It is MEDA’s privilege to submit this final report for the current contract to Montana Department of Commerce, Montana Department of Labor and Industry and Montana BEAR Team participants regarding Business Expansion and Retention (BEAR) Program activity in the state. The following is a summary of MEDA BEAR activities as provided for in the Scope of Work under Amended Contract MT-MEDA-ED-17-01 for the month of June 2017.

**BEAR WRAP UP**

As you know, because of budget cuts at the state level, as of July 1, 2017, the statewide Montana BEAR Program will no longer be funded. The MEDA office will serve as a referral point when a business applying for an IWT grant requests assistance beyond Incumbent Worker Training. All records will be retained in case BEAR Team participants need access to the information previously shared.

Over 150 volunteers participated in the program since 2006 assisting hundreds of businesses to find the resources they needed to remain in business and to grow. **It has been said that volunteers do not necessarily have the time; they just have the heart.** Thanks to everyone who had and continues to have the heart to assist Montana’s businesses.

**Statistic from July 1, 2015 – June 30, 2017**

### What are your top business challenges?

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition</td>
<td>50 (24.8%)</td>
</tr>
<tr>
<td>Cost containment</td>
<td>17 (8.4%)</td>
</tr>
<tr>
<td>Cost of health</td>
<td>13 (6.4%)</td>
</tr>
<tr>
<td>Overall health</td>
<td>15 (7.4%)</td>
</tr>
<tr>
<td>Environmental</td>
<td>3 (1.5%)</td>
</tr>
<tr>
<td>Facilities issues</td>
<td>16 (7.9%)</td>
</tr>
<tr>
<td>Internet connection</td>
<td>5 (2.5%)</td>
</tr>
<tr>
<td>Managing growth</td>
<td>39 (19.3%)</td>
</tr>
<tr>
<td>Marketing</td>
<td>83 (41.1%)</td>
</tr>
<tr>
<td>Sales</td>
<td>51 (25.2%)</td>
</tr>
<tr>
<td>Seasonality</td>
<td>20 (9.9%)</td>
</tr>
<tr>
<td>Taxes</td>
<td>3 (1.5%)</td>
</tr>
<tr>
<td>Utilities</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>Workforce</td>
<td>47 (23.3%)</td>
</tr>
<tr>
<td>Working capital</td>
<td>42 (20.8%)</td>
</tr>
<tr>
<td>Other - commercial</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>

**ITEMS OF INTEREST TO YOU AND YOUR CLIENTS**

- [Register for Innovate MT Symposium](#)
- [SBDC Training Calendar](#)
• **How To Sell To The State Of Montana, 07/19, Helena And Additional Dates And Communities** 9:30 AM
  Montana Dept. of Natural Resources & Conservation, 1539 11th Ave, Montana Room, Helena MT 59601-4566

The State Procurement Bureau is teaming up with the Montana Procurement Technical Assistance Center (PTAC) again this summer, conducting outreach to vendors and potential vendors across the state. If you’re interested in selling goods or services to the State of Montana, make plans to attend this event in Helena on Wednesday, July 19, beginning at 9:30 a.m. To register for this event, go to [http://mtptac.ecenterdirect.com/events/41250](http://mtptac.ecenterdirect.com/events/41250). Additional dates and locations: July 12 in Missoula, July 25 in Kalispell, August 8 in Hamilton, August 15 in Miles City, August 16 in Billings and August 22 in Great Falls

Contact: Phillip Luebke at 406-994-7748 or phillip.luebke@montana.edu

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**IWT UPDATE - Chris Wilhelm**

Many of you may already understand the process, so please bear with me as I include a bit about it for those that may not. I want folks to know what is going on if they are asked by businesses. I’ve tried to make it so you can jump to the sections that interest you.

*Please note: I will be out of the office June 30 – July 6.*

The 2017 Legislature passed HB0088 authorizing significant changes to the program and how it is administered.

HB0088 will become Montana Code Annotated (MCA). Until MCA is updated, we will have a link to an abstract of the approved HB language on the IWT website. Any time MCA changes the Administrative Rules of Montana (ARM) must be revised. This is a lengthy process, and I am glad it only happens once in a blue moon! There is also policy to adopt.

**All changes go into effect July 1, 2017**, including the ARM, which will reflect the same effective date.

**Changes to the program**

- **Eliminated Recommending Entities and recommendations required.** This was a duplication of efforts and created a bottleneck. They can still make a simple referral, but it is not required and there is no paperwork required for the referral!
  - Anyone can refer a business to IWT, including other businesses. This is where Job Service comes in! When you are engaging businesses, consider whether or not IWT could be a viable option for the business and get credit for the referral when you log it.
  - This does not mean we are no longer working with our partners in the field. Quite the opposite! Our partner list is expanding to include any economic development entity in any community.

- **An employer has no more than 50 employees statewide.** We removed the 20 employees per location threshold to simplify things.

- **An incumbent worker is permanent and has completed 6 months of employment.** No more probationary period juggling!

- **An employee must be currently employed, predominantly year-round, working an average of at least 20 hours per week.**

- **Training must be purchased from an eligible training provider.** There were too many requests for in-house training.

- **Required Match is 20% for training, 20% for in-state transportation/lodging, and 50% for out-of-state transportation/lodging.** No more confusing language!
• Tiered grant caps are addressed in ARM, and are defined by the number of hours an employee works. IWT no longer refers to full- or part-time.

Changes Anticipated be in the ARM
These are anticipated changes and are subject to change. They are listed here to give you an idea of the types of things being addressed.

• The Department’s determination must be made before training begins.
• Applications must be submitted at least ___ days in advance of the training start date. The number of days is being negotiated.
• Applications must be submitted by a direct employee of the business, or a grant writer the business identifies. Applications submitted by anyone else on behalf of a business will be denied. This is to protect the business.
• “Predominantly Year Round” is being defined!
• Certified education is being defined.
• On-line training must be interactive and produce suitable proof of completion.
• Testing fees may be included on an application if the test occurs within 90 days of the completion of training. Tests not connected to training will not be funded.
• Sole Proprietors may not use wages to meet their match requirements.
• Conferences are prohibited
• Annual updates for laws or product lines are an industry expectation and not eligible for IWT grant funding.
• Tiered grant caps remain the same. Employees working
  o 20-34 hours a week are eligible for up to $1,000
  o 35+ hours a week are eligible for up to $2,000
• Modifications to applications will require a formal request which will be handled within the grant management system.
• Reimbursement of costs will be made only to the business awarded the grant funding. IWT will no longer pay trainers on behalf of businesses. This is because the Department has no means to determine financial need.

When will Applications Be Accepted?
IWT will begin accepting applications as soon as the Rule is adopted. That means after the public comment period. The reason is that the Rule contains criteria applicants are held accountable for. Until it is adopted, there is limited eligibility criteria to use when assessing applications.

Watch the IWT website (www.IWT.mt.gov) where we will post when we are accepting applications!

Of Special Note
I have heard that there are some short-term apprenticeships being developed, and am working with Apprenticeship staff to gather additional information so we can determine when it is appropriate collaborate! I’ll keep you posted.

Where Are We in the ARM Process?
I am working with Legal on draft language. It’s gone back and forth a few times already.

Clarification about MCA, ARM, and Policy:
• MCA – Law which holds citizens accountable.
• ARM – Interprets law and holds citizens accountable.
• Policy – Holds state staff accountable.

A Rough Explanation of the ARM Process
When the draft is ready, Legal will file it with the Secretary of State’s Office (SOS). The SOS will publish the proposed language in the Montana Register along with public notices for public hearing and public comment period. The Register is published every two weeks, so depending on when Legal files with them, it could be up to two weeks before the draft ARM is published and publicly noticed.

The public notices both start on the same date, and purposely overlap to allow for as much public input as possible.

- 20 Day Notice for Public Hearing
- 30 Day Notice for Public Comment

All public comment is compiled and addressed. Legal will file the responses and adopted Rule with the SOS. Again, the Register is only published every two weeks, so it could be up to 14 days before the adopted Rule is published.

**Where Can Interested Persons or Businesses be Directed?**
The top of the IWT website will have information on when applications will be accepted. It also has a link for those interested in receiving notification of the public hearing or public comment period. [www.IWT.mt.gov](http://www.IWT.mt.gov)

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**Chris Wilhelm**  
Incumbent Worker Training Program Manager

**Montana Department of Labor & Industry**  
Workforce Services Division  
PHONE (406) 444-3351  
ChrisWilhelm@mt.gov  
IWT@mt.gov  
www.IWT.mt.gov

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