

Client name Scott Mc Mahon
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Scott McMahon

Date of birth

Company Western Governors University

Work email scott.mcmahon@wgu.edu

Home address

Phone

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.



ADMINISTRATIVE RULES OF MONTANA

24.159.608 PLACEMENT OF AN OUT-OF-STATE NURSING STUDENT IN A MONTANA CLINICAL PRACTICE SETTING

- (1) The placement of a student enrolled in an out-of-state pre-licensure program for clinical practice in a Montana facility must be approved by the Montana Board of Nursing or by its executive director.
- (2) The request for placement of an out-of-state student in a Montana clinical practice setting must be submitted to the board in writing. The request must be signed by the director of the out-of-state nursing education program. The request for a clinical placement in Montana must include:
 - (a) documentation of an out-of-state program's unconditional board approval and accreditation by a national nursing accrediting agency approved by the U.S. Department of Education;
 - (b) name, address, and contact information of the student seeking placement in a Montana clinical practice setting;
 - (c) name and location of clinical practice setting where the out-of-state nursing education program seeks to place the student;
 - (d) name and contact information of the person employed at the Montana clinical practice setting who will serve as the primary liaison between the out-of-state nursing education program, the Montana board, and the Montana clinical facility;
 - (e) names, contact information, and educational credentials for Montana clinical preceptor(s) and out-of-state faculty member(s) who will participate in the student's clinical experience in Montana;
 - (f) detailed description of the preceptorship, including the specific practice area that will be the focus for the out-of-state student's clinical experience;
 - (g) explicit plan for out-of-state faculty supervision of the preceptor and out-of-state student in the Montana clinical practice setting;
 - (h) 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;
 - (i) copy of the written agreement between the out-of-state program and the facility where the Montana clinical practice setting is located, which identifies preceptor(s), primary liaison, and out-of-state clinical faculty. The agreement must specify the responsibilities and delineate the functions of each entity in ensuring a quality educational experience for the out-of-state student; and

- (j) any out-of-state faculty member who is involved in the direct care of a patient in Montana must hold an unencumbered Montana license.
- (3) 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 responsible for ensuring that the out-of-state student complies with all Montana laws and rules related to nursing.
- (4) Out-of-state faculty member(s) are responsible for ensuring safe, accessible, and appropriate preceptor supervision of the out-of-state student's Montana clinical practice experience.
- (5) Montana board staff may conduct a site visit at the proposed clinical practice setting, either before or during the out-of-state student placement.

Authorizing statute(s): 37-8-202, MCA

Implementing statute(s): 37-8-202, MCA

History: NEW, 2010 MAR p. 2651, Eff. 11/13/10; AMD, 2015 MAR p. 644, Eff. 5/29/15.