

Client name Scott Mc Mahon
Form Montana Licensing Reform Task Force
Matter Scott McMahon - Rules
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Montana Licensing Reform Task Force

This Task Force was created pursuant to Executive Order 1-2026 on January 29, 2026.

Purpose of the Licensing Reform Task Force

The Task Force shall provide the Governor with recommendations and strategies for the State of Montana to reform the professional occupational licensing system for the purposes of:

- identifying and removing burdens and barriers faced by licensees that are not necessary to protect the public; and
- improving access to and availability of professional services for citizens across Montana, including rural communities.

In developing recommendations and strategies, the Task Force shall seek input from Montana citizens, legislators, Montana associations whose members are licensed occupational professionals, professional licensing boards, relevant state agencies, advisory groups and researchers focused on occupational licensing, and other appropriate stakeholders as determined by the Task Force.

Public Record

Please note that all information received through this form is public record.

Which committee would you like to receive your comment?

Health Care Subcommittee
Barriers Subcommittee

We want to hear from you!

We would like to receive any comments you would like the Task Force, or one of its subcommittees, to review. In addition, we are specifically looking for feedback for:

1. Specific topics a committee or the task force should consider, and
2. Specific people or organizations you think the task force should hear from.

Do you have a general comment or a specific person or topic for the Task Force to hear from?

Specific person or topic

What are your comments?

Montana faces persistent and well-documented nursing workforce shortages, particularly in rural and frontier communities. State workforce reports, hospital associations, and labor market data all point to the same conclusion: Montana needs more nurses, more training capacity, and more pathways into the profession.

At the same time Montana Administrative Rule ARM 24.159.608 (2)(h) creates an unnecessary and anti-competitive barrier for out-of-state nursing education programs seeking to place students in Montana clinical settings. The rule requires "verification from relevant directors of Montana programs that placement will not displace a Montana nursing student". In practice, this provision gives incumbent Montana nursing programs substantial influence over whether competing out-of-state programs may access clinical training opportunities.

This requirement is unusual compared to most states, where boards of nursing regulate placements directly without requiring verification or acquiescence from competing educational institutions. Of the 25 states where Western Governors University offers prelicensure nursing, only California has a similar regulation. California, however, only requires an out-of-state institution to provide the board of nursing documentation that it has informed in-state institutions that have clinical agreements with the clinical provider that the out-of-state institution will be placing clinical students at the facility.

The result is that Montana has a regulatory framework that:

- restricts educational competition,*
- limits expansion of nursing education capacity,*
- reduces access to clinical training opportunities,*
- discourages innovation in nursing education delivery models, and*
- undermines Montana's efforts to address healthcare workforce shortages.*

Montana's Nursing Workforce Challenges Require Expanded Capacity

Montana's healthcare workforce shortage is ongoing, measurable, and especially acute in rural communities.

Recent workforce data show:

- Registered nurses are among the highest-demand occupations in Montana.*
- Rural and frontier counties continue facing healthcare workforce shortages.*
- Many Montana residents live in federally designated healthcare shortage areas.*
- State and industry reports repeatedly identify nursing shortages as a major constraint on healthcare access statewide.*

Montana's geographic realities—including large rural service areas, aging populations, provider recruitment difficulties, and limited educational infrastructure outside population centers—make workforce expansion especially challenging.

Addressing these shortages requires expanding—not restricting—the number and diversity of nursing education providers serving Montana students.

ARM 24.159.608(2)(h) Creates an Anti-Competitive Barrier

ARM 24.159.608 governs placement of students from out-of-state nursing programs into Montana clinical settings. Subsection (2)(h) specifically requires "verification from relevant directors of Montana programs that placement of the out-of-state student in the identified Montana clinical practice setting will not displace a Montana nursing student." Note, the term "out-of-state student" is referring to a student residing in Montana but enrolled in a nursing program not located in Montana (i.e. an online university).

This requirement is problematic because it effectively gives incumbent competitors gatekeeping authority over whether new or competing programs may gain access to clinical opportunities. Most occupational licensing frameworks do not require market incumbents to approve competitors' entry into the marketplace.

The rule also limits educational innovation and alternative delivery models. Many out-of-state programs offer online didactic instruction, hybrid learning models, accelerated pathways, competency-based education, and flexible scheduling options designed for working adults and rural students.

Restricting these programs reduces educational access, student choice, and workforce pipeline flexibility.

Montana Can Protect Clinical Capacity Without Restricting Competition

Montana has legitimate interests in ensuring adequate clinical supervision, patient safety, and sufficient placement access for students. These goals are address in other portions of ARM 24.159.608, specifically:

- Subsection (1) requires that any out-of-state prelicensure program must be approved by the Montana Board of Nursing or its executive director;*
- Subsection (2) requires that a request for placement of an out-of-state student in a Montana clinical practice setting must be*

submitted to the Board in writing;

- *Subsection (2)(a) requires the out-of-state program to provide documentation demonstrating that the institution holds accreditation by a national nursing accrediting agency approved by the U.S. Department of Education to the Board;*
- *Subsection (2)(b) requires the out-of-state program to identify and provide contact information of the clinical student to the Board;*
- *Subsection (2)(c) requires the out-of-state program to identify the name and location of the clinical practice setting where the student will be placed to the Board;*
- *Subsection (2)(d) requires that the board be notified of the name, contact information, and education credentials of the person employed by the Montana clinical practice setting who will serve as the liaison between the out-of-state institution, the clinical facility, and the Board;*
- *Subsection (2)(e) requires that the Board be notified of the name, contact information, and education credentials of the Montana clinical preceptor(s) and out-of-state faculty member(s) who will participate in the students clinical experience;*
- *Subsection (2)(f) requires that the board be provided a detailed description of the preceptorship, including specific practice area;*
- *Subsection (2)(g) requires that the Board be provided an explicit plan for out-of-state faculty supervision of the preceptor and out-of-state student in the Montana clinical practice setting;*
- *Subsection (2)(i) requires that the board be provided a copy of the written agreement between the out-of-state institution and the clinical provider facility;*
- *Subsection (2)(j) requires any out-of-state faculty member who is involved in the direct care of a patient in Montana must hold an unencumbered Montana license;*
- *Subsection (3) requires that the clinical preceptors working with the out-of-state nursing faculty and the student in the Montana clinical practice setting must meet the qualifications outlined by ARM 24.159.665. The preceptor is also responsible for ensuring that the out-of-state student complies with all Montana laws and rules relating to nursing;*
- *Subsection (4) out-of-State faculty members are responsible for ensuring safe, accessible, and appropriate preceptor supervision of the Out-of-State student's Montana clinical practice experience; and*
- *Subsection (5) stipulates that the Montana Board of Nursing staff may conduct a site visit at the proposed clinical practice setting either before or during the out-of-state student placement.*

Rural Montana Has the Most to Gain From Expanded Access

Out-of-state and online-enabled nursing programs can:

- *serve place-bound students,*
- *expand access in underserved regions,*
- *create local workforce pipelines, and*
- *increase the likelihood that graduates remain in rural communities.*

Reducing barriers to clinical placements would help rural hospitals, long-term care facilities, critical access hospitals, tribal communities, and frontier healthcare systems recruit future nurses.

Recommendations

The Licensure Reform Task Force should recommend repeal or substantial revision of ARM 24.159.608(2)(h).

Conclusion

Montana cannot simultaneously acknowledge severe nursing shortages while maintaining regulatory structures that unnecessarily restrict educational capacity and competition.

ARM 24.159.608(2)(h) represents an outdated and unnecessarily protectionist approach that limits the ability of qualified nursing programs to help educate Montana's future workforce.

Modernizing this rule would expand opportunity for students, support rural healthcare systems, improve workforce pipeline development, and better align Montana's licensing framework with the state's economic and healthcare realities.

Client name Jake Jovanovich
Form Montana Licensing Reform Task Force
Matter Jake Jovanovich - Rules
Sent May 19, 2026 at 9:10 PM
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Submitted May 19, 2026 at 9:10 PM

Jake Jovanovich

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There should be an expungement process/mechanism for professionals who unnecessarily, unwittingly, and unjustly get caught up in the red tape system that is Helena and get a public mark of "unprofessional conduct" on their public license, for life; especially if the action (or lack of) does not fit the MCA definition of "unprofessional conduct," and no public harm occurred or was even possible.

As a tax CPA, I deal with numerous government agencies every day. In my professional experience, never have I encountered a more difficult agency that is less pragmatic, has less administrative grace, is less pro-business, and is more difficult to deal with than the Professional Licensing division of MT Dept of (anti) Labor and Industry. They seemingly do not want businesses/employers in MT, it appears.

This issue began when it was discovered that a one-page PDF registration form had not been emailed to the Department on behalf of my tax practitioner business. What should have been a simple administrative correction instead escalated into a 3 year+ enforcement process that turned into lawfare gone wild. Throughout this process, I cooperated fully and provided every document and response requested—via email, phone calls, subpoenas, and other communications. At every stage, I remained open, transparent, and willing to comply. Instead of assisting the taxpayer and general public, the DOLI took the opposite stance and attacked a small business owner with their unlimited resources (time, money, and legal staff). If only we the people could have such luxuries of a legal department full of lawyers and legal staff at our disposal.

As a tax practitioner, I am already required to complete and file numerous registrations and compliance-related forms each year (9+) with various agencies. I was unaware that an additional annual PDF registration form also had to be separately emailed to the Professional Licensing Division (Board of Public Accountants). Once this oversight was identified, I expected education, clarification, or administrative grace—similar to how most government agencies, including the IRS, typically handle minor administrative filing issues such as these.

Instead, the Department pursued an aggressive and prolonged enforcement approach over what was ultimately an administrative oversight that could have been corrected in minutes. Rather than using the opportunity to educate businesses, improve communication, and strengthen working relationships with the professionals they regulate, the Department chose a costly and adversarial path that likely consumed years of staff time, legal resources, and taxpayer dollars.

There was also legitimate uncertainty as to whether this form was even required for my business. My company is a tax preparation business and does not provide attest services, while the MCA language specifically references firms performing attest-related work. I attempted to seek clarification on this issue, but rather than offering guidance or resolving ambiguity, the Department focused solely on enforcement.

Ultimately, I was assessed a \$1,000 fine, and my professional license was publicly marked with an "unprofessional conduct" sanction " by a DOLI lawyer (hearing officer) even though the actual definition of "unprofessional conduct" per MCA does not include such minor administrative oversights, but rather it deals with actual dangerous crimes (illicit drug use or dealing, theft, fraud, etc.). The board of public accountants just rubber-stamped this decision as there were only 2 people present at the meeting (the chairman of the board and 1 other board member, a brand-new board member that just retired as a teacher in the university system (who obviously was not going to dissent)).

A permanent public disciplinary mark can materially impact a professional's reputation and earning ability. For business owners who already assume financial and operational risk, this kind of disproportionate penalty can discourage entrepreneurship and create a chilling effect on professionals choosing to operate in Montana.

For these reasons, I respectfully ask that the following reforms be considered to make Montana an even stronger state for commerce and business:

1. Limit excessive enforcement actions for minor administrative issues: Somehow, someday, restrict the powers of the DOLI and the Professional Licensing Division to simply process the applications they receive and not go on 3 year+ lawfare attacks for the most minor of administrative issues that have no bearing on the public in today's modern world. Have them simply focus on practical education and timely correction of administrative deficiencies rather than prolonged enforcement actions for technical oversights that present no public harm or safety concern.

2. Reduce "redundant redundancies" and administrative burdens across agencies:

Currently, I must file numerous forms each year with multiple government agencies simply to keep one business compliant. Many of these systems are duplicative. Agencies such as the Secretary of State, Department of Revenue, and Department of Labor already possess much of the same business information. Where possible, systems should be integrated to reduce unnecessary duplication and improve efficiency for both businesses and government. Specifically, forms such as the Annual Firm Registration Form (with Board of Public Accountants) should be reviewed to determine whether they remain necessary in today's modern information environment, as all of this information is available within the Sec of State, MT Dept of Revenue, and MT DOLI systems.

3. Ensure "unprofessional conduct" sanctions are reserved for actual professional misconduct:

A lifetime public disciplinary mark should be reserved for conduct that truly meets the statutory intent of unprofessional

conduct—not minor administrative oversights. These designations can significantly affect a person’s career, livelihood, and reputation for decades. If professionals are penalized disproportionately for minor technical mistakes, it discourages business ownership and entrepreneurship. Fewer businesses only hurts the consumer: less competition, fewer choices for consumers, and higher costs to the public.

4. Create an expungement or review process for disproportionate disciplinary actions:

Montana should consider implementing a process that allows professionals to petition for removal, review, or expungement of disciplinary marks when any of the following exist:

- No public harm occurred or was possible,
- The violation was administrative rather than ethical or harmful,
- The conduct does not reasonably align with the intended definition of unprofessional conduct, or
- The professional demonstrated cooperation, remediation, and good-faith compliance

See reason 3 above for more reasons why this expungement process is necessary. A fair review or expungement process would promote accountability while also ensuring proportionality, fairness, and long-term economic opportunity for professionals who made non-malicious administrative errors.

Montana is widely recognized as a state that supports business, independence, and common-sense governance. I believe reforms in this area would strengthen that reputation, improve regulatory fairness, and better support the professionals and small business owners who contribute to our state’s economy.

Thank you for your time, consideration, and service to the citizens of Montana.

Respectfully,
Jake Jovanovich
