



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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WORKFORCE DEVELOPMENT COMMITTEE MEETING
SUB Kelley Steward Room
Wednesday, September 27, 2006
4:00 – 5:30 p.m.

4:00 P.M. ROLL CALL AND APPROVAL OF THE MINUTES [Link](#)

4:10 p.m.

INFORMATION

- a. State Workforce Investment Board Healthcare Workforce Committee - Cindy Stergar and Emily Lipp-Sirota
- b. Montana Rural Physician Incentive Program Report [Link](#)
- c. Briefing paper: Bitterroot Valley Community College Proposal – Arlene Parisot [Link](#)

ACTION

- d. UM Branch Campus in Bitterroot Valley [ITEM 132-1004-R0906](#)

5:20 P.M. PUBLIC COMMENT

DRAFT Minutes
WORKFORCE DEVELOPMENT COMMITTEE MEETING
of the Montana Board of Regents
Wednesday, May 31, 2006

Regent Foster called the meeting to order at 4:47 pm.

a. ROLL CALL

Regents Foster, Hamilton and Taylor were present.

b. APPROVAL OF THE MINUTES

Regent Hamilton moved to adopt the minutes from the March, 2006 meeting. Motion carried.

c. Update on the Healthcare Advisory Group and data team

1. Dick Brown, Montana Hospital Association, updated the committee on the progress of the Healthcare Advisory Group and requested the Board's continued support of the advisory group and for the ad hoc data group also created.
2. The committee needs: a common definition of missions and a common standard throughout the state. The group will address how to get a high enough quality and quantity of Montana's needed healthcare workforce and investigate Montana's capacity to meet the workforce needs.

e. Discussion of integrated student/workforce data project

1. The following data needs to be researched: number of graduates, curriculums, number of population working currently, geographic distribution, institutional capacity, vacancies and openings, and projected workforce needs and demands.

f. Update on activities of the State Workforce Investment Board, including initiatives for healthcare workers and apprenticeship programs. –Dr. Arlene Parisot, Director of Workforce Development and Two-Year Education, OCHE, and Emily Lipp-Sirota, Governor's Economic Opportunity Office

1. Three subcommittees have been appointed to work on the following issues identified to assist the state in developing a career cluster model of instruction that links secondary and postsecondary curriculum:

- ✓ State Level Leadership
- ✓ Career Pathways and Framework
- ✓ Professional Development

Dr. Parisot told the group OPI also has a cluster segment included in their high school reform effort.

2. The Apprenticeship Advisory Committee under the State Workforce Investment Board has been formed, with members representing business, education and labor. Because of the success of the work MSU-Northern has done with apprenticeship programs and working with Montana Department of Labor and Industry, the committee has drafted a Memorandum of Agreement that would outline a process based on the MSU Northern model for developing apprenticeable programs that collaborate with education. This will ensure state-wide consistency in terms of curriculum, program approval and credit

equivalency. The MOU will be brought to the Board of Regents for review and approval.

3. Dr. Parisot said the Governor's Office and Department of Labor and Industry requested the SWIB Economic Development Business Retention Committee evaluate the healthcare staffing shortages and then recommended SWIB develop a Healthcare Workforce Committee, which will look at the issues in preparation for the legislative session and will bring forth recommendations to the governor and the Board of Regents.

g. Update on WIRED grant – Arlene Parisot and Emily Lipp-Sirota

1. Recently held the official kick-off in Billings.
2. Dr. Parisot addressed the funds from the WIRED grant that will be managed in OCHE. She said they already have a career pathways model that shows how it can work, including developing cluster hubs.

Dr. Parisot made the following points regarding the WIRED grant:

1. Need for standardized technical curriculum
2. Use of distance education as a delivery mechanism
3. Development of a pipeline of workers
4. Development of Entrepreneurship education

The WIRED funds will be distributed through a competitive RFP process. If anyone wants more information on the process, they can go to state website for an explanation. The WIRED grant will work with the Montana Department of Agriculture, Montana Department of Labor, Montana Department of Commerce, the Governor's Office, the project director, and OCHE.

h. Strategic plan – discussion of goals related to Workforce Committee – Dave Gibson

Four key areas the Workforce Committee would like Board of Regents' action on:

1. To increase employer satisfaction - everybody gathers the data
2. Increase degrees/certificates in high-demand areas
3. Increase job placement rates
4. Grow 2 year degrees and certificates

Mr. Gibson told the committee he would like to present two conceptual goals for the Two Year Council to reach in the next year:

1. Develop some goals around certificates and degrees in high-demand occupational fields.
2. Develop goals in how to measure the goals in healthcare.

Regent Lynn Hamilton moved to approve the 4 goals, as well as the conceptual goals. Motion passed 3-0.

i. Update on CBJT Mt BILT US-DOL Construction Trades Grant – Dean Cech

1. Partner institutions in this grant are MSU-Billings COT, UM-Missoula COT, MT Tech College of Technology, and MSU-Northern.
2. Since the grant was awarded, Miles Community College, UM Helena COT, MSU Great Falls COT, and Flathead Valley Community College have also joined.
3. They have created a state-wide advisory committee for this grant, which includes a project director and project manager, Cleo Sutton.
4. Mr. Cech stated the goals:
 - ✓ Develop statewide common core (NCCER)
 - ✓ Development of construction cluster” career and educational pathway portal,
 - ✓ Data collection, aggregation and dissemination
 - ✓ Develop sustainability plan
 - ✓ Develop strong partnerships regionally & statewide and
 - ✓ Improve math skills and basic competency of income construction students
 - ✓ Statewide recruitment of students in construction
 - ✓ Participate in community building activities
 - ✓ Seek opportunities to leverage funds with Montana WIRED grant & other grants
 - ✓ Expand outreach to K-12
 - ✓ Develop additional construction programs at each institution based on local area

j. Perkins Quarterly Update – Arlene Parisot

1. Dr. Parisot also notified the committee of the Karl Perkins extension plan.

k. PUBLIC COMMENT

No additional comments were offered.

The meeting adjourned at 6:10 p.m.

Submitted by Lynette Brown

MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM



Program Summary

The Montana Rural Physician Incentive Program, authorized by the 1991 Montana Legislature and amended by the 1997 Montana Legislature, was established to encourage primary care physicians to practice in medically underserved areas of rural Montana.

Towards this end, the Rural Physician Incentive Trust Fund was established to facilitate payment of qualified educational debts of rural physicians who practice in areas of the state that are medically underserved and that demonstrate the need for assistance in physician recruitment. The trust is funded by fees assessed to all Montana allopathic and osteopathic medical students participating in the WICHE and WWAMI programs.

Collection of funds from WICHE and WWAMI medical students began in the Fall of 1992. Disbursement of funds for loan repayment began in 1993.

Characteristics of Qualifying Locations

It is the intent of the legislation on which this program is based to provide assistance for those communities of rural Montana which have difficulty in attracting and maintaining enough physicians to serve their population.

In general, such communities have populations of less than 8,000 and hospitals with less than 50 beds. Many of these areas have been designated by the United States government as health professional shortage areas (HPSA). Hospitals and other community organizations in these areas must demonstrate their inability to recruit and retain sufficient numbers of physicians.

Selection and Approval Process

Applications are made jointly by a physician and an organization or institution (i.e., a hospital or clinic) located in the rural community in which the physician wishes to practice. Applications are reviewed for program eligibility by an advisory committee appointed by the Commissioner of Higher Education and prioritized for participation based on community physician needs and availability of funds. Applications recommended for program participation are then submitted to the Board of Regents for final approval. Funding priority is given to Montana WICHE and WWAMI graduates who contributed to the fund.

Benefits and Obligations

Program benefits allow payment of up to \$45,000 in total toward the qualified educational loans of participating health professionals over a one- to five-year period of service in a location of physician need. Physicians remain eligible for assistance only for the first five years of practice within an eligible locale. Awards are not made retroactively. Service occurring more than 90 days prior to the date of application is subtracted from the five years of potential eligibility.

Graduated payments are disbursed directly to the physician's lending institutions in six-month increments over their designated service period. Completion of the full six-month period is required prior to eligibility for disbursement. The graduated payment schedule is as follows:

\$3,500—6 mos. of service	\$4,500—36 mos. of service
\$3,500—12 mos. of service	\$5,000—42 mos. of service
\$4,000—18 mos. of service	\$5,000—48 mos. of service
\$4,000—24 mos. of service	\$5,500—54 mos. of service
\$4,500—30 mos. of service	\$5,500—60 mos. of service

These benefits are in addition to any salary or other compensation received by the physician until the obligation is satisfied. If an individual is receiving funds from a federal loan repayment program, payments from the Montana Rural Physician Incentive Program will not begin until the federal funds have been exhausted. State and federal loan repayment benefits may not run concurrently.

Participation Status

Since the inception of the program in 1993, 92 applications have been submitted for consideration. Of these, 78 have been approved, 3 are currently pending review/approval, and 68 have actually received MRPIP loan repayment benefits. The following table summarizes the status of all program applications.

Status	No. of Physicians
Currently In MRPIP Loan Repayment	16
Completed MRPIP Loan Repayment	28
MRPIP Approved:	
Combination of Federal/MRPIP Debt Repayment	5
MRPIP Approved:	
Federal Debt Repayment Only	4
Pending Federal Loan Repayment Participation	0
Received Partial Loan Repayment/Withdrew	19
Withdrew	6
Pending Review/Approval	3
Denied	11
TOTAL	92

Locations of MRPIP Participating Physicians

CITY/TOWN	COUNTY	CITY/TOWN	COUNTY
Anaconda (4)	Deer Lodge County	Havre (2)	Hill County
Big Timber (1)	Sweet Grass County	Lewistown (2)	Fergus County
Chester (3)	Liberty County	Livingston (4)	Park County
Chinook (1)	Blaine County	Miles City (3)	Custer County
Columbus (1)	Stillwater County	Plains (4)	Sanders County
Conrad (1)	Pondera County	Plentywood (1)	Sheridan County
Culbertson (1)	Roosevelt County	Polson (4)	Lake County
Deer Lodge (3)	Powell County	Red Lodge (1)	Carbon County
Dillon (2)	Beaverhead County	Ronan/St. Ignatius (1)	Lake County
Ennis (2)	Madison County	Scobey (1)	Daniels County
Forsyth (2)	Rosebud County	Seeley Lake (1)	Lake County
Glasgow (1)	Valley County	Shelby (6)	Toole County
Glendive (2)	Dawson County	Sidney (5)	Richland County
Hamilton (4)	Ravalli County	Superior (2)	Mineral County
Hardin (1)	Big Horn County	Stevensville (2)	Ravalli County
Harlowton (1)	Wheatland County	Thompson Falls (1)	Sanders County

Financial Information

MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM

Fund Balance FY 2004 Through FY 2007

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	Estimated <u>FY 2007</u>
Beginning Fund Balance	\$554,531.91	\$542,496.46	\$539,440.81	\$579,818.31
Income:				
Student Fee Assessments/Investment Earnings	209,092.85	224,846.15	241,851.43	230,704.00
Liabilities:				
Loan Disbursements	<u>(221,128.30)</u>	<u>(227,901.80)</u>	<u>(201,473.93)</u>	<u>(153,000.00)</u>
Ending Fund Balance	<u>\$542,496.46</u>	<u>\$539,440.81</u>	<u>\$579,818.31</u>	<u>\$657,522.31</u>

MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM

Contract Liability as of July 1, 2006

MRPIP ANNUAL CONTRACT LIABILITY:

FY 2007	\$	153,000.00
FY 2008		133,250.00
FY 2009		77,500.00
FY 2010		37,000.00
FY 2011		<u>16,500.00</u>
TOTAL LIABILITY THROUGH FY 2011	\$	<u>417,250.00</u>



Briefing Paper: Bitterroot Valley Community College Proposal

Submitted by: Arlene H. Parisot
September 2006, BOR Meeting

Introduction

A group of Bitterroot Valley residents has proposed the establishment of a community college district in Ravalli County. The Bitterroot Valley Community College Exploratory Committee met with Commissioner of Higher Education Sheila Stearns and representatives of The University of Montana in July 2006 regarding the proposal, the role of the Board of Regents, and the procedure for establishing a new community college district. The University of Montana at that time presented an alternative to the Exploratory Committee's proposal. This paper documents events to date regarding the Committee's proposal and addresses some legal, fiscal, academic programs, and access to education issues related to the proposal.

History

May 25, 2004: *Training Works* Consultant Report

At the request of the Bitterroot Valley Workforce System Community Management Team (CMT), a consultant was hired to make recommendations regarding the workforce needs of the community. The consultant recommended to:

- Consider development of a center similar to the North Idaho College Workforce Training Center in Post Falls, Idaho; and to
- Establish a Training and Education Committee to further review the information that has been collected and begin addressing setting up a system.

February, 2006: BVCC Exploratory Committee Established

Pursuant to the second recommendation of the *Training Works* report, a BVCC Exploratory Committee was established.

March, 2006: Community College Recommendation

Victoria Clark, Darby Adult Education Director, concluded in an analysis paper that there is a need for a higher education presence in the area based upon the following factors: a 173% population increase in Ravalli County; a shift in the economy from natural resource industries to a service sector; low higher education participation rates in comparison to other counties with a higher education presence; cost of commuting to Missoula; and additional fees for distance education courses.

July 27, 2006: BVCC Committee Meeting with Commissioner Stearns and Staff

Patty Furness, Bitterroot Job Service Workforce Center Manager, provided some history of the UM activities in Ravalli County during the past seven years. Initially, the UM-Missoula COT, offered 6 classes on site. These classes included a drama course, a computer course and general education courses. These classes could be applied to the general core requirement. Only the computer course was utilized by students. UM Missoula COT thereafter offered an online computer course through Hamilton High

School but there was limited interest. The perception is that these approaches were not consistent or reliable. Without a permanent facility, she believes students will find it hard to make a commitment. Offerings need to be more job specific and be coupled with the opportunity to attain a credential upon completion.

Also at this meeting, senior staff from the UM discussed a proposal to create a UM-COT branch campus in Hamilton. This proposal would entail asking the Legislature for \$18 million for a new UM-COT campus in Missoula with \$4 million earmarked for a building in Hamilton and 4 - 10 acres of land donated for the campus. The UM proposal projects the satellite campus would serve 175 FTE.

Next Steps for BVCC Committee

October, 2006: The BVCC Exploratory Committee intends to begin collecting signatures for a voter position to establish and new community college.

January, 2007: BVCC Exploratory Committee intends to present a voter petition for an election to the BOR for approval.

May, 2007: Community College District Approval and Organization Election.

Legal Issues

In order to establish a community college in Montana, three state requirements must be met:

- the proposed district must coincide with then pre-existing, contiguous elementary school district boundaries;
- the taxable value of the proposed district must be at least \$10 million; and
- 700 pupils must be regularly enrolled in public and private high schools located within proposed district.

Ravalli County meets these requirements. It has seven contiguous school districts, a tax valuation over \$62 million, and six public high schools with a combined enrollment of over 2100 students.

At least 20% of the eligible voters in an area proposed for a community college district may petition the board of regents for an election for the organization of a public community college district. Since there are 28,000 registered voters in Ravalli County, 5,600 certified signatures would be required on a petition requesting an election for the organization of a public community college.

Montana law provides that the regents shall order an organizing election if the regents determine the petition satisfies the petitioning and community college district organizational requirements (stated above). §20-15-203, MCA.

By statute, the Board of Regents supervises and coordinates community college districts. § 20-15-103, MCA. The academic programs and courses of instruction of

community college districts are subject to the approval of the Board of Regents. § 20-15-105, MCA. The Board of Regents also approves tuition, fees, and operating budgets set by a community college district's board of trustees. §20-15-105, MCA; §20-15-312, MCA.

Financial Issues

The BVCC Exploratory Committee estimates that a community college with 800 FTE students would require \$5.5 million of unrestricted funds. Assuming state appropriations and tuition & fees are comparable to the three existing community colleges, this will require approximately \$2.5 million in state funds, \$1.5 million in local property tax increases (2006 dollars), and \$1.5 million in tuition & fees. Independent calculations by the Commissioner's staff arrive at a similar conclusion. Based on the property tax base in Ravalli County, this will require a 24 mill levy increase, or 5-6% for most property owners in the county. The following table, prepared by the BVCC Exploratory Committee, summarizes the property tax impact estimates.

Community College District	Value of 1 Mill	Mand. CC Levy	Mand. CC Retirement Levy	Optional Adult Ed Levy	Voted Debt Service	Total CC Levy	Total Funds Generated
Dawson CC	\$12,848	57	16	4		77	\$987,369
Flathead Valley CC	\$161,121	8	3	1	2	14	\$2,255,694
Miles CC	\$14,167	55	23	1		79	\$1,123,160
<i>Bitterroot Valley CC w/800 FTE?</i>	<i>\$62,245</i>	<i>17</i>	<i>5</i>	<i>2</i>		<i>24</i>	<i>\$1,493,880</i>

These estimates do not include the costs of land acquisition or building construction. BVCC with 800 students would be about half the size of FVCC and FVCC's recent 50,000 SF building expansion required more than \$10 million. Based on the fact that FVCC currently needs (including new expansion) about 200,000 SF of space, a BVCC with 800 students would need about 80-100 thousand SF. Unless land and buildings are donated for the new campus, start-up costs could be \$20-30 million. This could require an additional 20-30 mill property tax in the first two decades of existence. Because BVCC would own this property, no state funds will be available to offset building or land costs.

The financial costs to the residents of the proposed community college district and the state of Montana need to be analyzed further, particularly in the area of start-up costs. The BVCC Exploratory Committee estimates the college would bring an additional \$2.25 million per year to the community, but the impact on local taxpayers will also be quite large. An expanded presence of UM in the area would also bring additional state resources to the area, but without the additional property tax increase on local residents. Further analysis will be required once all options are developed, but it is not clear whether a community college would provide the best net return for the citizens of the Bitterroot Valley with respect to economic impact.

Academic Programs and Access to Education

It is the intent of the exploratory committee that BVCC will be a comprehensive community college providing transfer programs and courses, occupational education, developmental education, Adult Basic Education, GED, college preparation, and continuing education.

The Board of Regents must approve the programs and courses of instruction at a community college. This authority, combined with the Regents' authority to approve operating budgets and coordinate higher education services in the state, requires that the regents and the concerned residents work closely to determine the needs of the area and the most effective and efficient means of supplying those needs.

It is also worth noting that Ravalli County students are currently entering the MUS at a rate slightly above the state average. In the academic year 2004-5, 33.6% of Ravalli high school graduates entered the MUS compared to a state average 32.6%. Compared to participation rates in Cascade (34.4%) and Lewis & Clark (38.7%) Counties, which both have well established 2-year colleges, Ravalli County has only a slightly lower participation rate. With 428 Ravalli County high school graduates in 2004-5, an additional 20 students entering the MUS would give that county a participation rate equal to the higher rate in Lewis & Clark County. While it is almost certainly true that a community college in Ravalli County would increase participation rates of students in postsecondary education, data also suggests that Ravalli residents are not necessarily at a disadvantage in accessing higher education as compared to other communities in the state.

Alternative Option

The University of Montana-Missoula proposes using the MSU Great Falls College of Technology model to build a satellite College of Technology in Hamilton. The catalyst for this is a survey completed by the University's Bureau of Business and Economic Research. Land for such a facility has not been identified, but UM and the BVCC Exploratory Committee have met since the July meeting in Missoula to discuss this option. The parameters of this project have been outlined by UM-Missoula as follows;

Project Scope:

Construct a branch campus of The University of Montana's College of Technology in Hamilton, MT sized to accommodate 175 FTE students (about 15,000 SF) starting in 2009. The facility would cost \$4.0 - 4.5 million and could be included in the 2007 LRBP request of \$18.2M, which also requests a new building for the UM-COT. This plan would require 4 - 10 acres depending on expansion plans and construction would begin in 2008.

Academic Programs:

Planned academic programs would include: Arts & Sciences/General Study, English, Math, Applied Sciences (including lab tech programs, Nursing, Carpentry, Business/Management, and Computer & IS programs.

Financial Issues:

Assuming a state appropriation of \$1,888 per FTE and \$5.75 per SF for O&M, state appropriations would be \$322, 000 per year. With current expected tuition and fee revenues, the Hamilton branch campus will operate at a deficit of \$64,000 per year, which would bring needed state appropriations to \$386,000 per year. The state contribution would be reassessed if FTEs increase over time.

Management Structure:

A local executive board would be appointed from Ravalli County. The branch campus would have one campus manager & two staff. Academic and Administrative management would be based at the UM-COT.

Conclusion

Montana law allows for the registered voters of an area to petition for an election for establishment of a community college district and the Board of Regents may be expected to review and order such election pursuant to the governing law.

The regents clearly have a responsibility to coordinate public higher education in the state, including the approval of tuition, fees, budgets, programs, and courses of instruction on all public higher education campuses (including the campuses of the community college districts). For this reason, the matter should not be determined entirely by a vote of the community, but should be analyzed and considered in conjunction with those areas over which the regents have coordination and approval responsibilities. These include the academic, financial, and administrative aspects of any new higher education campus. Planning and close coordination with the BVCC Exploratory Committee should continue.

ITEM: 132-1004-R0906 Authorization to Plan for a University of Montana-Missoula COT Branch Campus in the Bitterroot Valley; The University of Montana-Missoula.

THAT: The Board of Regents of the Montana University System authorizes The University of Montana-Missoula, in collaboration with the Bitterroot Community, to proceed with the planning of a University of Montana-Missoula COT Branch Campus in the Bitterroot Valley.

EXPLANATION: The 59th Montana Legislature provided The University of Montana-Missoula the authority to plan and construct a consolidated College of Technology in Missoula. During this planning process, based on the results of a market survey and interest expressed by Bitterroot citizens to establish a community college, it has become apparent that there is also a need and an opportunity to establish a post-secondary institution in the Bitterroot Valley.

The Bitterroot Valley population has increased 173% since the 1970's and is expected to continue to grow into the future. The Bitterroot Valley Community College Exploratory Committee has conducted considerable research to determine the feasibility of offering post-secondary education in their community as a means to improve access for the local population and to enhance economic development in the valley. The University of Montana-Missoula COT, through the establishment of a branch campus, believes it can provide an array of academic offerings at a significantly lower cost than a stand alone community college.

In May 2006, The Board of Regents of the Montana University System approved a project priority list- Long Range Building Program. The construction of a consolidated Missoula College of Technology Campus at \$18.2 million was ranked as the 4th highest priority. It is proposed that a portion of this funding, approximately \$4 million, be reallocated to construct a branch College of Technology campus in the Bitterroot Valley.