

# MT SWIB

STATE WORKFORCE INNOVATION BOARD

Quarterly Board Meeting  
October 21, 2024  
Helena College  
Donaldson Campus, Rooms 002-003  
1115 North Roberts, Helena, MT 59601

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## MEETING MINUTES

**MEMBERS PRESENT:** Jennifer Cronk, Mark Noland, Dylan Klapmeier, Joe Thiel, Jason Yager, Jim Wonnacott, Quinton Queer, Sarah Swanson, Kerri Seekins Crowe, Paddy Fleming, Mike McGinley, Heather O'Hara, Sara Schreiner, Paul Hopfauf, Jessie Counts (proxy for Chanda Hermanson), Katie Madsen (proxy for Elsie Arntzen).

**MEMBERS EXCUSED:** Adam Gilbertson, Deb Poteet, Bo Bruinsma, Amber Terry

**STAFF:** Jennifer Owen, Sam Loveridge, Barb Wagner, Mike Hopkins

**PRESENTERS:** Todd O'Hair, Charlie Brereton, Rep. Bob Keenan, Caitlin Jensen, Heather McDowall, John Kessler, Dan Belusak

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**CALL TO ORDER (10:00 a.m.):** Chair Hopfauf called the meeting to order.

**ROLL CALL (10:00 a.m.):** Jennifer Owen completed Roll Call. A quorum was present.

**AGENDA (10:01 a.m.):** Chair Hopfauf asked for a motion to approve the agenda.

*Heather moves to accept agenda as presented. The motion is second by Jason and approved on a unanimous voice vote.*

**AUGUST MEETING MINUTES (10:02 a.m.):** Chair Hopfauf asked for a motion to approve the August Meeting Minutes.

*Paddy moves to approve the minutes as presented. Jim seconds the motion and it is approved on a unanimous voice vote.*

**REQUEST FOR PUBLIC COMMENT ON AGENDA ITEMS (10:03 a.m.):** Chair Hopfauf asked for public comment. No public comment was made.

**COMMITTEE REPORTS (10:03 a.m.):** Heather recaps WIOA committee meeting. Training sent out to committee members on WIOA. Jason recaps Biz Dev. Focus on getting committee scope in line. Education and Training did not meet. Apprenticeship Advisory Committee still waiting appointment.

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If auxiliary aids and services or special accommodations are required, please contact SWIB staff at 444-4480.

## SWIB BYLAWS AMENDMENTS (10:06 a.m.)

Jennifer reviews the amendment language relating to ex *officio* members and discusses housekeeping amendment.

***Mike moves to approve ex officio amendment. Mark seconds the motion, which is approved on a unanimous voice vote.***

Jennifer reviews the amendment language related to board member compensation. Mark encourages people to make things simpler; recommends striking rather than alternatives.

***Heather makes a motion to strike section 8 from the bylaws. Jenn seconds and the motion carries on a unanimous voice vote.***

Jennifer reviews amendment language relating to designation of an acting committee chair.

***Mark moves to approve the acting committee chair language. Kerri seconds the motion, and the motion is approved on a unanimous voice vote.***

Jennifer reviews two housekeeping amendments for the bylaws, one adding a reference to WIOA and one addressing attendance of legislative Board members.

Committee members discuss the history of SWIB. Unclear if a member has ever been removed for attendance. Important to address attendance and ensure members are engaged is important as board becomes more strategic.

***Mark moves to adopt housekeeping amendments. Jason seconds the motion and the motion carries on a unanimous voice vote.***

**SANCTIONS POLICY (10:20 a.m.):** Heather presents on Sanctions Policy, as reviewed by WIOA Committee. Discusses history of sanctions policy, rationale for adopting it. Also highlights upcoming RFPs. WIOA committee recommends SWIB adopt the policy.

Commissioner Swanson expresses appreciation for WIOA Committee's work. Discusses performance challenges in WIOA Youth providers. Mike McGinley raises questions about Executive Committee issuing the sanctions. Has concerns about full board overriding Executive Committee. Jennifer highlights a need to keep sanctioning process separate from WSD monitoring and performance reviews. Mike does not want to have to override the Executive Committee.

Chair Hopfauf recognizes Barb to add anything. Mark asks about timeframe for action. Mark would like to regularly review data. Barb discusses two types of problems: monitoring and performance. Monitoring focuses on funding and technical compliance. Performance focuses on metrics and quality. Monitoring reports can be provided quarterly. Performance is measured on annual basis, but data is provided quarterly. Board members express concern about only reviewing performance annually.

Jason asks about timing for appeals lining up with quarterly meetings. SWIB can call special meetings if required.

Mark asks about clarity around performance standards. Barb indicates that it will need to be included in next RFP. SWIB issues the contracts, so the board will be able to shape next round of funding opportunities. Board can approve the RFP and issue the contracts.

Mark requests that any RFP be brought to the board before it is issued. Performance standards are two-tier: feds give some performance standards, SWIB can set additional standards that are up to SWIB to craft.

Commissioner Swanson discusses timeframe of future RFPs – they are 7 years now. Likely need to be less. WSD is funding the final year of the previous RFP now, through the end of June 30, 2025.

***Mike moves to approve the Sanctions policy as presented. Quinton seconds. Policy approved on a unanimous voice vote.***

**WELCOME TO HELENA COLLEGE (10:40 a.m.):** President Bauman talks about Helena College and aligned priorities. Discusses multiple campus, aviation maintenance program, new cosmetology program – only degreed cosmetology program in the state, college also has a salon. Robust CDL program, certified medical assisting, banking. Serve 2500 learners per year – dual enrollment, degree-seeking, community education center. This Fall – enrolled degree-seeking students is 1500. Educating youth is important part of the mission. Adopt local 5<sup>th</sup> graders as honorary college students – get to learn about career options. High school kids shadow, college hosts SkillsUSA competitions. Also doing a lot of work with Future at Work. Collaborates with local Chamber to do high school and industry sector networking.

All programs have advisory board for programs, college has one overall as well. Important to stay aligned with industry. Cosmetology program came from industry feedback. Working on a new program for OT assisting.

Committee members ask questions. Discussion about very real shortages of cosmetologists. Paul asks more about Adopt-A-Fifth Grader program. The kids get a graduation ceremony in the spring. Kids come one day per month for the school year, work with a faculty member to do a hands-on program in a variety of disciplines and learn about the field. Fifth grade teacher feedback is very positive – kids are talking about college more than in the past.

Average learner profile: dual enrollment is aligned with MUS 1-2-Free, adult is mostly right out of high school with a lot of interest in skilled trades; eligibility for Pell grant is going down – aligns with economy. Community education for short-term training – this is mostly self-pay or WIOA funds, ranges in age but mostly late 20s-early 30s.

Career fairs are usually targeted to a sector, but do some that have broad industry representation.

Heather highlights the quality of experiences at Helena College. Has participated in some of the events – they are well done and thoughtful, make a real impact.

**\*\*Board takes a brief 5 minute break\*\***

### **CROSS-CUTTING WORKFORCE PRIORITIES (11:15 a.m.)**

- Governor's Housing Task Force – Todd O'Hair
- Behavioral Health System for Future Generations – Charlie Brereton & Rep. Bob Keenan
- Child Care: B-5 Grant, Montana Child Care Business Connect – Caitlin Jensen

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Todd discusses Housing Task Force – recaps history of the task force’s work, beginning in 2022. Significant recommendations focused on regulatory reform – many passed in 2023 Session; more coming for 2025 session. Highlights some important pieces for SWIB to be aware of: regulations on development have built over many years in local communities. Tension between haves and have nots; some barriers because people like things the way they are. All state agencies were involved; many undertook rulemaking to streamline housing. More pushback locally. Encourage SWIB to look for opportunities to influence local communities to accelerate workforce housing. Focus on bringing more supply into the market.

Dir. Brereton and Rep. Keenan review Behavioral health report. Rep. Keenan discusses the need for positive workforce leadership in the state. Need to celebrate the people working in the field so that others are encouraged to join the ranks. Dir. Brereton discusses statewide engagement in BHSFG report, noting that workforce is reflected in all of the report’s priorities. Dir. Brereton briefly covers recommendations in the report.

Dir. Brereton talks about child care – DPHHS needs to continue working on underlying regulatory challenges with licensing system. Have tried on multiple accounts to advance a comprehensive reform package; those packages have not yet moved forward. Agency continues to make progress and investments, but need to address foundational licensing issues. Can put money into many things, but ultimately it is just too difficult to do business in Montana today as a child care provider.

Caitlin highlights role of Zero to Five Montana in child care system. Briefly points out findings of DLI’s child care report. Most of state is childcare desert; all of state is a desert for infant/toddler care. Significant workforce impact – both access and cost. Very expensive to operate a child care; hard to charge the tuition rates necessary to maintain quality. Child care workforce is a significant factor in accessing childcare. Discusses Montana Child Care Business Connect (MCCBC) – funded through ARPA supplemental from DPHHS, child care-specific small business supports. Also have begun a shared services initiative – substitutes pools, telehealth employee benefits, liability insurance. Family Forward partnership with Montana Chamber to support employers in offering child care benefits and family friendly business practices. Will be making some grants to employers to implement strategies. Provides legislative priorities handout. Asks about opportunities to collaborate with Tech Hub for child care strategies.

Board discusses how SWIB can support the work of various task forces. Inventory of programs/initiatives for workforce would be very helpful. Helps agencies know where to direct funding. Need to mobilize urgency among partners to tackle the challenge. Regular, updated data is also beneficial. Lots of interest in child care apprenticeships and pre-apprenticeships. Schools very interested in on-site child care. Need better training and support for infant/toddler workers.

Dir. Brereton would welcome input from SWIB on innovative solutions to workforce in childcare.

Discussion about challenges of having employers add on-site child care, as well as about encouraging child care construction as a part of multi-family housing construction. Caitlin highlights possibility of a subtrust that could provide lower cost of capital for child care businesses. Sara asks if subtrust could be used to support offering benefits (retirement, health). Lack of benefits drives employee turnover.

Discussion about need for different models in urban and rural areas. FFN registration opens up some flexibility. Some data gaps about who is doing FFN or unlicensed care. Discussion about a state insurance pool to back child care insurance. Frivolous claims are an issue – tort reform might help.

Is the behavioral health report enough to solve the state workforce challenges? No – it is a start, but there is much more to be done. Discussion about expanding size of workforce by bringing people back in – behavioral health is a part of that. Recommendations are phased in; will need some systemic reforms. Targeted case management is likely to be the most important to moving people back into the workforce.

**WORKING LUNCH: Proposed SWIB Strategic Framework (12:30 p.m.):** Jennifer reviews strategic framework, board discussion and questions. Board members discuss proposed framework. Response is generally positive. Recommend engaging with local Chambers and EDAs to knit together local workforce initiatives.

Question about the role of agriculture, other incumbent industries such as energy or mining. Paddy notes that value-added agriculture would fit under the heading of advanced manufacturing. Members also discuss the important of supporting and strengthening rural education and healthcare, which helps keep people in farming communities.

Board members pleased to see SWIB moving in a more policy-oriented direction. Value of developing strategy and bringing down silos is critical. Strategic framework needs to acknowledge that government doesn't have all the answers – let industry drive the direction of workforce development. Heather notes that MHA has a workforce development council, but it has not been active. Could reactivate.

**STILLWATER MINE RAPID RESPONSE (1:15 p.m.):** Commissioner Swanson shares Rapid Response efforts to date. Estimates 700 workers will be laid off at the mine, many more in secondary industries. Largest layoff in DLI recorded history – Montana Power deregulation may have been larger, but data not clear. DLI has been working closely with Stillwater Mine and organized labor. Layoffs expected to begin in mid-November.

DLI surveyed workers – 300 responses. Data showed: 60% under 45 years old. 17% veterans. Most workers have high school diploma, no college but some additional credentials (e.g. CDL). Less than 4% do not have a diploma. 65% have children; 1/3 children under 5. 1 in 5 have a child in college right now. 30% are a one-income household. Less than 3% indicate an intent to retire. Most workers expect to transition industries: 70% want to stay in Montana, less than 20% intend to move. Want to stay in Billings-Bozeman corridor. 48% identified that self-employment is preferred.

3 satellite offices have been established. Applying for NDWG grant - \$11M - \$14M expected ask.

Heather McDowell, Sibanye-Stillwater, speaks about quick change in employment history at the mine – was previously aggressively hiring, now laying off. Serious question around US policy on critical minerals. Serious foreign influences. Only platinum/palladium mine in US, about 7% of global supply. Stillwater Mine wants to continue operating, have reserves through 2060. Committed to stopping cash bleed now so that mine can continue long-term. Putting west side of mine into care/maintenance, not active production. Palladium has dropped 50% in last 8 months, is the largest part of the mine. Hoping that they can reclassify or strategize differently so that, despite WARN notice of 700, may ultimately only lay off 500-600. DLI support has been very appreciated. Very difficult to match wages in the local area, entrepreneurship may help. Some folks already have side businesses, could grow them.

John Kessler and Dan Belusak, USW, indicate there is a lot of confusion still. DLI webinar was very helpful for a lot of employees. People don't want to move, nowhere else to support that level of salary. Travel employment might be a solution, but hard on families. Impact on the community will be as serious, if not more serious. People can find work, but losing all that economic activity in the community is a serious

challenge. Even if mine operation ramps up again, this is a very narrow skill set – unique type of mining. If workers are lost, the ramp up will be slow if it ever comes back. Also need to consider impact of contractors – adds to the impact beyond the direct workers.

Max UI benefit - \$750, workers were averaging \$2000+ per week. Workers want to work, they would like to be back to work in 6 months or less. Great opportunities for partnerships with MUS. May be able to reconsider Pell Grant reevaluation for those children in college now.

Board members discuss. Some interest in spouses coming back to work – but entry-level work doesn't cover cost of child care. How to access child care is also challenging. Stillwater has explored a company day care.

Permanent vs temporary layoff: Stillwater considers this a permanent layoff for the purposes of WARN (not a furlough). Stillwater says it needs to get costs down in older sections of the mine. Intent is to bring portions of the mine back online if market returns. US-based operations are critical to global strategy, but they are being subsidized now by other mines in South Africa.

Discussion of global trade bills/bans. Also possibility of trade solutions – International Trade Commission action on dumping, countervailing duty case possibly.

USW members are focused on the uncertainty – people don't know if they have a job or not. Hard to plan for the next 30 days without more information. Not enough high-paying jobs, so people are questioning their future. Workers are not optimistic about the future of Stillwater Mine. Some people are quitting to grab a new job, some people are working two jobs to keep a new opportunity while not foreclosing access to benefits. Also unclear when layoffs will happen – Nov. 12-25 was the window. Company expects it to take four days to complete the layoffs.

DLI NDWG grant will likely be awarded at some level, but full award will depend on getting Congress to plus up funding for the programs – lots of demand from hurricanes in southeast. Multiple job fairs coming up over the next two weeks. May have a union career fair upcoming as well.

Total workforce: half in Yellowstone County, 160 in Park County, 150 in Sweet Grass, 120 in Carbon County. People come from across the state, about 150-200 fly-in, fly-out from other states. Stillwater and Sweet Grass counties likely to be most adversely affected. Counties will lose a lot of revenue-based tax in addition to the economic activity. Other counties, like Yellowstone, just lose the income, but not the revenue tax.

How can SWIB or other agencies help? Building small business training programs, use Commerce business attraction to bring a new employer to the area. Explore opportunities for Tech Hub investment in the communities as well, given critical mineral nexus. Rare earth elements in mining slag – not scalable for profit, but still interesting for Tech Hub strategies. Potential manufacturing sites in the area. Possible federal 10% production tax credit for rare earth minerals under discussion.

Important that we avoid politicizing rapid response – focus on community and workers.

**BREAKOUTS: COMMITTEE WORKTIME (2:00 p.m.):** SWIB members broke out into small group discussions to reflect on cross-cutting priorities and proposed strategic framework.

**FULL BOARD DISCUSSION (3:30 p.m.):** SWIB members reconvene to share committee discussions. DOT Director Dorrington joins the discussion. Dir. Dorrington recaps Housing Task Force history. First report resulted in 25 bills to impact housing in a positive way. Second report focused on executive branch and local government. Third report is more about making housing investment more attractive. Subsidy recommendations not likely to have much support. Lots of interest in addressing role of fire marshals. Housing improvement district recommendation is important – spread out costs over time.

Housing problem in Montana is not solved – still much to do. Especially challenging to get labor and financing into rural communities. State agencies seeing continued increase in subdivision permits. Some recent court cases raise challenging questions about water/water rights.

Workforce needs in energy, infrastructure, housing construction: lots of federal dollars into infrastructure, but timelines are unreasonable and rules are often unclear. Agencies often partially funding projects, which is very challenging. Energy workforce has a challenging future: very few people understand the energy generation challenges faced in the state. Renewable power generation is particularly difficult for our state. Grid United is 8 years away, but it is a good project. Future of Colstrip is very challenging. Cost of power will impact large employers in the state and has already. Power is #2 cost at Stillwater Mine, behind labor. Department of Commerce work in business attraction depends on ability to remain competitive in power and have reliable generation. Grid stability critical for major industries. Some discussion about small nuclear in the state, but not many. Billings hosted a customer conversation earlier this summer about small reactors, transformers, etc. Right now, lead time on transformers is 2-5 years, all built in China, significant supply chain risk factor. Power is very difficult policy area – need conversations focused on solutions.

SWIB support for workforce development in energy and infrastructure/construction – focus on community colleges, skills, trades. Need to recognize that younger generations don't care about retirement, need to get skills and get into the workforce. Need accountants, truck drivers (CDLs), and construction. Need partnerships that create pipelines from high school into employment on skills side. Not just diesel mechanics and welders, need a variety of trades. More formal or OJT programs that move people along career paths/career ladders. Young people are planning to leave jobs in 2-3 years, so we need to show the progression along a career to retain employees.

Due to time, Committee chairs will provide notes from Breakout Sessions, in lieu of group share-out.

**ORGANIZATIONAL MATTERS (4:00 p.m.):** Jennifer reviews some housekeeping items. Committees need to set a standing day/time for meeting if they have not already. Legislative briefing will be Dec. 5 at 9 a.m. Jennifer reviews how to properly fill out travel reimbursement forms. 2025 Meeting Schedule being developed and will be sent out early in January. Board discusses possibly pitching Montana as site for 2025 National Governors' Association Summer Meeting.

**PUBLIC COMMENT (4:10 p.m.):** Chair Hopfauf asked for public comment. No public comment was made.

**SWIB CHAIR CLOSING REMARKS (4:10 p.m.):** Chair Hopfauf briefly reflected on the day.

**ADJOURNMENT:** Chair Hopfauf adjourned the meeting at 4:13 p.m.