

**Six Action Items Designed to  
Implement  
Shared Leadership for a Stronger Montana  
Economy**

**Prepared for The Montana Board of Regents of Higher  
Education and the Postsecondary Education Policy  
and Budget Committee of the Montana Legislature**

**May 19, 2004**

**Montana Board of Regents  
Office of the Commissioner of Higher Education  
Governor's Office of Economic Opportunity  
Montana Legislature**

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## Introduction

**Background:** Beginning in September 2003, the Montana Board of Regents began to work in earnest to find ways for the university system to take a more direct leadership role in the state's economic development. At the request of the Regents and the Office of Commissioner of Higher Education (OCHE) a number of people from various state agencies/organizations met between September 2003 and January 2004 as an *ad hoc* working group to distill broad goals into practical and actionable initiatives.

Over these months, the composition of this *ad hoc* working group varied but included staff of the Legislative Services Division, the Legislative Fiscal Division, OCHE, the Governor's Office, members of the Board of Regents and others interested in working on this important issue.

The initial work of the *ad hoc* working group culminated in January 2004 when the Board of Regents unanimously approved a process to identify by May 2004 initiatives that the Board of Regents might implement to establish more directly a new role for the Montana University System in strengthening the state's economy. This process involved getting broad-based agreement on those areas that provide the best opportunity for change but still leverage the Montana University System's, and Montana's, unique strengths. Furthermore, the Legislative Council – a council of Montana's key legislative leaders from both chambers and both parties – resolved that the Postsecondary Education Policy and Budget (PEPB) Subcommittee be the legislative body to represent the legislature in this process, and, during its January meeting the PEPB Subcommittee approved the process<sup>1</sup>.

In late February, the *ad hoc* working group achieved consensus that formally established the project organization. Included in the organization are groups that provide broad policy oversight for this process and the team that actually will do the groundwork. The project organization is as follows:

**Leadership Group:** The *Leadership Group* is composed of key leaders from the public and private sectors in Montana and provides broad policy oversight to the program. The main responsibilities of the group members to the program are to:

- Provide advice and direction
- Be engaged with the project as it moves forward
- Have “ownership” in the project and its outcomes
- Designate a personal representative to work as a member of the Project Team

**Project Team:** The *Project Team* is the groundwork team whose members are designated by a member of the Leadership Group. The main responsibilities of Team members to the program are to:

- Conduct required policy research
- Develop recommendations and action plans

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<sup>1</sup> The Economic Affairs Interim Committee is also interested in, and being kept informed of, this evolving process.

**Project Initiative Teams:** There are six *Project Initiative Teams* led by a Principal Coordinator assisted by a liaison from one of the university system campuses. It is composed of members appointed by the Leadership Group, Project Team Members, or from among volunteers, stakeholders, or staff. Each *Initiative Team* was assigned a specific initiative area in March 2004. The teams were responsible in April and May 2004 to:

- Meet (or at least consult in writing) not less than weekly to develop recommendations and continually review membership to assure the goal of shared leadership was fulfilled by complete and appropriate representation.
- Prepare team recommendations and complete a 1 to 2 page summary of its four most important recommendations in a standard format by the end of April 2004.
- Present the recommendations included in this report to the *Project Team* on May 4, 2004.

**Action Items:** The Project Team met May 4 to review recommendations prepared by members of the six initiative teams. Based on that review, project staff streamlined, combined, and eliminated items to present the six proposals included here.

The project owes a great debt of gratitude to people from the private sector, the Montana University System, and State Executive and Legislative Offices who have contributed to the meaning of shared leadership by their active efforts. Let us hope their reward is a Stronger Montana Economy.

**Next Steps:** The next discussion of these Shared Leadership initiatives will occur at the May 19<sup>th</sup> joint meeting of the Postsecondary Education Policy and Budget (PEPB) Subcommittee and the Board of Regents. After recommendations that arise in that meeting are incorporated into this document the Project Team and Leadership Group will be asked for input on the initiative areas and the process to implement them. We anticipate this feedback process will require one-two months to complete.

Once this feedback has been incorporated and general consensus has been reached among the Leadership Group, the final set of recommended initiatives will need to be further developed into specific action plans. This process will likely require additions to the initiative work teams that have carried the process to this point as well as additional work on the details of each initiative. While this next phase of the Shared Leadership process should be underway by mid-summer, the full implementation of the recommended initiatives may take, in some cases, several years. The initiative work teams and action plans need to be constructed with this long-term time horizon in mind.

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## Two-year Education

**Proposed Action Item: Bring business, industry, government, and higher education leaders together to develop a comprehensive strategic plan for the state's two-year college system including specific recommendations for: changes in organizational structure to meet the state's future needs, campus specialization, standardizing programs in high-demand occupational areas, creating career pathways systems for occupational training, and better integration into the state's myriad workforce programs.**

**State Need:** Montana's success in diversifying and growing its economy will largely depend on the presence of a motivated, strategically educated workforce with high capacity for critical and innovative thinking. The availability of a skilled workforce has become one of the most important issues for attracting and retaining businesses and producing higher paying jobs. Workforce skill level is a key driver of innovation and productivity improvement across all industries. The ability to grow Montana's economy and wage levels depends entirely on our ability to continuously raise the skill levels of our workers and be responsive to the needs of Montana's businesses and industries.

Over the past several decades, the role of the two-year college has changed dramatically. Once the primary provider of moderately skilled vocational training, it has emerged as the critical provider of higher technical skills training for the regional economy. The mid-tier skill level worker -- whose training comes from periodic skills upgrades, technical certifications, and associates degrees that are generally provided by a quality two-year college system -- is highly likely to apply those skills within the region. These two factors -- higher skill level needs and likely regional skill application among mid-skilled workers -- makes a well-organized and effective two-year college system a critical, positive factor in a successful regional economy.

**Current Problem:** The Shared Leadership teams have identified a number of areas requiring action in the two-year system to better prepare Montana workers for higher skilled and better paying jobs. Among these areas are needs for: better customized training programs, a career pathway system for occupational training, better integration of university and non-university workforce training programs, and greater standardization of programs. After considering these recommendations individually, it was recognized that all of these shortcomings stem from a more fundamental problem: a two-year education system that lacks system-wide strategic direction and coordination.

Although industry demands in similar fields are relatively constant from region to region in Montana, two-year college programs addressing these demands vary significantly. This erodes employer confidence in the skill set associated with a particular degree or certificate and complicates students' transfer experiences. Largely because of this, employers in Montana often attach little value to two-year credentials and provide few incentives for students to complete specialized endorsements, certificates, and AAS degrees. This has created a downward spiral that must be reversed or our state will not be able to compete for good jobs in expanding industries during the coming century.

In Montana we have seven tribal colleges, three community colleges, two stand-alone Colleges of Technology (COTs) -- one each under UM and MSU administration, one COT reporting through a main campus (UM) and two reporting through branch campuses (one each in UM and MSU system). Additionally, MSU-Northern offers both two- and four-year programming in Havre as does UM-Western in Dillon. Until six months ago there was no one person at OCHE

dedicated to coordinating the needs and agendas of our 17 different campuses offering two-year programs. This complex organizational and reporting structure creates great difficulties in coordinating two-year specific policies and system-wide improvements. The increasing need for specialized and more expensive two-year training programs will only exacerbate our problems associated with a lack of strategic direction and system-wide leadership.

**Proposed Solution:** Create a Shared Leadership Team to recommend statewide improvements to the current organization and support for our two-year colleges. The membership of this team should consist of key leaders in our business community, the current two-year and four-year system, Legislature, MT Dept. of Labor, K-12 system and Governor's Office. Among other endeavors, the team should develop recommendations for:

- The principal strategic role of the two-year system in Montana over the next two decades
- The optimal organization for the two-year system in order to fulfill that role
- Policies to better attract and retain two-year faculty
- Curriculum specialization among the various two-year colleges
- Strategies to create a common curriculum and delivery system for AAS degrees, and specialized endorsements, certificates, and other programs in high demand occupations
- Statewide policies or programs to support customized training for Montana businesses
- Development of career pathways systems for occupational education and training
- Development of reliable data for workforce system performance
- Coordination of a statewide on-line (distance) learning curriculum and policies within the two-year system
- Specific goals over a two, five, and ten-year time-frame that can measure desired changes in the two-year system

**State Investment:** The obvious initial costs of this proposal are funding the administrative costs of the team. This is probably less than \$100,000 for travel, meetings, research, etc. over the course of the year and it may be possible to share this cost among various groups committed to this process. The costs of implementing the recommendations, once developed, will be part of the team's specific task.

**Return on Investment:**

An optimally structured two-year system with clear strategic direction will increase the total number of Montanans in the higher education system, lower the attrition rates in our higher cost four-year system, and produce a more highly skilled workforce with the training needed for employment in the state. A cohesive and well-positioned two-year education system is not part of a zero-sum game – it is a vital part of growing the higher education system as a whole. With any changes there are sure to be short-term disruptions and ensuing turf-battles but the long-term benefits are a more responsive and efficient system capable of significantly growing the number of Montanans who benefit from the MUS.

## Distance Learning

**Proposed Action Item: Create a Montana University On-line System to centralize and coordinate distance learning throughout the university system.**

**State Need:** Distances and lack of economies-of-scale are major barriers to providing accessible on-campus higher education to Montana's rural population. The increasing need for continuous skills upgrades and life-long learning in the rapidly changing global economy further compounds this historical impediment to wage growth and economic development. Higher skills drive higher wages. The absence of flexible and readily accessible higher education for all Montanans will become an increasingly serious problem and a major barrier to economic growth and it is simply not possible to expand the physical infrastructure in such a vast state to overcome this barrier.

A specific problem currently exists with Montana's registered apprenticeship programs, which require organized, related and supplemental instruction in technical subjects related to the trade. A minimum of 144 hours for each year of apprenticeship is recommended. This instruction may be provided through classroom instruction, correspondence courses, home study, Internet delivery, or other forms of approved study. As apprenticeship opportunities expand from the traditional – carpentry, plumbing, and electrical – to the nontraditional—healthcare and information technology – there is an even greater need to develop the related instruction modules to meet these new options. Currently, related instruction modules for apprenticeship programs, both traditional and nontraditional, are developed through North Dakota State College of Science.

**Current Problem:** The current method of providing distance and distributed courses and programs is decentralized. The MUS provides an electronic catalog of distance education courses offered by system campuses and each campus handles admission, registration, tuition, financial aid, advising, and other services in its own way. Disparities are confusing and costly for students, especially students who use the offerings of more than one campus in their progress toward a degree. There is no common approach among distance education providers to address the crucial issues affecting affordability and quality—tuition, duplication, articulation, transfer, and best practices in teaching, assessment, and support services. There are no clear links with K-12 education or other providers. There is no consistency in student services and support. There is little incentive to focus on learner populations that are different from, and not in direct competition with, traditional 'bricks and mortar' instructional providers. There is no coordinated body focusing on increasing the efficiency of distance education, developing online course and program pilots, and examining new business models for delivering and evaluating distance and distributed education.

**Proposed Solution:** Create a Virtual Montana University to develop and implement policy recommendations regarding the delivery of distributed and distance education. Effective on-line education is a new paradigm and we cannot treat it as a simple adjunct of traditional on-campus learning. This virtual university would be responsible for:

- Collaborating and building partnerships with the K-12 community and other education providers including developing or identifying an appropriate statewide model for distance-delivered academic offerings.
- Strategic planning, including cost analysis, organizational design, and programs (high school 'bridge', general education core, occupational programs that are high-cost/low



enrollment, etc), technology selection, faculty development and training, evaluation, and implementation.

- Ensuring MUS distance-learning strategies leverage and promote any efforts to standardize certain curriculum among the 2-year colleges.
- Coordinating opportunities to offer new or expanded continuing education programs to MUS alumni.
- Converting and/or developing new courses for online delivery that support the related instruction requirements of apprenticeship programs, especially in nontraditional apprenticeship areas—healthcare and information technology.
- Building partnerships with telephone carriers, cable television, electric utilities, local Internet service providers, and others to assure the availability of broadband technology and education services (e.g. initiatives in Oregon and Alaska).
- Reducing duplication of development costs through standardization and increasing institutional capacity through the development of scalable course models.
- Statewide and national marketing of distance learning opportunities through the entire MUS.
- Linking accredited academic institutions online and ensuring centralized and/or seamlessly coordinated services to students.
- Developing common definitions for distance learning enrollment and a statewide data collection system to provide usable system-wide feedback.

**State Investment:** On-going funding dramatically affects the role and effectiveness of virtual consortiums. \$500,000 to \$1 million has been identified in a WICHE study as the average initial capitalization for these kinds of projects. The most common funding used to start virtual learning projects in other states has been direct appropriations. Beyond the initial funding, these projects used other (indirect) allocations, trade-outs or reassignments of personnel and resources (in-kind support) and levied membership and service fees from participating education providers to support their start-up phase. FTE funding from the state, tuition, partial tuition and customer services fees and donations/partnerships are also important funding sources. Beyond the initial capitalization to initiate change, it is likely that eliminating the existing duplication of efforts and lack of coordination would yield net operating cost savings even with expanded MUS distance learning programs.

**Return on Investment:**

- A more highly skilled statewide workforce and increased opportunities for economic development at the regional and local level.
- A significant opportunity to expand out-of-state enrollment and generate revenues without significantly aggravating existing physical capacity problems in the MUS.
- Increased education efficiencies in communications, collaboration, new courses and programs, and new learning technologies.
- Expansion of the “purchasing power” of the MUS both to control costs and drive needed technology infrastructure changes in Montana.
- Reduced costs and time-to-degree for students which reduces costs and ultimately generates higher tax revenue for the state.
- Greater accountability for measuring progress toward long-term goals.
- Sustainable business practices because of collaborative program development, quality assurance, standardization and scalability.

## MUS – Business Partnerships

**Proposed Action Item:** Expand partnerships between the university system and Montana businesses.

**State Need:** The state ranks 50<sup>th</sup> (lowest) in average wages and is generally in the bottom five states in terms of per capita income, household income and other measures of wealth per person. Montana needs more good paying jobs. The primary factors in improving productivity (and wages) are higher worker skills and use of more advanced technology, both of which can be enormously influenced by the vast resources of our university system.

The state's economy is also heavily dependent on our small businesses. Nationally, a vast majority of the jobs that will be created during the next decade will arise in small businesses. In Montana this will occur to an even greater extent due to the almost complete absence of any large (by national standards) companies. Without a vibrant entrepreneurial culture and strong support for our small businesses the state's economy will never reach its potential. Again, the resources of the Montana University System can play an integral part in supporting entrepreneurship and small business growth.

**Current Problem:** The Montana University System will do almost \$150 million in research this year and has tremendous resources to support technology-based companies in Montana. In addition, the MUS generates considerable intellectual property that is suitable for development within the state. With very limited resources the university system has already established a number of quite successful partnerships with Montana businesses. What the MUS does not have is adequate resources to comprehensively identify and coordinate new, or currently unidentified, opportunities – particularly with businesses that are not physically located near one of the major research campuses. There are also very few resources available to coordinate state-wide efforts between the various MUS technology transfer offices – so businesses located near one campus who might benefit from technology resident at a different campus also have a difficult time finding the needed resources.

The MUS resources available to businesses in other areas such as marketing, management and finance advice are similarly disconnected. While most campuses have strong business-oriented programs, the level of integration of these programs with the local and state business community is very uneven. It is difficult for businesses to know how to tap available resources and for our many campuses to coordinate assistance and share learnings and best practices.

**Proposed Solution:** Create an office within the OCHE, which can be a point of accountability and coordination for MUS's goal to work more closely with Montana businesses. It can work to create system-wide partnerships between MUS and the well-developed business support resource network that already exists on individual campuses and in regional development organizations. The resources to be coordinated would include Small Business Development Offices, Regional and Local Development Offices, Small Business Innovative Research program, Montana Manufacturing Extension Center (MMEC), RAVE Technical Development Center, tribal economic development offices, etc. (These resources are EXAMPLES and not meant to be an exhaustive list of relevant programs or offices that will need to be engaged).

Working with these resources, the office would identify and implement partnership opportunities that serve Montana businesses. The office would be responsible within MUS for coordinating initial activities between the partners and the MUS resources. This state office would establish

a measurement and accountability system to evaluate the effectiveness of these partnerships. As a minimum this office would, in the first 18 months:

- Work with campus level technology transfer offices to identify and contact all technology companies in the state that could benefit from Montana University System research or research facilities (probably about 300 businesses). Develop a coordinated, consistent approach to tech transfer and develop cooperative agreements with resource partners to carry out tech transfer goals.
- Facilitate “cooperative agreements” between the statewide SBDC Network and the MUS then assist the state’s small business development centers and the university system in identifying specific opportunities for collaborative work. Create system-wide accountability measures and gather results for reporting to OCHE and Regents.
- Work with resource partners to develop a vehicle by which the university system’s various technology transfer offices, business incubators and business support centers meet periodically to share learning and discuss best practices.
- Provide recommendations on the most successful methods to engage the state’s business community in identifying opportunities for university-business collaboration.
- Provide recommendations to the Board of Regents and the Commissioner on effective ways to promote a stronger culture of business collaboration within the MUS.

**State Investment:** This Office could function initially with three FTE plus travel and communication expenses; the total cost would be about \$200,000 per year. The Office would also be leveraging the state funding already in place for MMEC, the SBDCs, RAVE, etc.

**Return on Investment:**

- Creating a system to identify and foster potentially fruitful business-university system relationships would enhance economic growth through better utilization of existing resources. It would function as a “clearing house” for university system partnership inquires from businesses considering a move to Montana and could help our university technology transfer offices find “homes” for MUS-generated intellectual properties or better utilize available technical resources.
- Using the enormous resources of the Montana University System to grow our technology companies and other small businesses to create new jobs in the state. This not only builds the tax base and local economy but also helps build critical mass in university research related companies. We know from a significant amount of research in cluster development that this is probably the most effective way to build sustainable high-wage sectors of the economy.

## MUS and Government Collaboration

**Proposed Action Item:** Develop a method of outreach to determine the needs of state, local, and tribal government leaders in Montana for resources available within the MUS. The university system will also develop a systematic process for prioritizing those needs and focusing available resources to solve them.

**State Need:** Every year Montana's state, local and tribal leaders face complicated, and sometimes daunting, policy decisions. Often, decisions are required in a short time period (e.g. our 90-day state legislative session) by people with varying degrees of expertise. A characteristic of Montana politics is that very few of our leaders (at the local, tribal, or state level) have large staffs capable of specializing in the many and varied policy areas in which decisions must be made. Thus, many decisions are made on incomplete information or are delayed due to a lack of credible information.

**Current Problem:** At the same time our political leaders struggle with large and complicated policy decisions, the Montana University System maintains an immense reservoir of highly specialized and focused talent with highly developed research capabilities. With its many economists, computer modeling professionals and other experts, the University system is in a unique position to provide high quality research and analysis services to all levels of government in many areas including: budgeting, revenue forecasting, natural resource issues and, myriad other policy decisions facing our political leaders. There is a tremendous opportunity to match the needs of government to the capabilities of the MUS to help tackle some of the state's biggest problems. There is not, however, any clear path for most of our elected leaders to follow in order to gain access to university resources. There is also no systematic way for the university system to coordinate and prioritize requests for policy research or other resources coming from our elected leaders.

**Proposed Solution:** The solution is three-fold:

- First the MUS must implement a serious outreach program to communicate the capabilities of the MUS and create a flow of information (requests) back to the MUS.
- Second, the MUS should convene its own key leaders to proactively determine what it views as some of the most serious problems facing our state and get feedback on these ideas from our political leaders.
- Third, the university system must develop a systematic process to prioritize and deploy resources to solve the more vexing problems facing our state's leaders.

**State Investment:** Obviously, there may be a significant cost associated with the specific policy support efforts on which the university system could chose to focus its resources. The principle cost of implementing this process, however, is time. In order for this effort to be successful and long lasting, leaders in both government and the university system must dedicate the time to communicate and work through a prioritization process. This is not a job that can be accomplished entirely by lower level staff persons. University presidents and vice presidents along with the Commissioner of Higher Education and the Board of Regents must be personally involved at the outset in order to coordinate resources, communicate with political leaders around the state, develop a systematic process and establish credibility for the endeavor.

Some small level of staff dedicated to supporting and coordinating this effort will be needed: probably one FTE at a cost of less than \$100,000 per year.

**Return on Investment:**

There is no way to specifically identify the financial benefits to the state from this collaborative effort. That will be determined by the specific policy issues on which the MUS provides support. The state general fund, however, is \$1.3 billion per year and this does not include local and tribal government spending. Directing even a small portion of this spending toward more effective ends is worth at least tens of millions of dollars each year for Montana.

Furthermore, building better relationships between the university system and the rest of government will clearly lead to some less easily quantifiable, but certainly no less significant, benefits:

- A better understanding of the resources and contributions of the MUS to Montana, which should lead to stronger support over the long-term for our education system.
- Less emotional discussion of some of the most contentious policy debates (e.g. environmental issues, social services policies) in the state which should allow the state to move forward in a more consistent and less politically divisive manner.
- The potential to set long-term economic goals which allow us to focus our limited resources on the most critical factors for success.

## Promote an Education Culture

**Proposed Action Item:** Promote an education culture that imparts the idea and supports the possibility of higher education for all Montanans.

**State Need:** Although rich in natural resources, Montana's greatest treasure and the wellspring of its economy is its people. While we know we must get our people educated, Montana's educational attainment rates are instead slipping compared to other states. To successfully compete in the new 'knowledge' economy and offer its citizens the opportunity to contribute to the economy and increase their own incomes in return, Montana must close the gap.

**Current Problem:** The history of civilization amply demonstrates the value of high educational attainment to both the individual and society. Many Montanans, however, do not avail themselves of higher education for any of several reasons: distance, time, family demands, failure to value an education, or inability to afford the cost. The problem manifests itself in many ways:

- Compared to most states, Montana's educational commitment drops significantly after high school graduation.
- Montana has slipping high school graduation rates and even commitment to high school is weakening. Montana's public high school graduation rates peaked at 86.7% in 1993 and had dropped to 77% in 2001, the lowest at any time in the past two decades. 7.6% of the state's teenagers between the ages of 16 and 19 are considered 'dropouts' – neither a high school graduate nor enrolled in school nor looking for work.
- Low college matriculation rates: for every 100 Montana students who enter 9th grade only 42 are likely to graduate high school four years later and enroll in college within a year (and we will lose approximately 40% of these to attrition in the first two years of higher education).
- High college costs relative to income levels: in 2000-01 the college participation rate for Montana students from low-income families was 27.9% compared to 42% for the general population. Montana low-income families pay 58% of their income at community colleges, compared with 48% nationally.
- Virtually every other state in the US has a more substantial need-based aid program. Perhaps the most visible is the Georgia Hope Scholarship program, which has been credited with reversing the 'brain drain' occurring in that state. Montana is far behind every other state in the region in the amount of need-based aid provided our students.
- Low state support for education: two-year education at community and technical colleges should be a low-cost point of access for all students. The average Montana family, however, pays 25% of its income at two-year colleges compared to 16% nationally. According to Measuring Up 2000, the state of Montana receives a grade of "D-" when it comes to affordability. In 2002, the affordability grade sank to F.

**Proposed Solution:** Both the perceived low value of education and the perception of educational affordability must be attacked:

- Develop and implement a 'social contract' for middle school students to directly stimulate student preparation, participation, persistence, and graduation rates. The 'contract' would guarantee a college education to *at least* a two-year degree to targeted students

who agree to meet specific academic and social performance standards including completion of a rigorous high school core curriculum. Similar programs have been successful in Florida, Oklahoma, and Rhode Island.

- Emphasize outreach to tribal and community leaders. Develop and enhance partnerships, leverage resources and encourage community involvement in networks, counseling and support programs that help students develop and achieve positive personal habits and value education in their lives
- Improve individual affordability of two-year education by covering 70% of the cost through state appropriations, 20% through local property taxes, and 10% through student tuition. Two-year education and lower division undergraduate course work should be the 'gateway' to higher education and must be priced to provide the broadest access to the greatest number of academically prepared students regardless of financial resources.
- Develop a new state aid program for Montana residents only that fills the funding gaps for targeted students after all other available sources of financial aid are applied. It is crucial that the investment be large enough to offer real help to the state's most needy students.

**State Investment:** The State's potential investment will depend on the target established for increasing postsecondary enrollment. It is crucial that the investment be large enough to have a real and significant impact on the State's most needy students -- likely at least \$5 million a biennium.

**Return on Investment:**

- Better life choices for students and families, who gain personally and contribute more to their respective communities.
- A decrease in the number of students age 16-24 who require academic recovery or postsecondary remediation, saving student and taxpayer dollars.
- Completion rates for traditional age post-secondary students would improve and the gap in completion rates between minority and non-minority students would decrease.
- Greater sustainability of existing efforts to improve access to higher education for Montanans. This proposal complements other Montana initiatives such as GEAR UP and Montana Higher Education Grants (Baker Grants), but it does not duplicate them.
- Enhanced partnerships between K-12 and higher education.
- An enhanced reputation for Montana as a state that invests in its workforce. We compete with other states to attract and retain desirable business and industry.
- A more educated workforce that enables companies to start up, relocate, or open a branch facility in Montana.
- Higher employment rates and higher wages for Montana's people.

## MUS – Montana Promotion Partnership

**Proposed Action Item:** Establish a partnership between the Department of Commerce, Montana Travel Promotion Division (MTP) and Montana University System to increase Montana promotion to out-of-state prospective students and alumni.

**State Need:** Out-of-state students who enroll at our campuses contribute to the economy through payment of tuition and living expenses. Alumni who return support the tourism economy while staying connected to their schools. Alumni who remain connected are more likely to contribute to a stronger Montana economy through investment of their talents and their resources in Montana.

**Current Problem:**

MTP and the MUS both have well-developed promotional programs to encourage potential prospective out-of-state students, alumni, and visitors to visit Montana. However, coordination of these efforts can be considerably improved. In some cases, there is overlap in the intended target markets. By coordinating marketing efforts, both organizations will be more effective and efficient.

**Proposed Solution:** Form a partnership between MTP and the MUS that will:

- Provide MUS with data regarding state media buys to help identify areas to focus out-of-state student recruiting efforts.
- Provide information to MTP outlining the profile of alumni who live outside Montana to help MTP identify productive locations for media buys.
- Avail MUS elements of MTP produced Montana information and images when contacting out-of-state prospective students and alumni including reunion group promotions, etc.
- Facilitate establishing mutually valuable web links.
- Promote MUS events as travel attractors by MTP.

**State Investment:** The MTP/MUS partnership could be accomplished within current expenditure levels. A \$1,000,000 annual state investment would support an additional marketing campaign that could significantly increase out-of-state student enrollment.

**Return on Investment:**

- Recruiting 250 additional non-resident students each year with increased promotion and appropriate pricing could be an initial target. In that case, an annual investment of \$1,000,000 over the next two years would return approximately \$50,000,000 to the state economy over the next five years as students matriculating each of those years complete their studies.
- Furthering state tourism and travel programs through increased exposure and penetration to the target market increases tourism spending in the economy and creates potential opportunities for new business locations in the state.



## Six Project Initiative Teams

The teams that developed the initiatives, or action items, from which the final six were distilled, are listed below. The key focus areas represent the top priorities for each of the teams after two months of work – the details of all the initiatives prepared by the groups are available for use by anyone by contacting the Office of the Commissioner of Higher Education. The Principal Coordinators and University Liaisons took on the task of leading their respective groups to the conclusion of this phase of the project.

### **1. Increase Technology Transfer and Research Commercialization**

–Principal Coordinator: Dave Gibson (Governor's Office)

–University Liaison: Tom McCoy (MSU) & Dan Dwyer (UM)

#### **Proposed Action Items:**

- Expand partnerships between the Montana University System and Technology Businesses.
- Expand the research and commercialization program.
- Explore the proposal of a constitutional amendment that would allow the MUS to receive equity in exchange for services from, facility usage at, or technology created in whole or in part by an institution of postsecondary education in the state.
- Expand physical space for conducting MUS research.

### **2. Promote Better Collaboration Between the University System and Local, State, and Tribal Governments in Montana**

–Principal Coordinator: Bob Frazier (UM)

–University Liaison: Bob Frazier (UM)

#### **Proposed Action Items:**

- Develop transportation solutions to improve safety and reduce traffic fatalities among Native Americans
- Improve collaboration between MSU Extension Service and the 1994 Tribal Colleges Extension Service
- Make MSU's Facilities Condition Inventory System available to other government entities
- Use the UM School of Pharmacy Drug Utilization Program to help other healthcare plans in Montana to reduce costs
- Use the resources of the university system to develop state-level economic benchmarks to guide policy decisions and measure progress
- Help measure fire-fuel loads in Montana communities
- Create an outreach program to inform Montana communities of specific MUS resources available to them
- Assist Montana communities in acquiring and organizing data for growth planning
- Use the Local Government Center to provide research, training and technical assistance for Montana's Local Government Study Commissions, elected in November 2004
- Identify MUS specialists to work with targeted rural communities to identify economic opportunities
- Use MUS resources to develop effective ways to resolve natural resource vs. environment conflicts
- Develop a multidisciplinary center for rural health research and policy
- Use MSU Extension resources to develop rural tourism expansion initiatives
- Help develop and implement technical assistance programs to increase coordination between transportation providers to improve efficiencies.

### **3. Improve and Expand Worker Training**

–Principal Coordinator: Arlene Parisot (OCHE)

–University Liaison: Jane Karas (FVCC)

#### **Proposed Action Items:**

- Establish a renewable state level funding stream to support customized training for business and industry.
- Provide online curricula required for the educational component of apprenticeship programs in the state.
- Create a career pathways system for delivering occupational education and training.
- Creation of Data Management System for Workforce Development

### **4. Improve Access to 2-year and 4-year Education**

–Principal Coordinator: Roger Barber (OCHE)

–University Liaison: Mary Moe (Great Falls COT)

#### **Proposed Action Items:**

- Create a Virtual Learning Consortium for the Montana University System using centralized and/or coordinated distance and distributed learning technologies.
- Bring business, industry, government, and two-year colleges together to standardize two-year college programs in high-demand occupational areas critical to the state's economy.
- Introduce and fund "Sure Bet," a State of Montana need-based financial aid program for qualifying low-income Montana residents attending college in Montana.
- Develop and implement a 'social contract' for middle school students to improve student preparation, participation, persistence, and graduation rates among Montana's disadvantaged populations.

### **5. Use University Resources to Generate Direct Economic Growth in Montana**

–Principal Coordinator: Rod Sundsted (OCHE)

–University Liaison: Bill Johnston (UM)

#### **Proposed Action Items:**

- Increase the out-of-state dollars flowing into the Montana economy through increased recruiting of and marketing to out-of-state (non-resident) students.
- Establish a partnership between Montana Travel Promotion and Montana University System Offices for Admissions/Student Recruitment and Alumni Relations. The goal of this partnership will be to promote Montana to out-of-state prospective students and alumni.

### **6. Expand Entrepreneurship & Small Business Development**

–Principal Coordinator: Andy Poole (Dept. of Commerce)

–University Liaison: Rich Semenik (MSU) & Larry Gianchetta (UM) & Joe Michels (MSU-B)

#### **Proposed Action Items:**

- Ensure continued engineering assistance to Montana's manufacturers
- Create a consistent method for businesses to access university resources through a strong working partnership between university and Small Business Development Centers (SBDCs).
- A consortium of organizations will plan and implement a program of flexible, high-quality marketing assistance that is geared to growing Montana companies.



## List of Project Participants

<b>NAME</b>	<b>ORGANIZATION</b>	<b>NAME</b>	<b>ORGANIZATION</b>
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