

GOVERNOR'S WORKFORCE INVESTMENT BOARD

Red Lion Colonial Hotel, Helena

May 21, 2004

DRAFT MINUTES

BOARD MEMBERS PRESENT: Chair Haley Beaudry, Arlene Becker, Leroy Bingham, Carol Brooker, Webb Brown, Bruce Day, Ellen Engstedt, Dave Gibson, Lew Grill, Cary Hegreberg, Jim Hollenback, Joe Mathews, Jody Messinger, Gary Perry, Lyle Phillips, Diane Ruff, Jeff Rupp, Donald Steinbeisser, Gary Willis, Linda Woods.

BOARD MEMBERS ABSENT: Bob Bartholomew, Cristina Boyle, Caroline Brown, Dick Brown, Susan Christofferson, Vicki Cocchiarella, Jim Davison, Jerry Driscoll, Gail Gray, Diane Harkins, Wendy Keating, Susan Knedler, John Oldenberg, Chuck Olson, Arlene Parisot, Jim Reno, Byron Roberts, Sheila Stearns.

STAFF: Kelly Chapman, Pam Watson.

GUESTS: Ingrid Childress, Gary Warren, Connie Kinsey, Bob Henry, Sue Mohr.

I. Welcome and Introductions, Call to Order

Chairman, Haley Beaudry, welcomed board members and guests, and called the meeting to order at 1:10 p.m. He asked for roll call, after which a quorum was established.

II. Review and Approval of Minutes/Agenda

Chairman Beaudry asked for corrections or additions to the December meeting Minutes. Cary Hegreberg moved to approve the minutes as written, Gary Willis seconded. Motion carried unanimously.

Chairman Beaudry indicated that due to another meeting commitment, two board members would have to leave the SWIB meeting early. Therefore, the agenda order will be adjusted slightly to allow for committee reports prior to those members leaving.

III. Local Workforce Investment Board Reports

Chairman Beaudry introduced Bob Henry, Chair of the Concentrated Employment Program (CEP). Mr. Henry indicated that Norma Boetel, Chair of the Balance of State (BOS) was unable to attend today, so he will be reporting on behalf of both Local Workforce Investment Boards (LWIBs).

Mr. Henry reported that One-Stop Operator solicitations have been keeping the boards busy. The CEP entered into a contract on May 20 with Career Futures of Butte. The BOS has three operators they are considering and will make a decision at their Joint Council meeting next week.

He also indicated that the boards are hoping to see Workforce Investment Act (WIA) reauthorization, but will be lucky to see it in the near future. They are going to have to do more with less, and will work with SWIB members and partner with business and industry to ensure a skilled workforce. He also stated that the Montana Association of County Commissioners is an invaluable partner, and the boards can't be hesitant to try new ideas, including recruiting more private sector representatives.

Mr. Henry stated he was happy to report some good news: that the LWIBs met their goals for Adult, Carl Perkins and WIA Title 1B programs, so Montana will be awarded \$750,000 in incentive money. He

indicated the boards are looking forward to working with the Department of Labor and Industry (DLI) as partners.

Mr. Henry also reported that the annual Montana Workforce Conference is scheduled for June 23-25 in Great Falls, and distributed copies of the agenda to the SWIB members.

III. Committee Reports

Economic Development and Business Retention Committee: Lew Grill provided the committee report, as Chairman Brown was unable to attend the Board meeting. He advised the Board that at the last meeting on April 6th, the committee discussed a nomination they were submitting for the Desiree Taggart Award. Mr. Grill also reported that Dick Brown and the State Research and Analysis Bureau are working with Dr. Seninger at the University of Montana to consider conducting an economic impact study of healthcare in Montana. This is in line with the focus of the Governor's office of Economic Opportunity on the healthcare industry cluster.

The Workforce Programs Bureau with the Department of Labor and Industry (DLI) has committed \$2,500 toward the cost of conducting the study, which will cost approximately \$5,000. The balance of the cost may be shared with private industry. The report will hopefully be available at the SWIB meeting on September 2nd and presented in conjunction with the Labor Day Report.

The committee is hoping to hold their next meeting in Kalispell on June 24th to tour the Flathead Regional Business Center. They are also hoping to have committee members attend the National Association of State and Territorial Apprenticeship Directors (NASTAD) meeting in Billings July 19-23. Mark Maki is the Director of Montana's Apprenticeship and Training Program, and also serves as the Director of NASTAD.

Lyle Phillips moved to approve the committee report, Leroy Bingham seconded. Motion carried unanimously.

Workforce System Committee. Chair Leroy Bingham reported that they had a very informative meeting earlier today with a lot of good discussion. They had reports concerning the incentive funds, the Accountability Committee's programs document, and system oversight. WIA reauthorization was the biggest agenda item, and so far they are waiting for things to progress. Chairman Beaudry asked if there has been any movement on WIA reauthorization. Leroy Bingham reported they don't expect to see anything until after the elections. Jody Messinger thanked Haley Beaudry, Kelly Chapman, Gary Warren and Becky Bird for attending the recent Health Occupations Student Association (HOSA) luncheon. Gary Willis moved to approve the committee report. Jim Hollenback seconded the motion, which carried unanimously.

Accountability Committee. Chair Diane Harkins was unable to attend the meeting, so Gary Willis gave the committee report. He stated that the last committee meeting was on April 16th. Kate Kahle from the Workforce Services Division gave a report at that meeting concerning the Integrated Performance Information (IPI) Project the committee has been working on. The first meeting of the IPI policy team was held in January. The second meeting was held in April and included members of the technical team. The last meeting will be held June 7-8 and will include both policy and technical team representatives. There are six states participating on the project, and Washington is the lead. The final product will be a blueprint for integrated performance measurement, and Montana will help mentor four other states with the initial implementation of the blueprint.

The other main project the committee is working on is the programs document, of which everyone received a draft copy. The committee plans to distribute the final product at the September 2nd SWIB meeting in conjunction with the Labor Day Report. Mr. Willis asked board members to please review the document, and requested any input and comment. He indicated how important it is that non-bureaucrats be able to pick it up and use it.

Joe Mathews moved to approve the committee report. Jim Hollenback seconded the motion, which carried unanimously.

Executive Committee. Chair Haley Beaudry reported that Kathy Yankoff had discussed the status of the Business Services Training. There are two sessions scheduled: June 7-8 in Billings, and June 10-11 in Missoula. He indicated they have good attendance established.

Chair Beaudry also stated they had seen the Snapshot programs document, and will be providing input of additions or corrections to staff in the near future.

The Executive committee also heard an update on the \$750,000 incentive money. According to WIA, the SWIB must be consulted on the planned use of these funds. The funds will be targeted toward addressing the health care worker shortage.

Chairman Beaudry also reported the Executive Committee received the nomination recommendations for the Desiree Taggart Award from the Montana Council for Workforce Quality, and took action to submit those recommendations to the Governor.

Bruce Day moved to approve the committee report. Diane Ruff seconded the motion, which carried unanimously.

IV. Director's Report

Kelly Chapman reported that the SWIB will make six recommendations for the Desiree Taggart Memorial Awards for Workforce Development. The recommendations will be to award two recipients in each category; Business, Individual, and Program. The MCWQ committee comprised of Gary Willis, Richard Fisher, Rainy Williams, and Kelly Chapman received 6 nominations for the individual category, three for programs, and six for the business category. The program category nominees ended in a two way tie, and in the individual and business category the committee discussion resulted in a recommendation for a public and private nominee. This is due to the fact that some businesses and individuals' jobs are targeted toward workforce development; therefore they should be recognized for exemplary performance, yet shouldn't be recognized in lieu of those whose jobs don't require it, but who are active because they are committed to the cause and believe in it. The Governor will make the presentations of awards at the SWIB meeting in September, and the award recipients and nominees will be kept confidential until that time. Gary Willis indicated that the level of all nominees was excellent.

V. Additional Reports

NASTAD Conference. Gary Warren, Chief of the Statewide Workforce Programs Bureau reported regarding the National Association of State and Territorial Apprenticeship Directors conference which will be held in Billings July 19-23. Montana's Apprenticeship and Training Director, Mark Maki, also serves as the Director of NASTAD so was successful in bringing the conference to Montana this year. Mr. Warren reported that he had a supply of one-day registration forms for any board members who would like to attend a portion of the conference to learn about apprenticeable occupations and best practices from the more than 25 states expected to attend.

Mr. Warren also had copies of draft agendas for board members to review, and encouraged anyone who could attend to do so.

Ellen Engstedt asked Mr. Warren who the target audience would be. Mr. Warren responded that it will be businesses, prospective apprentices, and again stated that the conference will be looking at nationwide best practices. Lyle Phillips asked what the union participation schedule would be. Mr. Warren referred him to the agenda, and stated that approximately 33-40% of apprentices in Montana are in union occupations.

Mr. Warren asked Chairman Beaudry if he was still planning to make a presentation at NASTAD. Chairman Beaudry replied he has not worked that out as of yet.

Hiring Foreign Workers. Gordon Higgins of the Job Service Bureau reported that the US Department of Labor (USDOL) establishes procedures for implementation of foreign workers when there are not qualified and/or available US citizens for a position. There are two types: Agricultural Certification Programs which are temporary; and Non-Agricultural Certification Programs which have both temporary and permanent certifications. The USDOL regional office administers the certifications.

Montana has difficulty in hiring for certain occupations, including vendors and housekeepers in national parks. In these examples, the temporary labor certification process proves successful. These temporary certifications are short term, and list specific skills. An example of a permanent certification would be for a specialty chef. In order for a permanent certification to be granted, the employer must be facing a significant economic disadvantage.

Prior to applying for foreign worker certifications, employers are obligated to advertise locally, and if there is a US citizen who qualifies, the employer must hire them. In addition, prevailing wage requirements are set. This does two things: protects the job seekers from outside the US from being offered positions at a low wage; and ensures wage market levels in an area are not too low.

The Montana Department of Labor and Industry (DLI) ensures procedures are being followed. They gather information, but do not generally conduct investigations. If there is a procedural error or an attempt to misrepresent, Montana DLI will recommend to the Dallas Regional Certifier to not grant a certification.

Cary Hegreberg inquired if this presentation was in response to the hiring of foreign workers as welders for the Malt Plant in Great Falls. He asked Mr. Higgins to explain the actual issue, as several versions have been circulating.

Mr. Higgins responded by stating he would tell the board what he knows. He reported that the Great Falls plant needed specialized welders. Bulgarian welders are used around the world for this specialized labor. The criteria was met for advertising the positions, and 20 Montana or US workers applied. Three qualified and were offered positions, but were unwilling and did not accept the positions. The prevailing wage was set and the paperwork was put together. There were no red flags, so the recommendation to Dallas was to approve the certifications. Questions then arose as to whether there was misrepresentation by the employer. Dallas pulled the certifications as of last week due to warranty issues with the kiln supplier requiring Bulgarian welders.

Cary Hegreberg asked what the options now would be. Mr. Higgins replied he did not know and the Montana DLI has not heard from the Dallas regional office. Gary Willis asked what the prevailing wage is, and Mr. Higgins replied he believes it is approximately \$19.50 per hour. Ellen Engstedt asked for clarification of permanent alien labor status. Mr. Higgins indicated this provides a worker with a permanent work status without citizenship. A worker can stay in the US and work for any company in any capacity.

Chairman Beaudry stated that the USDOL, Immigration and Naturalization Service (INS), and Homeland Security all have a hand in the process, and it is very cumbersome. Mr. Higgins agreed that it is very difficult to wade through, and they work to ensure the employers know the compliance rules. Chairman Beaudry asked why college students don't take the national park jobs. Mr. Higgins indicated he believes it's because the employers consistently do not receive local applications for the jobs, and therefore are experienced in applying for alien labor certification. Another example would be sheepherders in the Dillon area, who are all hired through alien labor. Employers have never found anyone in the area to take those jobs.

Unemployment Rate Calculations. Chairman Beaudry introduced Brad Eldredge from the Research and Analysis Bureau, Montana Department of Labor and Industry. Mr. Eldredge passed out copies of his presentation, and explained he was invited to speak about the differences between the Bureau of Labor Statistics (BLS) and Bureau of Indian Affairs (BIA) methods of calculating unemployment rates.

Mr. Eldredge explained that the first difference between the two methods is the definition of who is considered an unemployed person. Under the BLS definition, an unemployed person is defined as: someone who has had no employment during the reference week; was available for work except for temporary illness; and had made specific efforts, such as contacting employers, to find employment sometime during the 4-week period ending with the reference week. The BIA definition states an unemployed person is: all persons age 16-64 who are not employed, not incarcerated, and not disabled. Mr. Eldredge indicated the main difference is that the BLS definition requires individuals to be looking for employment in order to be counted; the BIA definition does not.

Dave Gibson asked Mr. Eldredge to explain the difference in percentages on the reservations, specifically on page 8 of the handout which indicates 27% BIA calculation, and 18.9% BLS calculation for the Northern Cheyenne tribe. Mr. Eldredge stated that the numbers are accurate based upon the data available, however he can not speak to the accuracy of the BIA calculations. The Research and Analysis Bureau's data is based on surveys, employment figures calculated for each county, and census data. Additional discussion continued concerning discouraged workers and the impact they would have on the calculations. Mr. Eldredge explained that discouraged workers are considered those who have been looking for work for an extended period of time, and have finally given up and are no longer seeking employment.

Chairman Beaudry asked if the definition of disabled is similar in both the BIA and BLS definitions. Mr. Eldredge replied that based on what he's seen they are similar, but he has not researched this issue to any extent.

Ellen Engstedt asked how the BIA definition can count people down to age 16 on the reservations when looking at unemployment, since through age 18 people should be in school. Mr. Eldredge explained that the reservations have a younger population as a whole.

Joe Mathews asked if anything is being done to coordinate using just one method. Mr. Eldredge stated his belief is that BLS and BIA would be very hesitant to change or consolidate their methods.

Chairman Beaudry stated there was discussion relative to this issue during the last session. Ms. Chapman explained that House Bill 2, passed by the 2003 Legislature, required the Montana Department of Labor and Industry to publicize the BIA data.

Lyle Phillips asked if there is an advantage to the Reservations to having higher unemployment rates. Mr. Eldredge replied that he does not know. Carey Hegreberg then asked how each individual is statistically counted when there are employees working in a temporary position on a reservation, such as highway construction, and once the job is completed, the employee stays on the reservation rather than stay with the construction company. Mr. Eldredge explained that the calculations are estimates and every individual is not counted. However, conceptually, if the individual stays on the reservation and does not look for a job, they will not be included the BLS calculation statistics. If they remain on the reservation and seek employment, they will be considered as unemployed.

VI. Public Comment

There was no public comment.

Chair Beaudry reminded board members and the audience that WIA Annual Report comments will be accepted through the end of May, and that the WIA requires the State Department of Labor and Industry to consult with the SWIB regarding the report.

Diane Ruff asked Dave Gibson why the training dollars awarded during the last session providing new state funding were not on the Programs Map. Ms. Chapman explained that the information will be added under the Governor's Office once staff has obtained the final budget figures.

Senator Gary Perry asked Mr. Gibson if there is any movement with Nike or Columbia Sportswear to contract with the reservations. Mr. Gibson replied there has been discussion with an apparel company, but nothing final as of yet.

Senator Perry advised he would like to make an observation for the record. He stated that international companies like Nike and Columbia Sportswear have opposed employee initiatives for using US labor, so they send their manufacturing jobs to China to take advantage of the low cost labor situation.

VII. Adjournment

Chairman Beaudry asked if there was any further business or comment. Hearing none, the meeting adjourned at 2:45 p.m.

Haley Beaudry, Chairman

Date