

GOVERNOR'S WORKFORCE INVESTMENT BOARD

Red Lion Colonial Hotel, Helena

September 2, 2004

MINUTES

BOARD MEMBERS PRESENT: Chair Haley Beaudry, Arlene Becker, Dick Brown, Webb Brown, Susan Christofferson, Vicki Cocchiarella, Jim Davison, Bruce Day, Jerry Driscoll, Ellen Engstedt, Julie Foster, Dave Gibson, Diane Harkins, Wendy Keating, Susan Knedler, Joe Mathews, Jody Messinger, Margaret Morgan, Mike O'Neill, Arlene Parisot, Gary Perry, Lyle Phillips, Jim Reno, Byron Roberts, Diane Ruff, Jeff Rupp, Sheila Stearns, Donald Steinbeisser, Ken Switzer, Joe Unterreiner, Gary Willis, Linda Woods.

BOARD MEMBERS ABSENT: Bob Bartholomew, Leroy Bingham, Cristina Boyle, Carol Brooker, Gail Gray, Lew Grill, Cary Hegreberg, Jim Hollenback, John Oldenberg, Chuck Olson, Mike Waldenberg.

STAFF: Kelly Chapman, Pam Watson.

GUESTS: Annette Miller, Brenda Hipp, Tammy DeRieux, Virginia Sloan, Jay Reardon, Mary Berg, Linda Moodry, Brian Harrell, Shannon Harrison, Patricia Hulla, Rebecca Clark, Roy C. Jones, Dave Fenchak, Ardi DeVries, Micki Munro, Dan Jurovich, Lynn Long, Connie Kinsey, Leslie Duffy, Charlie Guinn, Susanne Adams, Dan Warden, Leonard Smith, Allen Ellmaker, Bruce W. Schneider, Darla Joyner, David Lipnicky, Eric Bruguier, Kent Mathias, Ned Messerschmidt, Rick L'heureux, Al Garver, Curt Campbell, Jerry Black, Jim MacDonald, Sam Law, Steve Bender, Lad Barner, Dave Morey, Allan Underdel, Jim Baker, Mark Twichel, Clarissa Wagner, Cheryl Ground, Keith Kelly, Jim McCormick, Mike Shoquist, Pat Murdo, Ralph Peck, Will Kissinger.

I. Welcome and Introductions, Call to Order

Chairman, Haley Beaudry, welcomed board members and guests, and called the meeting to order at 9:35 a.m. He asked for roll call, after which a quorum was established.

Chairman Beaudry then introduced the six new members of the State Board, and asked them to share a little about themselves. Julie Foster is the founder of Montana Jobs Network from Stevensville. Margaret Morgan of Helena works in Association Management and owns Morgan Consulting. Mike O'Neill is the Director of Employee and Labor Relations with Northwestern Energy in Butte. Ken Switzer is from Great Falls and has many years of experience in the construction industry. He currently serves as a Lieutenant Colonel in the Montana Air National Guard and is the Maintenance Group Commander. Joe Unterreiner is President/CEO of the Kalispell Chamber of Commerce. Mike Waldenberg was unable to attend due to a conflict. He is the owner of Central Plumbing and Heating in Great Falls.

II. Review and Approval of Minutes/Agenda

Chairman Beaudry asked for comment on the Agenda, of which there was none. He then called for corrections or additions to the May meeting Minutes. Hearing none, Jim Reno moved to approve as submitted, Gary Willis seconded. Motion carried unanimously.

III. Local Workforce Investment Board Reports

Chairman Beaudry introduced Norma Boetel, Chair of the Balance of State (BOS). Ms. Boetel reported that since her last report in December, there are three new One-Stops. One in Cut Bank, Belgrade, and Lewistown. She stated that she received a letter from Chairman Beaudry asking the local boards report what they are doing to move toward a business-led system and what the SWIB could do to assist. Ms.

Boetel indicated that One-Stops are leading the way with business, and that there are two entities that regulate a demand-driven system; employers and job seekers. One-Stops are the ideal settings for both.

The One-Stop in Belgrade is in an industrial park, and is a business information center that also houses the Bozeman/Belgrade Chamber of Commerce, Small Business Administration, Gallatin Valley Development Corporation, SCORE, and other entities.

Ms. Boetel thanked the SWIB for having her on the agenda, and stated that concluded her report.

Chairman Beaudry introduced Bob Henry, Chair of the Concentrated Employment Program (CEP). Mr. Henry reported that three years ago, the CEP traveled around the state to listen to individuals and interested parties, and determined that the One-Stop System works. They are looking to do another round of listening sessions because their board feels that the needs out there must be identified and prioritized. One of the current challenges is for everyone to work with higher education, and the CEP recently met with the Commissioner of Higher Education's office to apply for grant programs. He also reported that the CEP is required to come up with a proposal for a One- Stop operator, as they are still operating under the consortium agreement.

Mr. Henry reported that the CEP is currently providing workforce training to clients. During the last session at Galen, the clients will be brought in to assist with transition. And Talk America closed its Butte office, which resulted in the loss of 64 jobs, so there will be an application submitted for a National Emergency Grant (NEG). Chairman Beaudry asked when Talk America will officially close its doors. Mr. Henry said as of 2 days ago. Web Brown asked what the CEP's plans are for further One-Stop development. Mr. Henry stated that will depend on certain situations including available funding.

Jim Reno asked how the local boards can meet the needs of current business, and if they are addressing the issue of how they can promote our state and communities to new businesses. Mr. Henry stated that the One-Stops could be the delivery system for those issues. Ms. Boetel stated that businesses don't know about the One-Stops, and the locals are asking for the SWIB's assistance in marketing them to business.

Ellen Engstedt asked Bob Henry why they are searching for a new operator for the One-Stops, and why Project Challenge funds are not available. Mr. Henry stated that approximately six months ago, the CEP received a notice from one of the Consortium Agreement partners stating they may not be interested in remaining in the agreement. The CEP went through the RFP process rather than expanding the consortium agreement. Project Challenge has had their funding for training reduced at the congressional level due to Montana's low unemployment rate. Therefore, the money that was available was allocated to the NEG, so currently Project Challenge funding is not available.

Jay Reardon stated that there is an inquiry completed to assess client's needs, including rapid response. If the need is there for additional funding, then National Emergency Grants will be applied for. Chairman Beaudry asked if Wendy Keating had any comment, and she replied that Jay Reardon was correct, that Rapid Response is in place. The consortium agreement with the state needs to be worked out with a lot of communication. Both the local and state entities have the same goals, but the relationships are strained.

Chairman Beaudry thanked Mr. Henry for his report. Bob Henry expressed his appreciation to the SWIB for inviting him to speak before the Board.

IV. Presentation of Desiree Taggart Memorial Awards

Kelly Chapman introduced Lt. Governor Karl Ohs, Darla Joyner, Chair of the Montana Council for Workforce Quality, and SWIB Chair Haley Beaudry. She stated that each Desiree Taggart award nominee would be announced and asked to come forward to receive a certificate of excellence, after which the award winners would be announced in each of the three categories; Individual Workforce Development Achievement, Quality Program, and Outstanding Business of the Year. There are two award winners in each category. One public and one private in the Individual Achievement Category, and then two winners in the Outstanding Business and Quality Program categories.

In the Outstanding Business category, the nominees were: Juro's Medial, Inc. from Billings; A & S Tribal Industries, Inc. in Poplar; Crossroads Correctional Center in Shelby; Yellowstone Harley Davidson from Belgrade; Hi Heat Industries, Inc. in Lewistown; and the Kalispell Chamber of Commerce. The award winners were Crossroads Correctional Center and the Kalispell Chamber of Commerce.

There were three nominees in the Quality Program category: Anaconda PCA Family Resource Center; The Rocky Mountain Front Community Management Team (CMT); and The Southwest Montana Workforce System. The award recipients were the Rocky Mountain Front CMT and the Southwest Montana Workforce System.

There were six nominees in the Individual Workforce Development Achievement Category: Lynn Long, State Department of Administration in Helena; Shelley Louterback from Workplace Inc. in Kalispell; Julie Foster from Montana Jobs Network in Stevensville; David Gibson from the Governor's Office of Economic Opportunity; Donna Thompson (deceased) who was the founder of the Anaconda PCA Family Resource Center; and Steve Francisco with Treasure State Homes in Anaconda. The award recipients were Lynn Long representing the public, and Julie Foster from the private sector.

Lt. Governor Ohs, Darla Joyner, and Chairman Beaudry presented the certificates and awards, and the award recipients had their pictures taken with the panel.

IV. Labor Day Report

Chairman Beaudry introduced Todd Younkin, Bureau Chief of the Research and Analysis Bureau, Department of Labor and Industry. Mr. Younkin thanked the Board for allowing the Research and Analysis Bureau to present their report in conjunction with the SWIB meeting. He stated that one of the biggest challenges is developing timely and useful data and information. The US Department of Labor promotes ties for the labor market information grant plan, and the bureau will work with the SWIB Economic Development and Accountability committees, as well as private sector members of the board, to determine what represents the specific needs of business. One of the tools currently available is their new website ourfactsyourfuture.org.

Mr. Younkin advised that the look of the presentation would be a little different this year, as they decided to change the focus from the previous "Profile of the Montana Worker". This was done in an effort to keep the data timely and useful, and the report this year contains localized data that businesses need to see when looking to work and live here. He said that he welcomes any questions from the board, and then introduced Phil Brooks and Brad Eldredge, the Economists from the Research and Analysis Bureau.

Phil Brooks reported that over the last year, job growth occurred in all but one of Montana's industrial sectors. Government was the only sector that decreased over the year, declining by 400 jobs, all other sectors created a combined total of 6,200 jobs. Mr. Brooks also reported the projected fastest growing industries from 2002-2012, with Waste Management and Remediation Services, Daycare, Family

Services and Other Social Assistance, and Construction of Buildings being the top three. The projected top three fastest declining industries for the period 2002-2012 are Oil and Gas Extraction, Primary Metals Manufacturing, and Computer and Other Electronic Productions Manufacturing. The average age of Montana's workforce was 37 in 1993; in 2003 it has increased to 39.8 years of age. And projections indicate that Montana's population will continue to grow.

Brad Eldredge reported on twenty of the occupations that will grow by more than 1,000 jobs, and the good news is that the top two, which are Carpenters and registered nurses, also pay well. Mr. Eldredge also advised that currently, just over half of Montana's jobs (50.7%) require only short-term or medium-term on-the-job training. In 2012, the bureau projects this number will remain essentially unchanged. In addition, in 2002, only 19.2% of Montana's jobs required a Bachelor's degree or higher, and again, these numbers are projected to remain unchanged through 2012.

To view the 2004 Labor Day Report in full, the Research and Analysis Bureau's website address is ourfactsyourfuture.org.

V. Final NGA Academy Report and 2004 Review of Montana's Workforce System

Chairman Beaudry introduced Ingrid Childress, Administrator of the Workforce Services Division, Department of Labor & Industry. Ms. Childress reported that the NGA Academy project ties well with another on-going project, which is Shared Leadership for a Stronger Montana Economy.

Two years ago, Montana applied to participate in the NGA Academy project, and was one of 7 states chosen. There are three main goals that were established to try to align the workforce with industry clusters. The first goal was to anticipate businesses current and emerging needs; the second goal was to align post-secondary education to be responsive to the training needs; and the third goal was to develop policy based on an effective and accountable system. The team focused on a health care model for possible application to other industries, using some of the Governor's Blue Ribbon Task Force on Health Care study outcomes.

Ms. Childress reported that the official project is winding down, but the team expects to continue to work and communicate with the Shared Leadership project and the legislative and fiscal staff, and use the advice and support of the SWIB to continue their goals and strategies for improving workforce policy.

Arlene Parisot stated that some of the strategies developed through the NGA Academy are aligned within the Shared Leadership project, such as career pathways, linking to apprenticeship, and a data management piece. There is also the hope of coordinating with the P-20 Initiative to link all education levels together. Ms. Childress said that great opportunities come from working with other states to gain best practices and ideas. Chairman Beaudry asked if Montana will look to realign state agencies as other states have. Ms. Childress replied that the Academy team looked at organizational structure based on a legislative audit, and the recommendation was to not reorganize.

Jody Messinger asked if the team would include K-12 partners when working with other states. The P-20 Initiative, career pathways, and data collection issues are also realized at the K-12 level. Ms. Childress advised that the State of Florida is furthest along, and Washington State has made progress, so Montana is hoping to find ways to make incremental steps.

Ms. Childress gave a Review of events during 2004 in Montana's Workforce System, and advised that her report was in response to questions raised by a series of letters that had been sent to SWIB members.

A Dislocated Worker Unit (DLW) is required under the U. S. Department of Labor, and at the state level, the unit falls within the Workforce Services Division. There has been some activity in the Kalispell area during the last year where they experienced an initial lay off of over 300 people, with a second lay off resulting from a plant closure. In response to this event, the DLW unit convened a Dislocated Worker work group to develop a national emergency grant (NEG) proposal. As a result, an NEG was awarded to the area. The initial grant was written to be operated through 2 programs to accommodate the requirement to offer dislocated workers options for services. In this grant, Operator “A” was to receive 2/3 of the funding, and Operator “B” would receive 1/3. This ratio was determined based on expected service delivery. Actual services were being sought at different ratios, with approximately 50% of dislocated workers seeking assistance with Operator B. Operator B asked for a reallocation of the funding so they would not run out of service dollars. The Dislocated Worker Unit researched the issue, and after weighing all considerations, reallocated funding in late July. The reallocation was not based on quality of service or based on one operator being a better provider; it was simply based on where the dislocated workers were going for service. The issues at stake were that the people in need would not receive service, and there was the possibility of not meeting performance requirements.

Lyle Phillips agreed with the decision, and stated that many people involved were part of Columbia Falls Aluminum Company (CFAC). Since one of the providers was housed in organized labor, many of those affected were not in a union so wanted to go to the other provider. Ms. Childress replied that is why the Act encourages customer choice and dual enrollment, and thanked Mr. Phillips for pointing out that personal choice is a factor in where services are being sought.

Dick Brown asked if the state is ever in jeopardy of not receiving NEG funds. Ms. Childress replied that the state is successful nearly 100% of the time due to collaborated efforts and the focus on the customer and dislocated workers. However, each application stands on its own.

Jim Davison asked what the current provider split is in the Flathead. Ms. Childress stated that the funds were moved proportionately to fit the service demand. Chairman Beaudry asked how long it takes for the federal government to respond to an NEG application. Ms. Childress replied that there is strong commitment by the US Department of Labor to turn applications around within thirty days. The timeframe is getting better, as in the past it could take up to four months.

Vicki Cocchiarella asked that since there are twice as many trying to receive services, and money was moved from one group to another, are the dislocated workers from the second lay off not receiving services? Ms. Childress stated that the money is not gone; some of the funds were shifted to another provider. If the dislocated workers are still active in programs, they are still receiving services.

Jerry Driscoll stated that he would like to make a correction. He advised that this specific issue does not affect CFAC at all, as their dislocated workers were served under different funding. Ms. Childress stated that there were three NEG grants running concurrently in the Flathead area. Mr. Driscoll asked if there is Trade Adjustment Assistance (TAA) funding available. Ms. Childress replied that it was available for two of the three NEG grants in the area.

VI. Committee Reports

Economic Development and Business Retention Committee: Chair Dick Brown reported that his committee had four issues to report. First, the committee is planning a trip to Kalispell to tour the Flathead Regional Business Center, and the local boards may be interested in a joint tour. The intent of the tour is to determine some best practices for serving business customers, and then to promote the development of other business centers around the state.

Secondly, a Health Care staffing shortage survey was recently conducted and the results were shared with the committee. This will be an annual event for historical reference. The Hospital Association has been working with the Department of Labor & Industry, 2-year schools, and the Office of Public Instruction to identify projected shortages and address staffing issues. The committee may try to look at conducting a similar study for other industries.

Another study has been conducted to determine the economic impact of hospitals in the State. The committee would like to use this as a model for conducting similar economic impact studies within other industries. The next step for the committee is to determine the next industry to focus on after healthcare. Brad Eldredge worked with the committee to develop the study, and Mr. Brown hopes to continue that working relationship as additional industry studies are conducted.

Finally, Julie Foster brought an issue before the committee to possibly purchase a salary calculator that would provide the ability to adjust and calculate a comparable salary in Montana for a job seeker who wishes to relocate to Montana. Staff is going to research the issue further and bring findings to the committee.

Accountability Committee. Chair Diane Harkins reported the committee had a very productive meeting. The first item to report is that the Snapshot 2004 document is complete, and board members received a copy in their packets. This is the first step in the committee's goal of developing a scorecard for measuring the performance of the workforce system as a whole. Measurement is difficult, so the committee has partnered with the Integrated Performance Information (IPI) project team to develop performance measures and policy, and to overcome technical challenges to collecting, analyzing and disseminating data.

The committee's relationship with the Research and Analysis Bureau has grown, and the committee is working with Annette Miller to help sort out data issues for the IPI project. In addition, there is a new requirement that the State Board help develop the non-required deliverables in the Labor Market Information (LMI) grant proposal that R & A submits annually to the US Department of Labor. Chair Harkins introduced Annette Miller and asked her to give an overview of the new requirements.

Annette Miller reported that the US Department of Labor has asked the state LMI shops to be more demand driven with local and timely service of data and information. This requires an official relationship with the SWIB to develop products and services that are meeting the needs of business. The SWIB is also required to sign the grant proposal that is submitted to the US Department of Labor. The new requirements were released on July 7th, so due to the short timeframe, the Research and Analysis Bureau prepared a draft grant proposal, and provided a copy to the board members for review and comment. The comment period is open through September 16th, at which time the plan will be finalized. The plan is due by September 30th.

There are 2 mandatory deliverables, and four that are to be developed with the SWIB. Ms. Miller reported that the Bureau feels that the Labor Day Report is one of the most important services they provide to the Board and have written this function into the grant. In addition, they are asking for input from the Board on the next industry in which to research staffing shortages and economic impact. The Bureau also has committed to conducting statewide intensive LMI training with partners, including state and local board members. To meet the customer satisfaction requirements, the grant proposes the Bureau attend meetings when possible, participate in focus groups, and include their customer satisfaction survey online.

Chair Harkins thanked Annette Miller, and stated that the comment period will be open for two weeks, and the Executive Committee will convene via conference call toward the end of September to take action to approve the LMI grant proposal. Chair Harkins stated that the next steps for the committee are to look at how to educate people on what labor market information is, and how to use it. The committee is also looking to possibly change their name to the Workforce Information Committee to transition to their enhanced role with LMI.

Chair Harkins asked for suggestions from the Board on who should receive the Snapshot 2004 document. The committee is planning to distribute to the Board of Regents, the legislature, and local workforce center offices. Chairman Beaudry suggested copying each legislator and regional elected officials, and county commissioners. Gary Willis added that Chambers of Commerce should receive a copy, and Jim Davison recommended a copy be sent to members of each of the local boards. Jody Messinger asked that a copy be sent to her boss. Gary Willis stated that having the dollar figures listed in the pie chart next year would make the data more meaningful. Chairman Beaudry commended the committee for their work, and stated the information and product is very valuable and useful. Chair Harkins thanked staff for their work to complete the document.

Executive Committee. Chair Haley Beaudry advised that Kelly Chapman had reported that over the last year, the U.S. Department of Labor has clarified its vision for a business-led, demand-driven workforce system, nationally. This is good news for the workforce system because it creates a unified vision across program lines for meeting the needs of business customers, particularly those businesses engaged in industry sectors and clusters requiring workers in high-demand, growth occupations.

The Committee heard reports from staff regarding two training series that are designed to link workforce and economic development. Staff will be researching funding issues and the possibility of hosting the training sessions, and bring recommendations to the committee.

The committee voted to approve the draft work plan for 2005 as submitted by staff, and to bring the vote to the full board for approval. Chairman Beaudry asked Kelly Chapman to present the proposed 2005 Work Plan. Ms. Chapman reported that due to the transition that will be coming with a new Governor and possibly several new board members, the draft work plan was developed to provide guidance to the board. The plan is flexible and can be modified at any time.

One of the proposals in the draft work plan for 2005 is to establish an Apprenticeship Committee. The Registered Apprenticeship Program is supposed to have an advisory board, and currently does not. Because this is a statewide program, it seems appropriate that the State Workforce Investment Board serve in this capacity. The State WIB has many members with experience and background in the apprenticeship program, including new members Margaret Morgan, Mike Waldenberg, Ken Switzer, and Mike O'Neill, as well as long time member Jerry Driscoll. Additional representation could be provided through the use of ad-hoc committee members. If added, the state's Apprenticeship and Training program staff and Pam Watson would staff the committee.

Another modification would be to revise the purpose or role of the Accountability Committee. The State WIB now plays an enhanced role in the development of workforce information products for use by businesses, job seekers, agencies, education, economic development, and many others. The US Department of Labor has communicated an expectation of State WIB involvement with labor market information to generate more local and current information, delivery of better analysis and interpretation, and a shift to a skills focus. The Executive Committee may want to consider changing

the name and focus of the Accountability Committee to the Workforce Information Committee. The Research and Analysis Bureau could staff this committee.

Another revision would be to modify the purpose of the Workforce System Committee. In most cases, when the “State” or “Governor” is mentioned in the Workforce Investment Act, the reference is to the Statewide Workforce Programs Bureau in the Department of Labor and Industry. The bureau is designated by the Governor to take enforcement actions and carry out other duties of Section 122 in the Workforce Investment Act. Because the State WIB is a Governor’s advisory board, the Executive Committee may want to charge the Workforce System Committee with advising the Statewide Workforce Programs Bureau on those matters the Governor has delegated.

Ms. Chapman reported that the board has several options regarding the SWIB draft work plan for 2005. The board may adopt the draft work plan as presented by the Executive Committee. Approval of the draft work plan will give clear direction for the remainder of 2004, and provide a blueprint for the next Governor’s State Workforce Investment Board. The second option would be for the Executive Committee to continue to work on the plan, and bring a revised plan to the SWIB at a later date. While there may be value in holding off until the new administration takes office, it would likely push the development of a work plan back until April or May of 2005 due to the legislative session and appointment of new board members. The board could also forego development of a work plan, indefinitely.

Chairman Beaudry stated that the committee unanimously voted to approve the plan and bring the issue to the full Board now, rather than postpone adopting a work plan. He then asked for any board or public comment. Hearing none, he called for a motion. Joe Unterreiner moved to approve the 2005 work plan, Ellen Engstedt seconded. Motion carried unanimously.

The Executive Committee also directed staff to conduct further research on the President’s High Growth Job Training Initiative and provide the committee recommendations for submitting proposals. The foundation of the initiative is partnerships that include the public workforce system, business and industry, education and training providers, and economic development working collaboratively to develop solutions for workforce challenges.

Chairman Beaudry asked if there were any other discussion. Vice Chair Ellen Engstedt advised that she had something to bring before the Board. She presented Chairman Beaudry with a plaque thanking him for his valuable service to the state of Montana and the State Workforce Investment Board. She stated that his service and time were very much appreciated, and this was an opportune time to recognize his efforts since this is the last full board meeting under Governor Martz.

VII. Director’s Report

Kelly Chapman reported that she has taken a new job in the private sector and will be leaving the Department of Labor as of September 17, 2004. She indicated she’s very excited about her new challenges and opportunities with The Student Assistance Foundation, however she’s sad to leave as she’s been with the Department of Labor for a long time. Kelly advised that Pam Watson would now serve as the Board’s staff.

Chairman Beaudry then presented Kelly Chapman with a token of the Board’s appreciation, thanking her for her hard work, and her dedication to the workforce system and the people of Montana. She will certainly be missed.

VIII. Public Comment

There was no public comment.

IX. Adjournment

Chairman Beaudry asked if there was any further business or comment. Hearing none, the meeting adjourned at 3:00 p.m.

Haley Beaudry, Chairman

Date