changed back to Ismay. This has caused Mr. Minto to think about the issue of strategic positioning. The larger cities are economically sound right now, but the rural areas are struggling economically. One of the reasons is unavailability of manpower to fill vacant jobs. He believes that SWIB could assist in the coordination of skilled employable citizens relocating to other areas of the state that are in direct need of skilled employees.

**Ms. Lee:** Ms. Lee is semi-retired from her position as Executive Director of Lake County Community Development. She is currently consulting via BillieLee Project Consulting. She provides community and economic development services for local governments and non-profit organizations. She is from Western Montana and the Lake County area. Her initial focus is on the city of Polson. In Polson, there will be a Wal-Mart expansion, and more business development: Murdoch's, Walgreens, and a new hotel: The Red Lion, which houses a MacKenzie River Pizza. The service industry, while exploding, has signs in their windows for help wanted. There is corporate expansion that seems to follow a business like WalMart with promise of jobs without researching whether the availability of the workforce can support those jobs. This is an issue that many small communities face. For instance, the Red Lion complex with MacKenzie River, are near opening and they have 85 jobs to fill. There is very high turnover in service industries throughout that region. There are not enough people to fill those jobs, let alone the customers. Hence, large corporations move into a small town like Polson, and they don't succeed-leaving the town with a bunch of empty buildings versus a thriving economy. Even though the town is growing and real estate has picked up, Main Street empties and the large corporations take over. It's a complex issue-small towns struggle to survive economically. They may think that they can attract a large corporate entity into our town. Polson now has 4 auto stores. With a population of 5 thousand people, they serve the surrounding area. It adds to the complexity of how we grow economically in our rural communities. What kinds of jobs do we consider as the economic driver in those kinds of communities? On the other hand, some of the manufacturers are beginning to build both the Procurement Technical Assistant Centers in Kalispell and Ronan have registered and certified a record number of small businesses. Several government contracts as well will provide employment: fire fighters and clearance projects in the woods-one of those working with tribal entities-just certified and received a 2 year multi-million dollar contract. The work will not be on the reservation, but in Hamilton. The tribes HRD program hired 15 tribal members, at good wages, and will be transporting them to the Hamilton area during the week where they will be lodged. The money will come back into Lake County in terms of their salaries. Ms. Lee introduced Arlene Templer-the Department Head of the Department of Human Resource Development at Confederated Salish & Kootenai Tribes. They have the 477 Workforce Development program. She provided an update regarding the tribe and workforce development.

**Ms. Templer:** Ms. Templer stated that HRD is a 477-One Stop program since 1998. The workforce programs that they have are TANF, Tribal Vocational Rehabilitation, Fatherhood, and WIA, amongst others. When unemployment rates were first announced on the reservation in 1998, they were in the high 50 percentile. They are now down to 30-31percent. They were able to bring that down 20 points with workforce development programs. The county is still at 7 percent, so the unemployment rate is pretty high. They have wrap-around-services-childcare, commodities, transportation-those kinds of programs to help them become work programs. The Salish & Kootenai tribes have been very supportive and have allowed them to run a gas station-Quicksilver. It is run totally by workforce development. The employees are persons who could not find employment anywhere else. They take sex offenders, individuals with no work history, and others and give them job training skills. They are moving to another building-they have purchased Mission Mart in Ronan. Their offices will be moved there-it is a large grocery store. They will maintain the bakery within the store. This will be done via workforce development placement. They will learn customer service, shift work, money exchange, and many other skills. They will also maintain the entire meat cutting department of the store, and will do butcher kinds of training, as well. They are excited about this! They look forward to the opportunity of working with the state.

They pretty much work in a silo within the tribe, so they're here to see what the SWIB is doing and see how we can work together and bring more jobs home. When she heard that Missoula only has 4 percent unemployment rate, and they're sitting on 30 percent, her mind was thinking they need to get a bus system to Missoula. So, however we can work together, she looks forward to coming to the meetings. Ms. Templer was thankful for the invitation to the meeting.

**Ms. Lee:** Fortunately, the legislature did pass workforce training for businesses primarily focused on new job creation and primary workforce. We still need to build further on the Incumbent Worker Training in mid-size companies that are over 10 employees and who are facing both changes in technology, the way they do business and a growing factor with the trade treaties-having to meet a certain qualifications for entry into other countries—European ISO comes to mind relative to those certifications that are over and above what they need to have in technical manufacturing skills. She still thinks we need to work on Incumbent Worker Training Programs and the availability of funding.

**Mr. Bernhardt:** Mr. Bernhardt is the Director of the Veterans Employment and Training Service with the United States Department of Labor. His "local area" is the entire state. He highlighted Volunteers of America—an organization that helps with homeless Veterans. It helps with finding employment and assisting with work clothes, work equipment, gas cards, and transportation, if needed. They have been operating out of Helena for the past few years on a 200 thousand dollar grant. Just recently, they were awarded a 600 million dollar to expand their operation to 7 cities across the state. That's a great thing for Volunteers of America and homeless Veteran population, as well. The statistics for homeless Veterans is very difficult to capture because of the way the homeless point in time is done: one day, per year, in the winter time. If he was homeless, he would not be here in winter time...He may come back in the summer. We estimate our homeless Veteran population between 200-700 people throughout the year. A lot of Veterans don't identify themselves as homeless because they are not aware of the federal definition. They think that you have to live in a car or out in a field to be considered homeless. This is not the case. If they are living on their parent's couch without their own home, they qualify for homeless benefits. As a state, our Veteran's unemployment numbers are mirroring the state unemployment rate. We're one of the top in the nation. The trend has gotten better the past few years. About 4-5 years ago, we were in the bottom four in the country. Now, we're in the top 10 for low unemployment rates for Veterans. Primarily, everything he deals with is working with Veterans unemployment, employment and employment rates.

**Mr. Kellogg:** Mr. Kellogg has a small business in Polson-Country Pasta. He concurred with Ms. Lee regarding the businesses in Polson. They are about to recruit someone from the Bakken. He is more hopeful that there is a potential to attract more workers with the influx of new businesses to the area. He is curious if other board members have any thoughts in regards to the impact of continued lower oil prices climbing a little bit and the new Canadian government across the border and the impact it would have on Montana's economy. Certainly in Flathead, they've benefitted greatly from across the border industrialists, tourists and consumers-5 cents-it has dropped a little bit in the last couple of months. He is curious about other's thoughts regarding the lowered oil prices.

**Mr. Minto:** Mr. Minto said that he would tell us that the oil situation is rather precarious and very unusual—typically, between Brent Crude—which is the import and West Texas Crude, which is domestic, there is about a \$10.00 spread. As of this morning, that spread was \$4.50 including the delivery charges. This means that the West Texas Crude (which is Bakken oil—for our purposes) is more marketable and very competitive with respect to imported Middle Eastern and Venezuelan oil prices. It is killing the Middle Eastern and Venezuela, but it's a good thing for us.

**Mr. McKee:** Mr. McKee owns Headframe Spirits in Butte. They make a whole bunch of booze! He is President of Montana's Distillery Guild. There are 20 distilleries around the state right now. Headframe alone has injected just over 2 million dollars in payroll in the last 3 years. They have 27 people—the vast majority is full-time

employees with benefits. They own a manufacturing company. On the tourism side, Southwest Montana, especially Butte, is seeing resurgence with the Northwestern Energy building going up in uptown Butte along with Headframe Spirits. A different perspective is being seen regarding Southwest Montana than in the past. Gorgeous Vodka is bringing attention toward the Dillon area. Headframe Spirits is number one on TripAdvisor Montana. When you come to Butte, Montana, the one thing you're supposed to do is come to Headframe Spirits! What's interesting about it is that we get to act as an Ambassador to the town. We get to talk more about what's going on in the town, what we're able to do, what we have happening, and as a result, you see this big uptick in what's happening in the Uptown Corridor. Uptown Butte is not what Uptown Butte was even 3 years ago...5 years ago. We are starting to understand the audience that we have that comes through from the tourism perspective yields a further downstream economic benefit when that tourism dollar walks around and sees something new and tries something different-maybe buys a building or perhaps an investment opportunity in Butte. That's happening a lot!!! He thinks rather than concentrating on the amount of people they can hire, full or part-time to tell that message-they have really trained their staff to tell a different story to the tourists coming through -the story of the change and what they can do here...of the opportunity. Then, allow that to sort of grow on its own. From a tourism investment standpoint as far as workforce, we've gone with a totally different perspective. Not just seasonal jobs-it's about telling a larger story in the place and encouraging these visitors to spend not just one time or money, but find a long-term investment opportunity. We do have 20 distilleries around the state and that will increase by 4 more this year...He owns 2 of those distilleries. 75 percent of everything they make is exported-at least out of state. The money comes back to the state. That's something to really think about-the manufacturing side at least...with support to microbreweries and to the distilleries-we are value added agricultural manufacturing.

**Commissioner Bucy:** Commissioner Bucy will be speaking throughout the day, but did want to make a few comments. First-she mentioned the level of collaboration in response to several board member comments. There is a kind of collaboration going on dealing with workforce that she thinks is unprecedented in Montana. All of the public/private partnerships with our colleges are really being done out of necessity and out of design, as well. She thinks the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grants, the reauthorization of the Workforce Investment Act (WIA), now called the Workforce Innovation Opportunity Act (WIOA)-all of these things that have happened are at the perfect time that we need them to...but there is so much going on that she could report to us for days about some of the really innovative private and public sector partnerships that are happening. This board has an opportunity to spread some of those best practices statewide. State unemployment is 4 percent, not just Missoula. There is a couple pockets of high unemployment, but very few. Anywhere East of here is less than 4 percent. We really, by any economic standards are below optimum employment level. Some great things are happening with the unions. We can no longer be protective of our borders-we have to figure out a way to train people where they live to grow our employees where they are...a lot of incredible things are happening! She thinks her staff is begging not to get involved in any other initiatives. She is incredibly proud of the things that are happening and she thinks everyone will be impressed with things that are happening in every corner of our state. We do have a lot of work to be done relatively quickly.

**Ms. Helt:** Ms. Helt serves as the State Director for SCIU 775. Her union represents longterm healthcare workers such as home health aides and nursing home workers across the state of MT including four of our reservations. Some of our members currently access home health training through our training partnership in Seattle. We are delighted that the HealthCARE Montana program Commissioner Bucy has led is moving forward. This program is a logical opportunity for longterm healthcare workers to access a career education path and apprenticeships that will allow them to earn while they learn. We look forward to working with Commissioner Bucy on HealthCARE Montana and other grant opportunities that may be available for Montana.

## **II. National Governors Association Meeting Report**

Chair Crum attended the National Governor's Association Meeting in February, 2015. He was accompanied by Pam Watson and Tanner Woodward-from the Department of Labor & Industry. Chair Crum attends the Chair meetings while they attend their meetings and then they get the chance to come back together and discuss what they've learned. He gets to visit with other Chairs from SWIB's throughout the country. He took away 4 things that he thought he should bring back to the board: First: the WIOA implementation. There is great potential for private/public partnerships regarding workforce. If you are a fundraiser, and you raise money-you are always trying to leverage money. As a board, we should find a way to encourage those partnerships. Second: another component of WIOA is Adult Education and Career & Technical Education (CTE) training. How will we grow the message of the importance of these programs regarding Montana's workforce needs? We need to make sure to encourage kids in high school to get into CTE programs. They need to understand the relevancy of math-why they're learning something in a classroom, then turn around and apply those skills when building houses. Examples are the homes built through CMR and the Great Falls High-high school houses that put people in housing. Math will make sense to them while working on the job. Third, he went to the German Embassy and they talked about the importance of technical education. In this country, lots of parents are reluctant to say that they want their son/daughter to attend Technical Education. This is a mindset for parents and kids. What Chair Crum learned is that there are pathways, if a student chose technical education, to earn undergraduate and graduate degrees. The pathways are laid out and a part of one's education. So, it takes training of students, parents and counselors to learn to direct the students into technical education. Almost 70 percent of graduates go on to some sort of post-secondary education. This can be in the form of CTE, the military and/or going on to college or universities. But, only 20 percent of those individuals graduate. We need to make sure that we provide good pathways for kids to get interested in post-secondary education and remain there until completion. Last, he attended a presentation by John Engler. He is the former Republican Governor of Michigan and current chair of the Business Roundtable. He spoke of the common core in regards to education and standardized tests. He found he was able to look at those scores to see how graduates are doing. Business people want this tool. However, the common core has been "bastardized." We need to change the name of the national standardized test. We need to pay attention to business both in public and private sectors. Mr. Engler mentioned the importance of preschool education. All kids need to be given a chance to succeed. Chair Crum's foundation has funded Preschool activities in Great Falls because Montana doesn't have funding for preschools. It is so important that disadvantaged kids get a good start on their education. Statistics show that disadvantaged children's education tops out in 5<sup>th</sup> or 6<sup>th</sup> grades. If we've lost these kids in 1<sup>st</sup> or 2<sup>nd</sup> grade, we'll never get them back. That is what statistics show, too. If we can keep them on task, and at grade level up to the 5<sup>th</sup> and 6<sup>th</sup> grade-they have a great chance of graduating. Chair Crum feels fortunate to attend these meetings and learn about the national trends, then return to Montana and share them with the SWIB.

**Representative Ricci:** Representative Ricci commented that he understood how important higher education is, and he would like to find a way to better educate the students to realize the enormity of debt that they take on sometimes. When we do get them through college, they are faced with so much debt and they are so far behind that they have a hard time getting caught up financially. He doesn't know what the answer would be, but it needs to be part of our conversation.

**Chair Crum:** Chair Crum agreed with Representative Ricci's comment. Chair Crum's foundation supports dual credit, so a high school senior can be working towards getting higher education credits at a much reduced rate. This is a good thing-especially for a disadvantaged student. His foundation pays for those credits. Students need to realize their college readiness and if they can't make it in dual credit courses, perhaps college isn't a good move for them. For example, his foundation gives a \$5 thousand dollar scholarship, and it costs \$18 thousand dollars to attend Montana State University and/or the University of Montana. The other 13 thousand dollars is taken out in debt. If an individual drops out; they still have to pay that debt. We need to make sure that students are prepared for post-secondary education.

### III. Workforce Related Legislative Update

Commissioner Bucy presented a workforce related legislative update to the SWIB. She reminded the board that she spoke of the Apprenticeship Tax Credit Bill during the December 2, 2014 SWIB meeting before the legislative session began. The SWIB voted unanimously to support the tax credit. She was sad to report that bill did not pass. It was not because of lack of support, approximately 60 people showed up to support the bill. It actually made it out of the committee, which was remarkable at the beginning of the session. In the end, it did not make it to the final budget negotiations. She will continue to talk about apprenticeship and she thinks it did do something very valuable-it educated; certainly the legislature, about the value of apprenticeship. She referred to the comments made by Representative Ricci regarding student loan debt. Apprenticeship addresses the enormity of student loan debt in this country-which is more than mortgage debt. It also addresses what we hear from the private sector as both the lack of hard and soft skills of many potential employees. Apprenticeship has really been promoted and everybody understands it in terms of the trades. People understand how plumbers and electricians and pipe fitters have amazing both union and non-union training programs in this state. Primarily 80 percent of our apprentices are in the traditional trades. Folks were educated on how valuable apprenticeship is to the tax base of Montana, the kinds of jobs which apprenticeship fosters-good, middle-class jobs, where people are paid the entire time and conclude with a very good middle-class job free of student debt. Though she feels connected to the hip with higher education right now-because of their collaboration, there are really good jobs that don't require college. She also addressed the private sector- there are ways for them to invest in their own employees to pay them to learn. She attended a very productive meeting with Northwestern Energy and is organizing a Workforce Development Summit on October 11-12, 2015. She invited members to attend. The board will be asked to participate in the summit. There will be several panels on apprenticeship-traditional trade apprenticeships and newly developed apprenticeships. Northwestern will help with some of the IT Apprenticeships-5 million dollars of the HealthCARE grant is devoted to developing apprenticeship occupations in healthcare. There is a reason apprenticeships have been around longer than any other training model in the world. It is very successful. Hopefully by the end of the next 18 months, there will be some remarkable pilot projects of some apprenticeships in non-traditional fields. So, even though the Tax Credit Bill didn't pass, it didn't slow down the development of apprenticeship at all.

5 million dollars was infused for career and technical training in high schools. For the first time in the last 12 years, money was devoted to increasing technical training in high schools. A direct response from our Main Street Roundtables and from private sector involvement: we really need kids to be tinkering on cars and robotics-they really need that hands-on technical training in high schools.

The biggest workforce related legislation came out of Montana's very unique Medicaid Expansion law. In Montana, in order to maintain your Medicaid benefits, you do have to receive some kind of workforce development assessment. That will be a very interesting phenomenon for the Department of Labor and some of our partners doing the research and starting the implementation of this...75 percent of those eligible for these benefits work. That's a very different crowd than normally is coming into the Job Service offices around the state. We are really being thoughtful about how we will implement the assessments and provide some value to these folks. Montana will be the first state to implement this type of program, and as a result, we really need to figure out a way to increase skills. These are folks probably working at minimum wage jobs that need to improve their skills, earn some type of credential or get into a 2 or 4 year college program. Interestingly, because of the grants, we have some baseline to go on. Both of the TAACCT grants that you'll hear about today have as a component-Workforce Navigators. These are individuals that work 1/2 time at the college and 1/2 time at the Job Service. The Navigators are learning all of the college programs and they are all based on identifying high demand occupations. So, information has been gathered. Anecdotally, the Navigator that works here in Helena has referred 65 people to Helena College in the last 12 months. If Job Service staff can improve

their knowledge base and understand high demand occupations and college financial aid programs and vice versa for the college admission officers- Job Service programs, high demand occupations or financial resources; if you happen to be a Veteran or Dislocated Worker and/or a trade adjusted worker...gain knowledge of all of these programs. We need to collaborate closely and need an understanding of what others are doing to both fill the business need and to make sure we are providing value and good service to those folks entering the door. It is a requirement for them in order to maintain Medicaid benefits. For the first time ever, we hired a joint position with the Montana University system. We hired Dr. Kirk Lacy. He is the individual that developed Montana's online university system. He is very good at articulation agreements, figuring out prior learning credits and putting together a meaningful apprenticeship program that will give you college credits and credit for your work experience. He has been in charge of a Chinese Exchange program. He looks at all of the Chinese students coming to this country, their prior learning and/or education in China and translates that into the American education system. He's very good at translating work and other educational experiences regarding college credits. We are meaningfully collaborating with the MUS system in a way that the workforce system never has before. If Dr. Cech was here, he would tell you that she talks to him probably once a day about a particular grant or apprenticeship opportunity that's happening in the state.

**Mr. Kellogg:** You mentioned non-traditional apprenticeships. Could you give some examples of what areas those might be in?

**Commissioner Bucy:** Certainly, healthcare is the big one. We're in the process of drafting curriculum. First, they are focusing on non-clinical positions: medical transcriptionists, radiology technicians, pharmacy technicians, amongst others. Another example is CNA's-CNA's are something a little bit special. The other big focus is on information technology (IT). We have developed a curriculum with Helena College that has an online platform so people can use it all across the state. Information Technology is probably the most in demand non-traditional occupation. The DLI has its first 2 IT apprentices with the state beginning this summer-one as a programmer and one in the administration. Oracle has signed on to do a bunch. They would do 100 if we let them. Back to CNA's, Ms. Helt mentioned their trip to Washington earlier in the meeting. Washington passed a mandatory requirement for all home healthcare providers, which was real helpful, because they are now bigger than any college. Their CNA training program that they run jointly with the state and SEIU, trains more people than all of their college system combined. That's how many healthcare workers they have. We are trying to replicate that a little bit. In Montana, CNA will be difficult, because it's very different than any other kind of apprenticeship because it is such a low wage job. Normally when you see an apprenticeship job, it will usually be a high paying job. You have the 5 steps that will get you there. To incentivize a CNA, literally, 25-50 cents an hour for each training component to get you to a higher level of CNA. Montana is replicating that idea...to incentivize CNA training, but is also tying it directly to a career pathway. Those CNA's can see and can have some employer's sponsorship of growing that education into an LPN and then an RN. She thinks some really creative things will be happening using the apprenticeship model as far as employers actually investing in paying some of the wages and training expenses in order to get those employees in Sidney. Again, as Mr. Minto was saying, we don't have a nursing shortage in Missoula, Billings, Helena, or even Great Falls-where we have a nursing shortage is in Sidney, Glasgow, and Libby.

They really do need to train and grow those people who live in those rural areas-at their place of business. The beauty of apprenticeship and the model that we've been able to demonstrate is 10 years out...90 percent of apprentices still work for their same employer and still operate in that community. So, it's very, very different than any other kind of training program. It builds loyalty, in addition to being a really effective training model. There are meetings she will be attending next week, in the Flathead, with some of your sewing manufacturers. They will be creating a unique apprenticeship program in collaboration with the Flathead Valley Community College. We have all kinds of great things going on and they have that apprenticeship model. The local colleges are helping with the coursework to accompany the job training. Employers are really stepping up with the commitment of investing in their employees while contributing financially to those educational costs. Frankly, in this kind of unemployment situation, employers that are unwilling to do this are not going to succeed. They are going to have to take on some of that investment.

**Ms. Lee:** I'm interested about your comment regarding "tinkering." Ms. Lee's nephew, who is a MSU graduate in Computer Science is living in Austin, TX. He left the web design field and started working in a "tinkering" school in Austin and has since started a "Makers School" within the Ann Richards Charter School for disadvantaged girls. He has been asked by the Austin public school system (high school level) to develop a curriculum for Maker Shops. The reason that this is so well accepted, including by the teacher's in the school, is the integration of academic skills; like math, as mentioned earlier. The Maker curriculum fits in the non-traditional category-there are a variety of options for the students to choose. The classrooms have everything from sewing machines to tools used for car repair. As kids are developing something in another class, such as Science, they can go to the Maker Class and actually attempt to build and create their projects while integrating the academic piece with support and guidance from their academic teachers.

**Mr. Minto:** Mr. Minto asked Commissioner Bucy if she had given any thought to the issue he raised earlier regarding mobility. Is there a place in our function, within the SWIB board and your department, to do some promotion that would allow rural communities that have employment needs, but no people to fill those positions; to find people in urban communities who have employment needs, but no people to fill those positions and vice-versa? If he wanted to go to work in Missoula and he lived in the Flathead, and he's part of that 30 percent that she (Ms. Templer) was talking about, how would he connect to get a job? Those connections, though not purely educational, certainly are workforce related.

**Commissioner Bucy:** We have spent an extraordinary amount of time and resources trying to tackle that issue for reservation communities. A bus system might work in Missoula. They actually bus some people to Lodge Grass from Billings-actually for high school. Complications arise when people don't want to leave. That's the problem. We've had the same problem in Libby. There were individuals who had the skills and could've easily transferred to the Bakken, but these are 50-60 year old folks who are unwilling to relocate. And unfortunately, there would be nowhere for them to live if they did choose to relocate to the Bakken. Research has demonstrated that the more effective approach would be to train the folks for the jobs that are in demand in their region that already reside there ...high school students who aren't planning on leaving the reservation, for example. There is money out there to relocate people for workforce training, but folks don't want to leave their homes.

**Mr. Rose:** As employers, we know what we want-a skilled worker and you mentioned getting these younger people and attempting to train needed skills. Is there any effort or money available to really look at this younger population and what motivates them? How do we create this desire not to work? There is a fair amount that feel their entitled and for the younger worker in his company, if you don't create some excitement and mobility within their job to do other things, they lose interest. How do we get them excited and make them understand that they really need to work and that employer's value their input?

**Commissioner Bucy:** I think you are talking about how to market your industry. Northwestern will be presenting at the Workforce Development Summit, and they will share some pretty remarkable things to say about their young workers. They think that their young workers are more productive and have a higher work ethic than their older workers. We need to start marketing our jobs to appeal to the younger workers by explaining that these are not the jobs of the past-this isn't your grandfather's manufacturing-it requires skill and technology, not just rote work. Employers need to begin talking about their systems, machines, and equipment, for example. There is some tremendous training out there for how to market your jobs to the millennials. It's just learning how to talk about the jobs in a different way. Regarding the state, we have the largest IT systems within the state. That is what the state needs to tell potential employees. If they start their own business, they won't have the opportunity to work with those kinds of hardware, software and programming needs amongst other opportunities. It really has to do with how we market our jobs and what we tell them they will be doing. We need to start talking about the trade jobs in ways that makes them compelling. It's not a bad thing to be a mechanic's apprentice...people like it-it's challenging. There is incredible technology happening in a

mechanic's shop that wasn't happening 5 years ago. Intelligence and skills are required for the trade occupations. Even agriculture-she just attended training on how to talk to people to market jobs in agriculture. Market a job that would have been a farmworker in the past. Talk about the kinds of farm equipment and the kinds of computers in your farm equipment. A tractor costs more than she paid for her last two houses. That is a huge investment. The person who owns 27 McDonald's in Eastern Montana pays 88 thousand dollars for each of his French fryers. Individuals must have skills to operate those French fryers. She suggested that Mr. Rose's KIN (Key Industry Network) could really focus on this area. What are those jobs? What are people actually doing? Marketing is vital!

**Mr. Bentley:** To kind of "piggy-back" on Mr. Rose's question about how to market jobs, here is an example of how a journeyman lineman was marketed. There are several documentaries online and filmed in Montana with Montana linemen called: *Storm Soldiers*. It's a 45 minute film aimed towards younger students and is about the life and work of journeyman linemen. Posing such questions like: "Did you know what linemen do? Every time you flip that light switch, how did the light get there?" The documentary creates a great atmosphere for students-"No, I never thought about that," and provides that "Wow" factor. There is now a 2<sup>nd</sup> movie. Marketing in that aspect has been great to build partnerships with Northwestern Energy, our union, and our JTC program.

**Commissioner Bucy:** Northwestern Energy is so positive about how they've marketed to their millennials. They are creating all kinds of new leadership programs in their program to foster the younger employees. They reported that many of the younger employees are moving up much quicker than people have in the past. The millennials do expect to move up in the company quickly.

**Mr. McKee:** We strictly hire on talent and train in-house. If you really look at the millennials right now, standardized testing is dead. Give it one generation and it's gone. You can really look up anything on the internet on your phone in 5 seconds. What education needs to figure out is that students need to learn how to learn. They don't need to learn what date the war ended. They need to learn how to learn and then they can accomplish. We generally hire for talent, and then bring them in and teach them. Second, we publish all of our wages in-house. Of approximately 27 employees, 8 employees make more money than Mr. McKee does. They are really honest about this aspect. Employees know where they are at, what they can do, and how they can move around inside the company. They have stainless welders, guys who run lathes and people who have very accomplished training kinds of professions. But, we also have employees who aren't skilled, so the skilled employees train their co-workers. It's working out really well. Our turnover is nil.

**Mr. Rose:** I would totally agree. We've been in business a long time and know our business. We need to teach the next generation-we've sent employees for various training because older employees are retiring. It's what has to be done.

**Mr. Hammerquist:** Regarding "Student Build," the high school program in Kalispell whose students build a house requires 2 years of class. 40 students applied for this class. This is 2 percent of the population of Flathead High School. The Apprenticeship Board works closely with Flathead High School and students are receiving free pre-apprenticeship tickets-"get out of jail free" cards to put in their back pockets. So the pressure for Apprenticeship opportunities is very powerful.

**Commissioner Bucy:** Those pre-apprenticeship credits will be articulation agreements with the colleges. So, if kids who are receiving the tickets decide they want to go college, tickets will be worth a particular amount of college credit and/or time toward their full apprenticeship program if they continue on. This strategy has required lots of work mostly with the unions-it's been very difficult and a learning experience to talk about those kinds of agreements with the unions. Conversations about the time for protecting our borders are just over. In the next 4 years, 130 thousand people are retiring and we need 113 thousand 16-24 year olds to fill those slots. Talking about jobs in very real terms has been very helpful-that we

loosen up some ratios, get more people in training programs, whether they are union or non-union, we've got everyone on board about how critical this is to keep our economy growing.

#### **IV. Workforce System Alignment Update**

##### **Health CARE Montana:**

Ms. Casey Blumenthal, Vice-President of the Montana Hospital Association presented an update of HealthCARE Montana. In summary the project description is as follows: Strategies to address the gap between the state's educational capacity and healthcare employers' demands are: (1) Create statewide **healthcare pathways** characterized by stacked and latticed credentials and contextualized curricula; (2) Address Montana's **nursing** shortages by providing accelerated pathways to credential completion; (3) Increase **success for students** by providing services that better prepare adult learners for college; accelerate credential completion; coach students in pathway navigation; and provide access to distance education; and (4) **Engage the healthcare industry, education, workforce programs** and other stakeholders in healthcare workforce transformation; OJT and apprenticeship opportunities; rapid response cycle regional planning; and data driven approaches. This work will be **supplemented** by development of Core Curricula for administrative and clinical healthcare career pathways. The PowerPoint presentation can be viewed in its entirety via the following link: [SWIB 6 15 HCgrant](#).

Several questions/comments were asked of Ms. Blumenthal after her presentation:

**Mr. McGinley:** Mr. McGinley had several questions regarding the college/employer partners. In Southwest Montana, both Western (University of Montana-Western, Dillon) and Tech (Highlands college of Montana Tech, Butte) are college partners, but, neither Barrett Hospital in Dillon or Saint James Hospital in Butte are employer partners. Is part of the grant to incorporate more of the hospitals?

**Ms. Blumenthal:** She was not sure why they had not collaborated.

**Mr. Bentley:** Mr. Bentley commented that he feels that there is more support to the colleges through the grants. Barrett and Saint James are supporting Montana Tech's nursing program.

**Commissioner Bucy:** Commissioner Bucy pointed out that as time goes on, other hospitals will join in the collaboration.

**Representative Kipp:** Representative Kipp wondered about the barriers with IHS Hospitals.

**Ms. Blumenthal:** Ms. Blumenthal wasn't aware of any problems; rather, outreach may not have occurred.

**Ms. Lee:** Ms. Lee asked if there was a portion of this that responds to training nurses working in specialized fields like Community-Based Mental Health facilities.

**Ms. Blumenthal:** Ms. Blumenthal said that most nurses don't get to participate in the specialized settings while earning their Bachelor's in Nursing degree. A certain level of skill and knowledge is required for this type of setting. However, with Mental Health facilities moving into the communities, this is an important step. Another board member commented that the focus of this conversation had been about nursing-any reason? Ms. Blumenthal is a nurse and been involved more personally with the nursing work. Nursing has been a focus initially with the grant because of pre-work they started before the grant was awarded to the State.

##### **RevUp Montana:**

Mr. Dan Dobyms, Navigator for RevUp Montana, formerly known as: Strengthening Workforce Alignment in Montana's Manufacturing and Energy Industries (SWAMMEI) Grant, provided an update for the SWIB. RevUp is a \$25 million grant, funded to create cost-effective training programs-accessible from anywhere in Montana-that link workers with high demand jobs, enhance our manufacturing and energy workforce, and bolster the state's economic opportunities. A partnership between Montana's two-year colleges and the Montana Department of Labor & Industry, RevUp is designed to quickly train students for good paying jobs. By meeting the specific needs of local employers, aligning curriculum with national industry-recognized credentials, and providing opportunities to enter apprenticeship training. RevUp offers significant opportunities and value. Mr. Dobyms's PowerPoint Presentation can be viewed at the following link: [RevUp SWIB Update 7.2.15](#). After his presentation, several board members asked questions and/or made comments.

**Representative Ricci:** Representative Ricci praised Mr. Dobyms for his enthusiastic attitude. Representative Ricci owns and works at a convenience store. He believes that young people get misinformation...he hears the RevUp ads on the radio and the ads convey that that the perfect job will be found for an individual. Potential employees need to be taught that there is no perfect job.

**Mr. Minto:** Mr. Minto wondered how Mr. Dobyms gets this notion of a perfect job out of Millennials heads.

**Mr. Dobyms:** Mr. Dobyms gave several suggestions: require accountability and be an example. He also talks to employers. He suggests that employers have policies that provide boundaries for this generation. For example- this phone must be in your locker or in your car before you come into my place of work. Navigators are assigned to other colleges, not just Helena College.

**Commissioner Bucy:** Commissioner Bucy pointed out that the grant has allowed higher levels of employer contact. Navigators can demonstrate to employers the cost of this training by calculating the amount of investment the student is making. The calculations show how many dollars an hour the worker has to make in order to have any kind of return on investment. She believes it is the best way to have a meaningful conversation with employers regarding wages and cost of educating through workforce programs. When aerospace welders are being produced and employers only want to pay them \$13.00 per hour, the potential employee will look elsewhere for employment.

## V. SWIB Project Updates

### Computer and Financial Literacy Survey & Snapshot/Asset Map:

Casey Schreiner, Director for the SWIB, presented a PowerPoint presentation regarding the results of a survey on computer and financial literacy as requested by Commissioner Bucy. The survey was sent to Workforce Services Division (statewide) Job Service Managers and/or providers who manage the WIA Title 1B Adult, Youth and Dislocated Worker Employment and Training programs. In summary, 40.9 percent of Job Service offices and/or One Stop Center respondents do provide free basic computer literacy assessments to their WIA Title 1B Adult, Youth and Dislocated eligible customers, usually via their "in-house" assessment tool: Prove It!. However, only 15.8 percent of the same respondents provided financial literacy assessment to their customers even though there is a financial literacy assessment component within Prove It! -the assessment tool used by Job Service. Other entities also provide financial literacy assessment and/or training/workshops for eligible customers. Mr. Schreiner's PowerPoint presentation can be viewed on the following link: [SWIB Computer Lit Survey](#). Discussion ensued following the presentation.

**Ms. Lee:** Ms. Lee wondered how long Prove It! testing had been available for employers.

Jenny Harris, Program Manager for Foreign Labor/Disability Lead for the Job Service Operations Bureau answered questions regarding Prove It! Testing.

**Ms. Lee:** Ms. Lee went on to ask other employers in the room: If they post a job with Job service, does Job Service staff take it to the next level with employers and suggest performing an assessment using the employer's job description. Personally, she had never been approached about assessment.

**Ms. Harris:** Ms. Harris reported that Job Service has had a contract with IBM Kenexa Prove It! since 2008. In regard to Ms. Lee's question, she said that it could depend on the method used by employers when submitting a job order to Job Service. She asked Ms. Lee if she self-posted her job order or called an Employment Specialist at the Job Service office. Ms. Harris stated that currently there is no prompt to request assessment if employers are self-posting a job order. If you're talking with Employment Specialists about screening tools or if you aren't getting the applicants with the skills you need them to have- Employment Specialists are all aware of the assessments provided by Prove It!

**Mr. Bentley:** Mr. Bentley asked if there was any communication regarding employer postings and assessment opportunity to union employers/potential employees when utilizing Job Service.

**Ms. Harris:** Ms. Harris responded by saying that anyone can request a test. She wasn't aware if the unions had been specifically notified.

**Representative Kipp:** Representative Kipp asked Mr. Schreiner if there were any indications or questions asked about types of standards or common core that are designed to teach financial literacy.

**Mr. Schreiner:** Mr. Schreiner said that there was not.

**Ms. Lee:** Ms. Lee commented that she's heard manufacturers speak to this issue (financial literacy) on a broader scale. How can any individual not receive this information in high school? Do employees comprehend that their work on an assembly line, for example, contributes to the profit of the organization. At the same time, do they understand their work can either save costs or hurt costs by their performance?

**Chair Crum:** Chair Crum asked Mr. Schreiner when One Stop recertification is due.

**Mr. Schreiner:** Mr. Schreiner believed that it is July of 2016. The process will begin shortly after the New Year.

**Chair Crum:** Chair Crum commented that he understood that there are federal and state standards. He believes that the board can set some other standards, as well. He thought this piece would fit into the One-Stop recertification.

**Mr. Schreiner:** Mr. Schreiner agreed. SWIB staff would hope that the board would use the data to take action and help develop the program in the future. It is Mr. Schreiner's hope that any presentation on the agenda will be an opportunity, if not that meeting, then at the next meeting, to take action on a particular topic. This is his philosophy to get the board moving forward and getting on the right foot in accordance with WIOA.

**Mr. Minto:** Mr. Minto asked Mr. Schreiner how he defined financial literacy.

**Mr. Schreiner:** Mr. Schreiner said that was a great question. He said that he didn't have a personal definition of financial literacy. He believed that this was a flaw in the survey question.

**Mr. Minto:** Mr. Minto commented that financial literacy can be as basic as balancing a checkbook to knowing how credit card debt functions. He mentioned financial fluency-which deals with online financial issues. Going even farther, the workforce is dealing with individuals who become paraprofessionals in financial services

industry. Do they understand how stocks and bonds are traded...what the margin difference is between Brent Oil and West Texas Crude. There are multiple levels to understand what is meant by financial literacy. This is important for the SWIB in developing the workforce by understanding what we mean when using this term.

**Mr. Schreiner:** Mr. Schreiner said that he thought that was a great suggestion. The survey question should be associated with a definition in the future. SWIB staff will work to do better next time with the development of these tools.

**Mr. Minto:** Mr. Minto pointed out that he was referring to this board's work in creating opportunities in the workforce and the creation of fine workers to fill those opportunities. We all need to be working from a common definition. He doesn't think we need to improve the survey-he believes the survey answered the question. Rather, the SWIB needs the answer to that question to do our work.

**Chair Crum:** Chair Crum commented that we can find a definition of financial literacy and then a competency for our One Stop operators.

**Ms. Watson:** Ms. Watson commented that just so the board is aware, the Workforce Innovation Opportunity Act does have a definition for financial literacy for the purposes of these programs. If the board wanted to expand or modify, or add to the definition, you could look into doing so. The youth program under WIOA is now going to require that we offer a financial literacy component to the clients that we serve. We can't require that the course is taken, but we are required to offer it.

**Commissioner Bucy:** Commissioner Bucy commented that the reason we responded and did this survey was so many of you thought it was important. But what she really thinks is important is that there are many assessment tools out there. What really matters: Is it useful information? Will it be used in some meaningful way? We have internal work to do to make sure that Employment Specialists are prompting people. It should be conveyed that Job Service has very good tools that would be worth taking a look at. She encouraged the employers to look at the tools and see if there are assessments that are applicable to their businesses and the hiring of employees.

Mr. Schreiner acknowledged that the survey was sent out to all WIOA providers.

**Mr. Schreiner:** In regard to the Snapshot/Asset Map, it was discovered that the NGA grant requires an Asset Map. We've shifted gears and adhered to the specific requirements that the grant imposes. Rather than duplicate projects, we will collect the information required by the grant. Those questionnaires will go out to all entities very soon. We are using a model from Indiana, which is part of a national coalition of people who are using this template from the National Governor's Association. We will have the Asset Map at the next meeting.

## **VI. Program Presentations**

### **Apprenticeship:**

Pam Watson, Interim Bureau Chief for Workforce Programs Bureau, talked about the State Registered Apprenticeship Program. Montana's program is administered by a state agency. One of the compliance requirements with the registration agency is that we have to have an Apprenticeship Advisory Council. In the past, the SWIB assisted with that component. Members of the SWIB board served on an advisory council along with additional AD Hoc members to fulfill the requirements for the membership of this committee. The purpose of the council is to regularly evaluate the program and its progress, identify issues significant to employers and employees, recommend viable solutions to problems with consideration by the Commissioner of Labor, (the Commissioner of Labor is responsible for appointing members of this council), and gather information and advise the Commissioner regarding the program to facilitate and promote cooperation between labor, management and education providers to ensure success of the program and that it is moving forward and

meeting the needs of the businesses and job seekers within the state. The membership requirements are fairly basic. It should equitably reflect the geographic and social diversity within the state. That means that we don't want only construction trades. The majority of our apprentices and their sponsors are in those traditional trades occupations. She referred to Ms. Templer, from the Salish Kootenai Tribe, and the butchering occupation. The project in Ronan is a great opportunity to call the state registration agency. They have the curriculum developed and training requirements and can assist in setting up a solid relationship between the employer and the apprentice. We want to equitably reflect the different occupations and the balance between the sponsors whose members are affiliated with labor organizations or the employers. That's the criteria for membership. It would be comprised of 7-25 members. It should have equal amount of members representing employer and employee organizations, at least one member of the council must be a public member, the Commissioner of Labor or Designee must serve on the council, the Department of Labor may also designate appropriate individuals such as department employees that provide functional support to help administer that council. For example, if minutes need to be taken, meetings set up or agendas posted, staff can be provided. She would like the SWIB to consider taking action to establish an Apprenticeship Advisory Council that is coordinated with this group, so that some of the members can serve on this board, thus tying it to the workforce arena. This would also satisfy the requirements of the new law.

**Chair Crum:** Chair Crum asked Ms. Watson if the SWIB has oversight of this council.

**Ms. Watson:** Ms. Watson answered not necessarily. Technically, the answer is no. But it makes sense to have the SWIB involved with apprenticeship now more so than ever, with the huge pushes at the national level, with these grants which are advocating and requiring apprenticeship connectivity. We want to have the overlap where it makes sense.

**Commissioner Bucy:** Commissioner Bucy said that having this board and some private sector business folks knowing what's going on and understanding these changes will enhance the success of apprenticeship programs.

**Mr. Bernhardt:** Mr. Bernhardt said in regard to grants, when reviewing grants to award out the grant, it is apparent which partners came together just for the grant versus those partners that have a history and are already in place. Higher scores are given to those partners that have that proven record.

**Ms. Weber:** Ms. Weber asked Ms. Watson if she was asking for a motion that the SWIB would request that the Commissioner of Labor establish an Apprenticeship Advisory Council...or to clarify the action.

**Ms. Watson:** Ms. Watson said the ask would be for the State Workforce Investment Board take action to establish a Registered Apprenticeship Advisory Council that is required under the registered Apprenticeship program for the State of Montana. We would work with the Commissioner to appoint members of this board and fill in with required membership.

Mr. Minto so moved and Mr. Kellogg seconded the motion. Chair Crum asked for further discussion by the board.

**Ms. Watson:** Ms. Watson explained that during the summer, when the board has conversations at the Executive Committee level, it will look at establishing committee membership.

**Representative Kipp:** Representative Kipp asked about apprenticeship and its involvement with tribes.

**Ms. Watson:** Ms. Watson reiterated that apprenticeship can work with any employers and colleges, including tribal entities.

**Commissioner Bucy:** Commissioner Bucy commented that there is a USDOL representative in Denver. They do wage and hour apprenticeship. Our region is still in Dallas.

**Ms. Weber:** Ms. Weber alluded to a shortage of experienced government accountants. Cascade County is experiencing this problem. She said they would be willing to hire someone and stair-step them through the program so they are eventually good government accountants. Another example: those who manage federally authorized clinics have trouble find CEO's who can run a (Health Resources and Services Administration) HRSA clinic. These are skill sets slightly different than those needed to run a private clinic. Cascade County is looking at trying to do some training slots just to get somebody in the position.

**Ms. Watson:** Ms. Watson commented that the apprenticeship program can clearly articulate what those skill sets are and set up the training program with a college to deliver those skills and training that you need. It is customized.

Chair Crum asked for public comment regarding apprenticeship. There was no public comment. He stated that we have a motion and a second. The motion carried upon voting.

### **Jobs for Montana Graduates:**

John Danielson is an Administrative Specialist for the Jobs for Montana Graduates Program. He gave a brief overview of the history of JMG. Use the following link to view his slideshow presentation: [Jobs for Montana's Graduates-SWIB](#).

JMG is an in-school career development and employability competency course offered in select middle and high schools throughout the state. JMG has recently partnered with the WIA Youth program to pilot service to out-of-school youth in four counties in MACO District 10. Both programs have similar goals and visions often with overlapping populations. The JMG curriculum has proven success rates and can be used for an elective or a Career Technical Education credit. JMG is affiliated with Jobs for America's Graduates, a national school-to-work program.

Mr. Danielson asked the SWIB to take action and become the advisory committee for JMG.

**Commissioner Bucy:** Commissioner Bucy stated that this is the best program in the country. JMG has won the 5 for 5 Award from (Jobs for America's Graduates) JAG. This is "the" standards for the last 9 years in a row. As a result, JAG held their National Board meeting in Billings, MT. last week. This is the best "stay in school" program in the entire country. Schools need resources to acquire this program. This is a really inexpensive and very effective program. It is a quarter of the price of the Youth Challenge program. The Youth Challenge program uses the JMG curriculum. JMG just won an award from USA Funds for about 700 thousand dollars to expand into Indian Country. Montana does a stellar job with this program.

**Mr. Danielson:** Mr. Danielson announced that unofficially, this would make the 10<sup>th</sup> year in a row for earning the 5 for 5 Award because they do exceed the JAG requirements for the 5 standards. He also mentioned the WIA/JMG pilot project. This is happening in the Lincoln, Lake, Flathead and Sanders County area. The partner's goals closely relate. The Goal: To prepare students for their pursuit of workforce or military placement, post-secondary education, and/or training upon graduation. It has been a successful partnership and they have the unique opportunity to provide direct work placement for students that may already be in a JMG program and that can't be supported through JMG, but can be supported by the WIOA program. On the reverse side, JMG can provide this work-readiness curriculum to enhance their program services in the WIOA program to those students they already have in the WIOA program. With the changes in WIOA, the focus of the pilot project will be out of school youth. USA Funds provided JMG with a grant to expand the program into Indian country and urban schools that have a high population of Native American students. He announced the schools they would serve. JAG requires JMG to have an oversight or advisory board. SWIB has done this in the past. He said that it seems a natural fit as JMG is preparing youth for the workforce.

Chair Crum asked if there were any questions.

**Mr. McGinley:** Mr. McGinley asked if JMG is funded through WIOA.

**Mr. Danielson:** Mr. Danielson replied that it was state funded-not through WIOA.

**Mr. McGinley:** Mr. McGinley asked if the participants contribute financially to the program.

**Mr. Danielson:** Mr. Danielson said they did not.

**Mr. McGinley:** Mr. McGinley stated that he thinks this is the perfect time to teach accountability and buy-in. Those students have potential in their community to raise a lot of money through projects the community needs. He thinks this would be of value to the students-giving back to the community. He wondered if this was a possibility.

**Mr. Danielson:** Mr. Danielson said that in the communities that have JMG, they do fundraising to help support their program.

**Commissioner Bucy:** Commissioner Bucy mentioned that schools actually pay for this program. As a state, we don't spend a ton of money on this program. The state is the organizational entity-it has a very small staff. School districts have to pay the assigned certified teacher. It has to be a certified teacher because the course counts for credits. Students earn CTE credits. This is the biggest cost for the school districts.

**Mr. Danielson:** Mr. Danielson said that the action item is to simply have the SWIB move into the oversight advisory committee for JMG. Mr. Rose so moved that motion. It was seconded by Ms. Weber. The vote was unanimous and the motion carried.

## **VII. Career Pathways Update**

Margaret Bowles, Office of Public Instruction and the Adult Basic Education Director, presented an update on the Moving Pathways Forward Project. The link to her presentation is as follows: [MPF for presentation](#).

The Moving Pathways Forward: Supporting Career Pathways Integration project funded by the U.S. Department of Education, Office of Career, Technical, and Adult Education (OCTAE) assists states in advancing career pathways systems to transition low-skilled adults to postsecondary education and employment. The project provides technical assistance to states to further integrate adult education into broader career pathways systems development at the state and local levels. The project addresses barriers to the implementation of cross-system policies that support transitions for adult learners into postsecondary education and employment. Moving Pathways Forward supports state and local activities to create career pathways systems involving business; career and technical, adult, and postsecondary education; and workforce and economic development.

**Chair Crum:** Chair Crum wondered if most of the offices were located in Community Colleges and/or Vocational Centers.

**Ms. Bowles:** Ms. Bowles reported that she has 6 or more programs in K-12 schools, 3 in community colleges, 2 at libraries, 1 at a (Community Based Organization) CBO and 1 in a One Stop Center. The law tells us which different entities can apply.

**Mr. Hammerquist:** Mr. Hammerquist mentioned that regarding the Medicaid Reform, there's a lot of work in progress on careers and pathways-does this fit into a program like this?

**Commissioner Bucy:** Commissioner Bucy answered yes and that she also sees the WIOA implementation fitting, as well. It's all the same partners.

**Ms. Bowles:** Ms. Bowles stated that is why this project is so timely. It positioned ABE to begin really thinking about and get ready for the law. We weren't having this discussion a year ago.

## **VIII. WIOA Transition Update**

Commissioner Bucy began the discussion of the transition from WIA to WIOA. WIOA just released 3,000 pages of rules for the implementation of WIOA. Some big decisions had to be made relatively quickly. WIA was passed in 1998 and never was reauthorized. The rural Concentrated Employment Program (CEP) was created for 10 counties addressing the mining industry-particularly the closing of the Anaconda Copper Mining Company in Butte. Members of those counties were experiencing high unemployment. The ten counties qualified for CEP by meeting a list of requirements. However, the ten counties no longer meet those requirements in 2015. The CEP program was always grandfathered in the past. WIOA no longer grandfatheres the CEP. CEP has been used for counting because Montana became a single state for planning purposes-accounting for a local and state system, even though essentially we don't have local areas. As of July 1<sup>st</sup>, the CEP won't be a CEP any longer. We would like to present the policy that makes Montana a single state for planning and workforce development purposes. Commissioner Bucy has reached out to all of the County Commissioners and found out that most of the leadership had no idea about CEP. It doesn't change anything in regards to how we do business. Regarding the WIOA breakdown of funding, ( click here to view the link for WIOA breakdown of funding: [Funding-SWIB report](#)) it shows the Required Governor's Discretionary 10%, state planning information, and the local administration money. For all intents and purposes, those are all done by the same human beings at the DOL-we just had to account for them separately. Montana has the CEP and the (Balance of State) BOS-which incorporates the rest of the counties in the state. Commissioner Bucy introduced the policy (click here to view the link of the Local Workforce Area Designation Policy: [LOCAL AREA DESIGNATION POLICY](#)) that eliminates the CEP. Providers were contacted regarding this new policy and again, this doesn't change anything-it actually increases the amount of money to those counties in the CEP. She would also like to point out how much funding has gone down. In 2000, WIA funding was almost 15 million dollars. This year, we have less than 6 million dollars. Historically, the local administration piece was done by a 3<sup>rd</sup> party administrator that we paid a million and ½ dollars to administer that local program administration. As a result of that funding decreasing, the DOL took over which lowered the administrative costs by combining oversight and audit functions. We are the only state in the union that has those two things combined. USDOL asked Montana to go out and talk about how we combine those functions. We were required to develop the draft policy in your packets. SWIB does need to take action to approve that policy and get it posted for public comment. The public comment period will be from June 3-17, 2015. All interested persons, Montana Association of Counties (MACo), and all local elected officials will receive notice of the public comment period. If there are no adverse comments, the policy will go into effect July 1, 2015. If there are adverse comments, the SWIB Executive Committee will meet to address those comments. Commissioner Bucy stated that she has found the funding methodology for WIA/WIOA to be very puzzling. Texas receives 57 million dollars of WIOA funding and Montana receives less than 6 million dollars. She and several other Commissioners of Labor of small states are creating a little bit of a ruckus regarding this issue. Our administrative oversight costs 16 percent of WIOA money. Initially, she thought this was high until the mandatory activities are taken into consideration. There are some pretty extraordinary administrative costs which aren't remarkably different between Texas, California and Montana. Those are straight up costs of creating a system, database, all of the reporting tools that are required. SWIB board meetings cost about 15 thousand dollars. Those costs are the same whether you are in Texas or in Montana. When you get to take 10 percent off the top of 57 million dollars, it gives you a lot of money to do not only administrative functions, but to do some real innovation and planning. Montana hasn't had money to do anything innovative outside of running our programs. Our Governor has never taken any set aside money. Commissioner Bucy has created quite a stir- she has asked to take 1 percent and give it to the 13 small states that are operating WIOA programs for fewer than 10 million dollars and bring all of them up to about 10 million dollars. She will be traveling to Chicago tomorrow and she feels like she will be under fire from the bigger states for wanting to take 1 percent from their 57 million, but she's okay with that! She has really been researching and wants to talk to the feds regarding the level of reporting requirements for states that have smaller programs. She would like to see less administrative and reporting requirements. Some states have stepped up and infused money into the system from their state general fund. It has not been easy for Montana to get general fund money. She is not optimistic, but Montana has managed to get small amounts of money to supplement our WIOA funding. We are being very

cautious and not doing a lot of unnecessary things. It really is 6 or 7 people doing all of this work-oversight, issuing RFP's, etc. WIOA will make this a more streamlined program.

Pam Watson reiterated that we're currently going through many transitions-logistically and programmatically-many changes with the reauthorization of WIOA. As draft regulations came out, there was specific language that said the CEP area is ineligible to apply for designation as a local area. County Commissioners in the CEP counties, service providers and SWIB Executive Committee members were all contacted regarding this issue. It was later learned from the USDOL that CEP's could still apply for local designation; however, there is a process to apply. One of the things is the policy that Commissioner Bucy just spoke about. We had already begun to question what impact this would have, if and/or when the CEP goes away, on the service providers. What did this mean in terms of the distribution of money to service providers across the state? We weren't clear about how much impact this was going to have for our local providers. Would there be a significant or minimal reduction in their funding? Ms. Watson explained the funding formula for WIOA and its path of distribution. The law now says that Montana is going to calculate money on a statewide basis. Before WIOA, the funding we received from the USDOL was first split between the two local areas-the Bos & CEP, and then the calculations were applied. Now, the money comes from the USDOL to Montana. It is allocated regarding the following factors: 1/3 unemployed individuals in areas of substantial unemployment; 1/3 excess numbers of unemployed individuals and 1/3 economically disadvantaged. Those funds are distributed to the local and/or county level-12 Montana Area County Districts (MACo) throughout the state, and again, allocated to the counties regarding the following factors: 1/3 unemployed individuals in areas of substantial unemployment; 1/3 excess numbers of unemployed individuals and 1/3 economically disadvantaged. The reason there was a CEP is that counties actually got a break if they had a higher threshold from one of the factors. For instance, the economically disadvantaged factor-it was 1/3 of 33 thousand dollars versus 22-23 thousand dollars for the rest of the state. So the counties that were in that CEP area had calculations done at a higher threshold. Technically, they would receive a bit more funding because they were in more need. That is the piece that is no longer applicable. The same formula is now used for every county in the state. Finally, the other provisions are applied. Additional provisions approved by SWIB in 2008 were to apply base funding-35 percent to adults and 9 percent to youth. The SWIB gets to decide the funding formula that is in place. The other provision is to apply Hold Harmless if applicable. For example, had this transition to a single state calculation resulted in some county or MACo district in the state getting 30 percent less than they did last year; the hold harmless rule would apply. The hold harmless is a 90 percent hold harmless. No association of county district can get less than 90 percent of what they received the prior year. Those are the two things that the state board put into place. Calculations are done and base funding is applied for adults and youth and then the counties are rolled up into the MACo district level. There are 12 MACo Districts in the state. The local county data is rolled up into a MACo district and that is how the money is allocated out across the state-through the MACo districts. There are 12 pots of money allocated to both adult as well as youth programs. Hold harmless did not have to be applied because the reduction was not significant enough to cause a change. In fact, it was about 12,000 dollars more for the CEP areas. The 10 counties formerly in the CEP will split that 12,000 dollar increase. The 46 counties that are in the Balance of State (BOS) areas will absorb the 12,000 dollars decrease. These were fairly minimal changes across the board. That is the funding formula and the allocation. Ms. Watson displayed the WIOA allocations projected for PY 2015 as distributed to the MACo districts by adult and youth funding. The DOL will issue the letters of intent to all of the service providers in the state. They will receive letters that inform them of the amount of funding allocated to them. They will submit their plans with information like how many participants they will serve, etc. The state will issue the contracts by June 30<sup>th</sup> and we're ready to go on July 1, 2015. Finally, she discussed the sheet titled: Breakdown of WIOA Funding-PY2015. She explained that the SWIB will take action today to approve the funding that goes out to service providers. The total amount of Montana WIOA dollars is listed and allocated for the three programs-adult, youth and dislocated workers. Right off the top comes the required Governor's discretionary 10 percent. That amount of funding can change over time. Traditionally with WIA, the discretionary fund was at 15 percent. Initially, we had 15 percent of the total funding that came to the state to pay for all of those Governor's discretionary activities. The reason that all of those activities are listed out is because the State Workforce Board is responsible for the delivery of those

programs under WIA/WIOA. We have gone from 15 percent in 2010 to 5 percent in 2015. For several years we operated at 5 percent, and then we jumped to 8.75. WIOA was actually reauthorized at 15 percent, but the funding was not approved for that rate. It was approved for 10 percent. There are a lot of states and national organizations advocating raising the discretionary fund to 15 percent. For now, we have to plan on 10. Next, from the Dislocated Worker funding it is mandatory that 25 percent be taken and used for Rapid Response activities. Rapid Response is a pro-active, business-focused, and flexible strategy designed to respond to layoffs and plant closings by quickly coordinating services and providing immediate aid to companies and their affected workers. Rapid Response teams will work with employers and any employee representative(s) to quickly maximize public and private resources to minimize disruptions associated with job loss. Rapid Response can provide customized services on-site at an affected company, accommodate any work schedules, and assist companies and workers through the painful transitions associated with job loss. Rapid Response is carried out by states and local workforce development agencies in partnership with local American Job Center. Many services, from are available through American Job Centers, from resume and interview workshops, career counseling, and job search to re-skilling, skills upgrading, and job training. Next, the operating costs at the local level are considered. These are the programmatic activities done at the local level that are required by the law. (We have to borrow from different “pots” because we don’t have enough money to do the required activities.) Some of the bigger pieces that fall into this category are the monitoring of programs, funding the Monitoring Information System (MIS) and issuing contracts to the service providers. Again, the SWIB is responsible for the oversight of these activities. In closing, after the allotted distribution, the state will be sending out 4,428,483.00 dollars to service providers by July 1<sup>st</sup> to deliver their services.

Questions/Comments:

**Mr. McGinley:** Mr. McGinley said that the County Commissioners from the 10 CEP counties never really did understand the funding piece. He wondered if County Commissioners were still required members of the SWIB.

**Ms. Watson:** Ms. Watson said that they were required members. We have an agreement in place that supports the County Commissioners in attending the MACo Conference. The County Commissioners will report back to the SWIB on what’s happening on the national level with county government, policies, etc. It’s important to have that local connection.

**Representative Kipp:** Representative Kipp wondered how funding would be effected if an area decided to apply for local designation.

**Ms. Watson:** Ms. Watson said that for the first two years, beginning July 1<sup>st</sup>, the 2 local areas would have 2 years to apply for local designation. The Governor will approve that designation for a local area provided that it met performance and fiscal accountability standards. Right now, because we’re a single planning area state, we collect performance data; do fiscal management, and fiscal reporting statewide. There would require a lot of work to apply for local designation. If an area applied and received local designation, by default, Montana would have 2 local areas. As a result, there would be two local boards, another administrative entity would be hired, and potentially more local administrative dollars that could be used for administration functions and local board meetings that are not going out to serve the people.

**Mr. Minto:** Mr. Minto wondered if there is any likelihood that an area would apply for local designation in Montana.

**Ms. Watson:** Ms. Watson replied that she would hope not for several reasons. It is the most efficient way that the programs can be delivered. If not done as a single area, then there will be less money to serve the people. That would be a hard thing to justify when our money is decreasing. We consistently meet performance.

**Mr. Minto:** Mr. Minto asked if there was a cliff notes version of the WIOA regulations.

**Commissioner Bucy:** Commissioner Bucy answered that there was not yet this version, but she and Commissioners from other states would like a cliff version, as well.

**Mr. Minto:** Mr. Minto went on to say that the SWIB board has responsibility to understand the rules.

**Commissioner Bucy:** Commissioner Bucy agreed with Mr. Minto and said that we will make sure that SWIB members receive this version, upon availability. The website to find the draft regulations for WIOA is: doleta.gov.

**Mr. Minto:** Mr. Minto replied that he assumes that in the law there is a section on board responsibilities.

**Commissioner Bucy:** Commissioner Bucy answered that there were sections pertaining to board responsibilities. Even so, the answers aren't in black and white. It is difficult and frustrating to navigate through the regulations and/or law.

**Mr. Minto:** Mr. Minto asked how board members know if the amounts shown on the breakdown for WIOA funding for PY2015 are in fact really what was spent? Is there an audit or review? His guess is that it is not being audited.

**Commissioner Bucy:** Commissioner Bucy replied that an audit function is not required under the law, but we are audited.

**Mr. Minto:** Mr. Minto believes that the board should know the results of the audit report.

**Commissioner Bucy:** Commissioner Bucy said that she could easily bring auditors to talk to the board.

**Chair Crum:** Chair Crum stated that there were 2 motions to take action on. The first motion is approving the Local Workforce Area Designation Policy and to post the Local Workforce Area Designation Policy for public comment from June 3-17, 2015. Mr. Minto so moved and Ms. Helt seconded the motion. Chair Crum asked for any further board or public discussion. There were no comments. The motion carried. The second motion is to approve the WIOA Funding for (Program Year) PY2015. Mr. Minto so moved and Ms. Bowles seconded the motion. Chair Crum asked for any questions from the board and/or the public. There were no comments. The motion carried.

## **IX. SWIB Next Steps**

Ms. Watson discussed SWIB's next steps. She reiterated that the Local Workforce Area Designation Policy and public comment notice will go out to the public on June 3-17, 2015. SWIB members, SWIB Interested Persons List, and the Director of MACo, Harold Blattie, who has agreed to send out the notice to lead local elected officials in all 56 counties, will receive this notice along with any other person who may not be a member of the above mentioned groups. The notice and policy will also be posted on the SWIB website at [swib.mt.gov](http://swib.mt.gov). Second, the service providers will be sending in their proposals upon receiving their letters of intent. The contracts should be in place for July 1, 2015. Third, several things will impact the state board. The board's name will change. In WIOA, the state board is referred to as the State Workforce Development Board. It is likely we will transition to this name. There are changes to the board membership requirements in WIOA. WIOA is removing the requirement that higher education be represented. Two other non-required members of the board, according to WIOA are Tribal and Veteran representatives. Montana law requires a Veteran on the board. Montana wants continuance of these members on their board. The Governor makes the board appointments. So, the Governor has received recommendations for board members including the continuance of the above three mentioned representatives. The new board has to be in compliance by July 1, 2015. Private membership will be

maintained at 51 percent for a private sector majority. WIOA asks for more labor representation, so we will be adding several more labor representatives. The minimum of 33 members will be presented to the Governor-this will maintain the required WIOA membership including additional labor representation. He will decide how many more additional members.

**Mr. Kellogg:** Mr. Kellogg wondered if there are any unpleasant surprises that members should know about.

**Ms. Watson:** Ms. Watson said she did not think so.

**Mr. Minto:** Mr. Minto commented that it is important that we as a board send a message to the governor that this board not be any bigger than needed. He went on record as saying he would volunteer to resign. It's important for this board to be able to function well. We should, at this meeting, send a resolution to the Governor indicating that this is the Board's belief; if in fact it is the belief of this board.

**Chair Crum:** Chari Crum agreed that it should be cost effective. He believes that the message has been carried to the governor's office. But, the criteria should also be met under WIOA.

**Mr. Minto:** Mr. Minto was curious about the board felt about his suggestion. He wondered if anyone disagreed with that premise. He feels that the message to the Governor be heard from the board as well as the staff.

**Mr. Bernhardt:** Mr. Bernhardt clarified that this wouldn't have to be a motion, rather a directive to the staff to carry out the task.

**Mr. Schreiner:** Mr. Schreiner suggested that this be a directive to staff rather than a motion. His reason for this is if he makes a motion to draft a resolution to send, the draft of the resolution, in order to send it, would have to be approved by another committee to approve. So, we would have to hold, at least, an Executive Committee meeting. With a directive to staff, we can do it without the meeting.

**Mr. Minto:** Mr. Minto clarified his motion as follows: He made a motion to direct staff to indicate that the SWIB board believes the smaller board is the better board. Ms. Helt seconded the motion.

Chair Crum asked if there were any questions and/or comments.

**Mr. McGinley:** The issue of board members being counted twice was brought up by Mr. McGinley.

**Ms. Watson:** Ms. Watson commented that WIOA Law has taken a step forward and because WIOA no longer requires a Tribal member on the board, a Tribal member on board who happens to own a private business, can be counted as one. If a public member or someone who is not technically a private business owner is added to the board, another private member must be added to make the 51 percent majority of the private sector. This is how the membership can increase.

**Mr. Hammerquist:** Mr. Hammerquist asked what the membership of the board is currently.

**Ms. Watson:** Ms. Watson answered 41 members. A quorum would be 21.

**Ms. Lee:** Ms. Lee mentioned that we approved several oversight committees today to assist those programs. How will those committees be developed?

**Chair Crum:** Chair Crum asked that she detain this question until the next discussion. Chair Crum reiterated that there is a motion to direct staff to tell the Governor to keep the board as small and cost effective as possible. He asked for any further discussion from staff and/or the public.

**Ms. Templer:** Ms. Templer went to the podium from the general public section. She thanked the board for keeping the tribal member on the board and also complimented the board for asking for public comment. She has been to other meetings and the public doesn't get a chance to speak.

**Chair Crum:** Chair Crum requested a roll call vote.

Greg Cano, staff member took a roll vote: the following members voted yes: Chair Crum, Mr. Bentley, Mr. Bernhardt, Commissioner Bucy, Ms. Blumenthal, Ms. Bundtrock, Mr. Danielson, Ms. Harrington, Ms. Helt, Ms. Bowles, Mr. Kellogg, Mr. Kipp, Ms. Lee, Mr. McKee, Mr. Minto, Ms. O'Leary, Representative Ricci, and Mr. Shirliff. Members not in favor: Mr. Hammerquist, Mr. Hunt, Mr. McGinley, Mr. Rose and Ms. Weber. The motion carried.

**Mr. Schreiner:** Mr. Schreiner spoke about attendance and/or non-attendance of members. Often there is barely a quorum attending the meetings. Fewer members may help with that issue. He would like to set meeting dates for the next year. This meeting was intended to close out WIA and the next meeting will lay out the groundwork moving forward with WIOA. We will also spend time focusing on our new subcommittees as Ms. Lee addressed earlier. The date for this meeting is September 29 & 30<sup>th</sup>. January 12, 2016 will be a single day full board meeting and finally-June 14, 2016. Mr. Schreiner also invited board members to attend the Governor's Workforce Summit on October 11 & 12, 2015 held at Montana State University.

**Chair Crum:** Chair Crum asked Commissioner Bucy if board members would receive letters if they are reappointed.

**Commissioner Bucy:** Commissioner Bucy said that she'll be meeting with the Governor to review the new requirements. She believes that everyone will hear from the Governor before July 1<sup>st</sup>.

**Chair Crum:** Chair Crum asked for any comments from the public.

**Mr. Rose:** Mr. Eric Rose, from higher education, spoke for Mr. Cech who was out of state today. Mr. Rose gave a brief update regarding the university system in Montana. Enrollment is down 2 percent for this academic year. In the two year colleges, enrollment is down 4-7 percent. Regarding the employment status and current economic outlook, it is difficult to retain students, faculty and administration. Some bright spots: dual enrollment, career pathways, working with high school counselors in an effort to promote CTE, the CTE board met and is working on ways to positively promote CTE and fight the stigma it faces by students and parents, the provision of shorter programs with more on and off ramps at our colleges so that students can come in and get a couple of weeks of certification then join the work force again, Incumbent workers-creating more course offerings at night or on the weekends to earn certification and/or a degree without conflict with their work schedule, and finally the development and ongoing collaboration of partnerships-(Office of the Commissioner of Higher Education) OCHE, ( Office of Public Instruction) OPI and the (Department of Labor & Industry) DLI.

**Mr. Kellogg:** Mr. Kellogg suggested that students be tracked and followed into their working years.

**Chair Crum:** Chair Crum made a motion to adjourn the meeting. Mr. Kellogg so moved and Ms. Helt seconded the motion. The motion carried. The meeting ended at 3:00 p.m.