

**Rocky Mountain Restoration Initiative (RMRI)  
 June 10, 2020, 9:00 AM - 11:00 AM  
 RMRI Workforce Capacity Subcommittee  
 Meeting Summary - FINAL**

**ATTENDANCE**

*Participants:* Edith Arias, Guz Basterrechea, Renae Chavez, Cindy Dozier, Stephanie Goldbranson, Debra Gomez, Tim Kylo, Kurt Mackes, Ashley Maestas, Laura Lewis Marchino, Max Nathanson, Mike Preston, Kelle Reynolds, Ellen Roberts, Brian Rose, Nathan Van Schaik, Betty Velasquez, and Sherry Waner

*Facilitation:* Molly Pitts, Tim Reader, and Samuel Wallace

**ACTION ITEMS**

<b>Workforce Center Representative</b>	<ul style="list-style-type: none"> <li>Send a fact sheet on the services the workforce centers provide to Tim Reader.</li> </ul>
<b>Molly Pitts and Tim Reader</b>	<ul style="list-style-type: none"> <li>Send any remaining questions about workforce centers to a workforce center representative.</li> <li>Share the notes from the meeting with the workforce center representatives on the call.</li> </ul>

**MEETING OVERVIEW**

- RMRI is a stakeholder-driven initiative to increase the pace and scale of forestry treatments in certain project areas in Colorado. RMRI selected a primary project in Southwest Colorado. The goal of the project is to treat 290,000 acres of forested land on public lands and 20,000 acres on private land. As RMRI-Southwest Colorado (RMRI-SW) partners prepare to increase the number of acres treated, the wood industry has become interested in the area.
- Many parts of Colorado do not have the proper workforce size to conduct large-scale forestry treatments. As more forestry work becomes available, a larger workforce will be needed.
- The purpose of the RMRI Workforce Capacity Subcommittee is to increase the capacity of the logging and wood manufacturing workforce to achieve landscape-level forest management and restoration.
- The goal of the meeting is to figure out what options exist in the state to increase the capacity of the workforce for the logging and wood processing industry.

**LOGGING INDUSTRY WORKFORCE CAPACITY CHALLENGES**

Meeting participants identified workforce capacity challenges in the logging industry. Their comments are summarized below.

- Logging businesses are struggling to recruit enough employees as the average age of employees is increasing. New and younger employees need to have high-level training to be qualified for the available jobs.
- In 2002 and 2015, the Colorado State Forest Service (CSFS) conducted two harvesting contractor surveys. The surveys indicated that the number of harvesting contractors had shrunk by a third, from over 300 to over 200 positions, between 2002 and 2015.
- Most logging companies are using independent contracts, many of which are generational family businesses. There is a high upfront cost to purchase forestry equipment (e.g., skidders, loaders, dozers, graders, etc.), which makes it difficult for anyone outside of

generational family businesses to start a new logging business. The average logger has an investment of three to four million dollars in their equipment. There are around 14 loggers in Colorado with that degree of investment in equipment.

- Children of families that have generationally been in the timber industry do not want to stay in the industry because of the hard work and alternative opportunities in metropolitan areas. Economics also plays a large factor as the industry faces uncertain markets.
- One of the challenges with hiring employees in the logging industry is that the work is seasonal. There is an annual spring break-up (from March to June) when snow begins to melt during which there is no work available and employees go on unemployment.
- It is difficult to bring in someone new and have them operate a million-dollar machine without the proper training. Workers need to be trained heavy equipment operators as the logging industry has transitioned from chainsaws and hand labor to high tech equipment operation.
- There is not an incentive to be a logger and work in tough conditions when there are alternative positions that pay just as well or better. The pay for loggers is driven by the lumber market, which is volatile and seasonal. For example, COVID-19 has impacted the housing sector, which has caused the lumber market to reduce production by 50%.
- The starting wage for loggers after training is highly variable. The starting wage is around \$40,000 for a nine-month-long position. A seasoned professional can make around \$80,000 per year. Independent contractors who have their own equipment get paid by the cord and can make over \$100,000 per year.
- There are no clear patterns for employment in the logging industry.
- For truckers and people with a commercial driver's license (CDL), driving trucks in the forest is very different than driving trucks on the highway. Similarly, operating forestry equipment is very different than operating other types of heavy equipment.
- Most log trucking companies are owned and operated independently. Being a log trucker requires a lot of work for low compensation.
- One of the challenges with being an independent contractor is the number of forms that they have to fill out, especially for treatments on federal land, which drains them logistically and economically. There is also a risk that if they do not fill out the forms properly that they will be fined. Some companies, like Montrose Forest Products, send out 1099 forms to help their independent contractors with their payroll processes. Most independent contractors use third-parties or family members to fill out the paperwork. Colorado Timber Industry Association (CTIA) used to help businesses with their workers' compensation insurance but not anymore.

## **WOOD MANUFACTURING INDUSTRY WORKFORCE CAPACITY CHALLENGES**

Meeting participants identified workforce capacity challenges in the wood manufacturing industry. Their comments are summarized below.

- On the manufacturing side, there is a need for skilled workers, like diesel mechanics, hydraulic mechanics, truck drivers, milling equipment operators, etc. People with those skills may not be aware there are job opportunities in the logging and wood manufacturing industry.
- The number of wood processing companies has experienced a steady decline, but there have been recent improvements in the past couple of years.
- Part of the wood processing workforce is transitory. Montrose Forest Products, which employs 95 people, has a 10 to 20% monthly turnover. This high turnover rate puts a burden on wood processing business. On the other hand, some people have worked in the mills for over 30 years.

- The starting wage for a mill worker is around \$13 to \$14/hour. A head rig operator with 30 years of experience can make \$70,000 a year.
- Montrose Forest Products has recently begun picking up workers from closed down oil and gas and coal operations as well as the closed down Russel Stover plant. Workers coming from these jobs are often coming from union jobs to non-union jobs and experience a pay decrease as well.
- Mill workers are often walk-in hires.

### **WORKFORCE CENTER SERVICES**

Workforce center employees shared information about the services they provide. Their comments are summarized below.

- Workforce centers are tasked with implementing the Workforce Innovation and Opportunity Act (WIOA).
- When an employer contacts the workforce center, the first task is to verify the employer is legitimate. The workforce center requests the employer to provide an employer identification number and other basic information.
- It is a requirement that an employer has workers' compensation insurance to work with the workforce centers. Employers must also be hiring employees and not independent contractors to qualify for assistance from workforce centers.
- Workforce centers ask the employer to clarify their needs and requirements for a potential employee (e.g., do potential employees need a CDL, background check, ability to lift a certain amount of weight, etc.). They also collect information about the skills, duties, compensation, and benefits of the job.
- The workforce center then asks employers how employees should apply for the job (apply personally, apply via a general application, etc.). They also determine whether there are any testing needs for potential employees.
- The workforce center then posts the job on a centralized website ([connectingcolorado.com](http://connectingcolorado.com)) with the provided information. When the job order is posted, veterans are given priority notice before the job is listed publicly. Businesses are not required to hire a veteran. Once veterans have been notified, anyone registered at [connectingcolorado.com](http://connectingcolorado.com) can search for the job. Jobs are posted for as long as the employer desires. The workforce centers also advertise available positions via social media, hiring events, and job fairs.
- Workforce centers partner with agencies and community colleges to refer graduates to open positions.
- Workforce centers work with individuals to gain the proper skills (e.g., driver's license) and training for an open position. Workforce centers can sponsor students in colleges outside of their region, but they primarily work in their local area to connect students to job opportunities. Workforce centers cannot sponsor a student at a four-year university, but they can refer jobs to four-year university students.
- Workforce centers partner with other agencies, like the Department of Human Services, to leverage funding from other agencies to fund training programs.
- Workforce centers do not provide pre-employment drug testing, but they can connect businesses to local resources that can administer drug tests. They can provide other screening needs, like background checks for felony convictions and other forms of testing.
- Workforce centers help businesses obtain federal bonding and tax break.

### ***Clarifying Questions***

Meeting participants asked several clarifying questions about the services that workforce centers provide. Questions are indicated in italics with corresponding answers in plain text.

*What do the hiring events consist of?*

Workforce centers can work with a company to help organize a hiring event. The hiring event can be hosted at the company or a neutral location, like a community center or a workforce center. The workforce centers help market and advertise the event. A representative from the company will be on-site during the event to discuss their employment opportunities and open positions.

*Is each workforce center independent, or are they connected?*

- Workforce centers are housed under the Colorado Department of Labor and Employment. Each workforce center creates job listings for their area. Workforce centers are experts in their local areas, but they can help a person look for jobs anywhere in the state.
- Someone looking for a job can search for jobs anywhere in the state regardless of where they are registered by using [connectingcolorado.com](http://connectingcolorado.com). People from other states that want to move to Colorado can use [connectingcolorado.com](http://connectingcolorado.com) to find jobs as well.
- There is a network of workforce centers in rural areas, called The Colorado Rural Workforce Consortium.

*Can businesses search for employees across the state with certain skills or experience (e.g., heavy equipment operating experience)?*

It is an option for employers to search for employees with specific skills. Employers would need to work with the local workforce center to request people with specific skills.

*Do the workforce centers work with other training facilities outside of community colleges (e.g., a heavy equipment operator training program in Pueblo)?*

*What opportunities are there for sector partnerships?*

- Sector partnerships occur when individual businesses within the same industry come together to identify industry-wide challenges and work with workforce centers to address those challenges. Sector partnerships need to be industry-led.
- The only sector partnerships in the San Luis Valley are with the health and agricultural sectors. The only sector partnership in the Region 9 Economic Development District is with the healthcare industry.
- There is a possibility for the timber industry to form a sector partnership in the Region 9 Economic Development District if it is industry-led.

### **ALAMOSA WORKFORCE CENTER AND BLANCA FORESTRY PRODUCTS OVERVIEW**

Alamosa workforce center employees shared information about the services they provided to Blanca Forestry Products. Their comments are summarized below.

- The Alamosa Workforce Center partners with The Training Advantage to help place workers into jobs.
- The Alamosa Workforce Center worked closely with Blanca Forestry Products to hire their workers. Most starting positions began at \$14.50/hour, and many of the employees increased their wages to \$20/hour after gaining experience.
- For Blanca Forestry Products, the Alamosa Workforce Center posted job orders. They also hosted a hiring event.

- The Alamosa Workforce Center worked with Blanca Forestry Products to identify their pre-screening needs (e.g., background tests). They also administered a Prove It Test to test for general math and reading skills for safety reasons. None of these tests were conducted at a cost for Blanca Forestry Products. If a person met the testing requirements and were eligible under WIOA, they would refer that person to Blanca Forestry Products with their associated testing results for on-the-job training.
- The Alamosa Workforce Center supported the people who were referred by providing gas, clothing, and funding for on-the-job training.
- The Alamosa Workforce Center had over 200 applicants for positions at Blanca Forestry Products. Half of the workforce that was referred to Blanca Forestry Products through the workforce center stayed in their positions. Those who did leave either did so because they did not pass a drug test or because they did not want to stay after training.
- On a state level, positive marijuana tests are one of the largest barriers for people trying to qualify for jobs.
- The Alamosa Workforce Center adapted to the needs of Blanca Forestry Products. For example, testing was more necessary when Blanca Forestry Products first started hiring applicants because they needed to narrow down the application pool. For more recent job postings, they have reduced the number of testing requirements.
- Alamosa residents tend to have a good perception of logging, in part because there is an understanding that there is a responsibility to take care of the land. Additionally, Blanca Forestry Products was able to offer a competitive wage with benefits, which made the open positions attractive.
- Blanca Forestry Products and the Alamosa Workforce Center communicated with each other frequently. Additionally, the Alamosa Workforce Center partnered with local colleges, like TSJC and Adams State University, to bring employees to Blanca Forestry Products. They leveraged the benefit of partnerships to pull the necessary workforce to Blanca Forestry Products.
- A representative from Blanca was on the Colorado Rural Workforce Consortium South-Central Sub-Area Workforce Development Board. College presidents from TSJC and Adams State University also were on that board, which made it easier to partner and direct federal training dollars.

### ***Clarifying Questions***

Meeting participants asked several clarifying questions about the services that the Alamosa Workforce Center provided to Blanca Forestry Products. Questions are indicated in italics with corresponding answers in plain text.

*Were the applicants for Blanca Forestry Products' open positions from the San Luis Valley or other areas?*

Three-quarters were from the local area, but some applicants came from other areas of Colorado as well as other states

*Logging and wood processing industry representatives have identified the need for skills in clerical work, web design, and legal and business tasks, such as managing US Forest Service (USFS) contracts and other agreements. What services can be provided to cultivate these skills in the workforce?*

Blanca Forestry Products did not identify an overwhelming need for office and clerical work. The on-the-job training opportunities could be provided to build skills in these areas.

## **WORKFORCE CAPACITY DEVELOPMENT IDEAS**

Meeting participants discussed ideas to develop the workforce capacity in the logging and wood manufacturing industry. Their comments are summarized below.

- There need to be training programs that could help train young people to manage high-tech logging and milling equipment. Training programs in Colorado could be divided into two areas: logging and wood processing skills.
- There are simulators that can help train people, but the simulators are expensive and may not be feasible to purchase for an in-state training program.
- There are several examples of wood industry training programs in the United States. There is a college in Maine that provides a 12-week logging equipment training that could serve as a model curriculum for a program in Colorado or the Four Corners region. The Nebraska Forest Service also has a training curriculum. Additionally, there is a private sector, for-profit training center in Colorado Springs that teaches K-12 students on secondary wood manufacturing.
- It is risky for an educational institution to incorporate a new curriculum into their programs. Community colleges and technical schools would be more interested in this type of training than four-year universities. CSFS would likely need to provide leadership to encourage the establishment of a training program.
- The logging and wood manufacturing businesses in the Region 9 Economic Development District could form a sector group and partner with the workforce centers.
- There need to be incentives to recruit workers from places like Idaho or Washington to work for the logging industry in Colorado. Potential incentives include a better living environment and potentially better pay.
- There needs to be an emphasis on the positive aspects of working in the wood industry to recruit new, younger people. The timber industry in Colorado has not historically sold itself to younger audiences.
- Through the 90s and early 2000s, students within forestry programs in the university system were opposed to cutting trees. More recently, there has been a trend back towards management because of wildfire and forest health issues. Students in the university system tend to be educated in ecology-based management rather than forestry operations.
- An attractive message to a young workforce could be that the timber industry contributes to climate resilience and climate mitigation efforts. There needs to be an emphasis that the timber industry makes a difference.
- Young people could be exposed to the industry through apprenticeships and other programs when they are in high school.
- It will be easier to develop a workforce if the public accepts active forest management work. Public acceptance would make it more acceptable to training students in logging and log processing.
- Partnerships are key to increasing the workforce. Partnering with local colleges and other state agencies were key takeaways from the success of the Blanca Forestry Products-Alamosa Workforce Center collaborative effort.
- Centralizing the clerical work needed to manage agreements and federal contracts could help independent contractors do their work without having to worry about knowing every form and how to fill it out. A more streamlined process could also help independent contractors.
- Small business development centers are a resource to help small businesses with some of the clerical work. Having an accountant who is familiar with forestry and forestry terms is very beneficial to a small timber business.

- The USFS could have resource specialists offer training to contractors to help them understand the paperwork and credits system. Some businesses have almost gone out of business due to a misstep in the legalities of federal contracting.
- There need to be targeted messages to congressional decision-makers to help address the problem. There is a current congressional act that provides funding to develop a conservation corps (which may be able to attract young people into the industry) to improve and maintain USFS lands. If the RMRI Workforce Capacity Subcommittee can identify labor needs, capital needs, and market needs, they can connect with congressional efforts to promote the wood industry. These targeted messages could be a task of the RMRI Communications Subcommittee.
- There need to be novel approaches to attract entrepreneurs and new employees to the industry. CSFS has the Colorado Wood Utilization and Marketing Program (CoWood) that meets with new businesses and start-ups and provides some small loans. The program employs business consultants as well to provide free consultations to small businesses. CoWood also tries to research different wood product markets to help inform small businesses and entrepreneurs. CoWood provides educational workshop and seminars on a variety of subjects (e.g., grant writing, marketing, innovative wood products, etc.)
- CoWood has an aggressive web presence on their programs. Historically, most of their calls were from struggling businesses. More recently, they are receiving calls from people looking to expand their businesses and pursue new opportunities in the biofuels and energy markets.
- One challenge for new small businesses and entrepreneurs is supply and feedstock. Without a reliable supply or feedstock, investing in a new wood business is highly risky. If the timber industry is going to expand, it is going to depend on supply. If there is a steady timber supply, the industry will react. Because federal programs and the USFS are subject to political shifts, it is difficult to invest a sawmill and incur that level of risk. Loan programs and grants without available supply are not going to be enough to jumpstart the wood industry. CoWood has an unbiased assessment to evaluate feedstock availability for small businesses.

#### **NEXT STEPS**

- It would be helpful for the RMRI Workforce Capacity Subcommittee to have a write-up on workforce centers with information on the general services workforce centers provide as well as specific programs within specific workforce centers that are important to the RMRI priority areas. A workforce center representative should send a fact sheet on the services the workforce centers provide to Tim Reader.
- Molly Pitts and Tim Reader will send any remaining questions about workforce centers to a workforce center representative along with the notes from this meeting.