Hospitality Management Responses to Faculty Senate March 25th
(Swinford/Brester Questions)

Regarding the budget in general: The purpose of the budget submitted for review along with the proposal is to illustrate that a new program that attracts new students to MSU has the potential to completely support is annual expenses with revenue from added tuition. It is not at all meant to suggest that tuition revenue should be made available to the program/unit for the specific uses listed in the budget. For this reason, maximum costs for each of the budget categories were used to guard against underestimating the true costs of operating such a program.

Specific budget questions:

100% of OSU Salaries:
These figures represent the maximum faculty salaries. These may or may not be the actual salary offers to new faculty.

Travel Funds in Base Budget: $27,000
Travel funds in the budget account for faculty/staff travel out of state, in-state travel, and student travel. Once again, these are maximum possible figures, developed to identify all possible costs associated with the program.

Summer Salaries:
Summer salaries would not be guaranteed for faculty teaching in the program. If faculty are teaching summer coursework, then of course they would be paid for teaching summer coursework. Summer salaries were included in the budget because summer tuition was included as a revenue. This was not meant to indicate that summer salaries would be paid to faculty who are not teaching during summer sessions. We are simply trying to account for every possible cost. Summer salaries would not be paid for research activity.

Tuition costs for the program:
Regarding the 3-year full time program design: This was meant to be attractive to students and their parents, from a family budgeting perspective and an opportunity cost perspective (some students see the value of entering the workforce one year earlier, and many parents see the value of avoiding one year of room and board costs, since at MSU they exceed tuition costs).

Of course, students can choose to spend longer in the program, but there are going to be a couple of required courses that are offered in the summer. This is similar to the SFBS degree program, for which the summer course: Towne’s Harvest practicum is a requirement. Students who do not want to remain
in summer or cannot remain in summer do have the option of completing an internship in the fall or spring semester. Most students choose the summer course. The same arrangement can be available for Hospitality students for which summer tuition is prohibitive. The 3-year plan is meant to suggest that the program can be completing while taking reasonable load of credits each semester and summer session. The design is ideal because of the opportunities that summer provides related to food, agriculture, and tourism in Montana. Additionally, the tight 3-year course schedule may keep some students on track to graduate in a timely fashion (it might prevent students leaving for the summer and not returning because they have lost focus on their academic goals).

The increased tuition costs for students when you factor in higher tuition in summer (this amounts to a total of $1400 over the course of the 3 year program) is mitigated by three things:

1). A reduction in room and board costs which can vary but likely exceed the annual costs of tuition at MSU, (potentially a savings of $6-10,000 for parents).

2). Hospitality management internships are paid experiences (this totally depends on location, but estimated at $4800 for 12 weeks of summer session, and potentially including room and board), which would more than pay for the difference in tuition.

3). Entering the hospitality management workforce one year earlier will have a significant positive impact on the future finances of the graduate. For Montana students, an annual starting salary of $40,000 for example, exceeds the entire tuition costs of their degree program.

4). Students who plan to take summer course work (in a year round program) can arrange to draw their financial aid throughout the year. This is a point that will be thoroughly explored with the financial aid office, so that students can plan ahead.

100 Students in the Program:

Yes, our projection is that we will have 100 students who are new to MSU, and that is the assumption in the budget projection/justification. We also know that students who are currently in other majors may switch. The estimate is based on the number of students who entered MSU because of the SFBS program, which has similar themes. In that curriculum proposal we estimate 50 new students, and within 4 years had double that. We also expect that this program will be attractive to non-resident students, based on the fact that SFBS currently is 55% resident and 45% non-resident (according to the Office of Planning and Analysis).

This budget justification does not suggest that colleges or departments at MSU claim tuition generated by student enrollment. There is no expectation whatsoever that this will be the case for this program. The entire tuition amount is used in this budget, because if a student attends another university, we don’t receive any tuition dollars from them. The assumption in this budget is that we are attracting new students to MSU, and new students to Montana. Since there is currently no hospitality management program in the state, a Montana student preferring that major would have to go to another state. A non-resident student wishing to study Hospitality Management would not have the option to attend MSU or any other university in Montana currently.
According to Chris Fastnow, the current ratio of resident to non-resident ratio at MSU is 65%:45%, and for the SFBS program (which in many ways served as a model for developing the Hospitality Management degree proposal), the ratio is 55%:45%. However, if the numbers the in the budget submitted to faculty senate are revised to 70%:30% as suggested by Dr. Swinford, the total annual revenue is $1,102,453, and the net annual revenue is $304,436. Certainly less, but it still appears that a program able to attract new students to MSU is still a good investment.

**The proliferation of fees:**

Course fees in this program are to directly support the food expenses of teaching courses in a commercial kitchen laboratory. All current food/nutrition courses that are taught in the lab setting have course fees for this purpose. If this is discouraged by the BOR, then necessary fees will be included in tuition as suggested.

**Campus Restaurant:**

The restaurant/eating space is envisioned as a flexible space that can be adapted as needed for various class projects, and is open to campus and the public whenever a curricular event/showcase is scheduled. This is also a space that can be used for interdisciplinary showcases (art, engineering, music, English, architecture etc.), or public education that might be integrated in some way with a food/culinary presentation. In addition to supporting teaching, the Commercial Kitchen Teaching Laboratory could be used for outreach and training such as that conducted by Team Nutrition with School Food Service Managers and cooks. Student showcases, outreach, and classes for public education would be a source of revenue. When available, the space could also rented by external organizations conducting classes and training, or to food entrepreneurs.

This is not a “restaurant” that would be in operation at all times, only when students are showcasing their culinary/hospitality achievements, ie, special themed dinners. These would be ticketed events, as they are in other hospitality programs. Ticket revenue for these events is expected to raise $50,000 annually, based on a standard formula used in most mid-scale restaurants (40%). Food costs are listed under annual operational expenses, offset by lab course fees ($20,000), so revenue for student showcases using these food supplies is expected to be $50,000. Currently, we offer a course in Quantity food production (a lab course that has a fee attached). Students showcase their restaurant management skills by presenting dinners. We cannot collect any revenue from these dinners (though guests would surely pay) because we are not preparing them in a certified commercial kitchen.

**University Foodservice; competition and kitchen construction**

There is no intention whatsoever to compete with foodservice. Quite to the contrary, foodservice administrators have been involved in this program proposal from the early stages of its development. Our partnership on this project would be mutually beneficial. In summary, we collectively believe that the impact on University Foodservice will be very positive.
Regarding the construction of a commercial kitchen, the costs are not included in the budget because we believe that through partnership with foodservice and their current renovation plan and schedule we can secure appropriate and functional commercial kitchen space for our program. There are two line items in the annual operational expenses that address the restaurant equipment, and lab equipment, at $20,000 per year. We also have listed $500,000 for culinary teaching equipment under Capital Start-up Expenses. This acknowledges that current commercial kitchen space may need some new equipment to be suitable as a teaching space.

Courses and Rubrics

Yes, HOSP would be a new rubric, and so would FDSC. These are truly new areas of focus in the MUS system, so we don’t think we should be visible additions. Hospitality Management is distinct from the PTRM program at U of M. There is one course in the Sports and Rec Administration Option for which we may use a PTRM rubric (currently Recreation Management; HOSP 3XX). In many cases we are using existing rubrics for courses new to MSU that fit well within existing rubrics, such as CULA, NUTR, SFBS, FCS, and AGED. For each new course, the rubric and number will be scrutinized in the course review and approval process. Please see page 84 of Version 11 of the full proposal for a listing of all the rubrics in the Hospitality degree program.

Curriculum

Credits; Electives and Flexibility:

Current option plans exceed 120 credits (2 are at 121 and 2 are at 122). We don’t intend to require an exception to BOR policy, but we do intend to benefit from the expertise of faculty members who have specific training in each area of the Hospitality Degree. As they are proposed, simply eliminating 1-2 credits of electives would “make the math come out right”—but courses usually come in packages of 3 credits. Therefore, we would like to involve experts before we decide how to best eliminate 1-2 credits from the proposed outline.

The number of electives in majors across campus range widely. Here is a listing of majors and their number of elective credits from closely related degree options in HHD:

- SFBS: 21, includes CORE
- F&N Dietetics: 14, includes CORE
- F&N Nutrition Science: 21-23, includes CORE
- Kinesiology: 54-60, includes CORE
- Ex sci: 48-57, includes CORE

Here are the number of electives for each of the proposed Hospitality Options:

- Restaurant Management Farm to Table: 18 (includes 2 CORE classes)
- Lodge Management and Rural Tourism: 21 (includes 3 CORE classes)
• Value-Added Food Enterprise: 18 (includes 3 CORE classes)
• Sports & Rec Admin: 27 (includes 4 CORE classes)

All options are comparable in number of elective credits to the programs with which they most closely align. It is challenging to incorporate additional electives into curricula that integrate disciplines across campus. Interdisciplinary curricula necessarily sacrifice some flexibility. Additionally, we will be addressing the accreditation standards of two organizations: the American Culinary Federation, and the Accreditation Commission for Programs in Hospitality Administration, which also serves to limit flexibility in the curriculum. As a result the graduates of this program will have the specific education and training they need to be successful hospitality managers.

**Courses of Unknown Content and CPC**

Each course in the proposed program will go through a separate review and approval process. The Curriculum and Programs Committee has had a chance to review this proposal, and voted unanimously to approve it on March 2nd. New faculty with expertise in hospitality management, hotel and tourism, and food science will be directly involved in developing course content.

**Feedback from other Campuses**

A support letter from MSU Billings has been submitted. I am disappointed not to have gotten a similar letter from U of M, and even more disappointed that they do not see this as a great opportunity to collaborate. Our curricula have minimal overlap (see pages 103-114). I have made every effort to express our desire to respect one another’s niches related to tourism. At a face to face meeting with faculty at UofM on October 21st, they expressed verbal support for the proposal and agreed to work on a joint letter of support for the program. I have been in repeated email communication with the PTRM department head to obtain this letter and have received no response.

**Jobs and Wages (raised by G. Brester)**

Salary information for Hospitality Management Professionals is included in Version 11 of the proposal, on pages 34-35. Most positions are well above the median salary for all occupations in the US Economy ($34,750).
Gallatin College Responses to March 25, 2014 Faculty Senate

How will this program handle the MSU vs. Gallatin College tuition differences for the same course with students?

Gallatin College students currently pay the GC tuition rate and MSU students pay the MSU tuition rate. When it is in a Gallatin College student, or MSU students’ interest to take a specific course from the other education unit, we have allowed this to meet the students’ needs. This will be the same practice we use for the Culinary Arts and Hospitality programs.

Other 2-years Culinary Programs aren’t full why would we allow another Culinary Program?

The mission of a two year college is to focus on its regional area, in Gallatin College’s case this is Gallatin, Park, and in some cases Meagher and Madison counties. As the proposal demonstrates from industry letters of support, they are requesting both the Culinary and Hospitality programs. There was also concern raised that the private sector wasn’t bringing any funding to the table for these programs. In November of 2013 the private sector and the citizens of Gallatin County voted to support two year education with a mil levy, not to mention the ways in which business currently supports higher education through tax support, donations, and employment.

What is the workforce demand for Culinary?

The mission of Gallatin College is to meet the need of local industry. In July of 2014 the University of Montana’s Institute for Tourism and Recreation Research released a report stating that Gallatin County led the state in tourism spending, which was a 19% increase. Park County ranked 6th in the state in tourism spending, which made the Yellowstone Country the number one tourism region in the state. Of this tourism spending restaurant and bar expenditures make up 20% of the total.

Above data represents non-resident tourism; it should be noted that the Bureau of Business and Economic Research reported in its 2014 Economic Outlook report that Gallatin County is projected to be the fastest growing urban area in the state. This growth along with an improving economy means a higher demand on our local restaurants and food service institutions (hospitals, schools, nursing homes, correctional facilities) from the local community. All these food service groups rely on professional chefs and culinary staff to meet workforce demand.

In regards to actual occupational demand, the Montana Department of Labor and Industry projects average job gains per year from 2012 to 2022. In the accommodation and food services sector there will be 950 openings per year in Montana.
<table>
<thead>
<tr>
<th>Occupational Title</th>
<th>2022 Emp. Projection</th>
<th>Annual Openings (growth/replacement)</th>
<th>Median Wage</th>
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</thead>
<tbody>
<tr>
<td>Chefs and Head Cooks</td>
<td>403</td>
<td>12</td>
<td>$38,014</td>
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<tr>
<td>First–Line Supervisors Food Prep/Servers</td>
<td>3,675</td>
<td>151</td>
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<td>Food Service Managers</td>
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<tr>
<td>Cooks</td>
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<td>194</td>
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<tr>
<td>Bakers</td>
<td>940</td>
<td>29</td>
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<tr>
<td>Cooks, Institutional and Cafeteria</td>
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<td>59</td>
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<tr>
<td>Food Prep and Serving Related</td>
<td>46</td>
<td>3</td>
<td>$23,514</td>
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</tbody>
</table>

In the 2011 Gallatin and Park Counties Workforce Needs Assessment, local businesses identified six high priority workforce programs in the Hospitality Industry. Four of the six workforce programs were specific to culinary arts and food service needs. A number of hospitality related focus groups have confirmed this need over the past three years.

In addition to the above data, Gallatin College collected data from the Bozeman Job Service from January 2014-June 2014. Job listings and job openings in Gallatin County were reviewed for cooks, food preparations workers, food service managers, slaughterers and meat packers, protein trimmers, chefs, head cooks, and first line food prep supervisors. During the time period from January 1, 2014-June 30 2014 there were 115 Job Orders and 116 Job Openings for the listed positions in Gallatin County. The nearest culinary arts programs are in the western part of the state, at Missoula College (3 hour drive) and Flathead Valley Community College (5 hour drive).

There are no culinary program opportunities east of Missoula. As stated earlier Gallatin County has the highest expenditures in non-resident travel, and Park County is 6th, with 19% of those expenditures being spent in restaurants in our two county region. This doesn’t take into consideration the needs in institutions like hospitals or schools. The proposed Culinary Arts AAS Degree has a unique emphasis on Sustainability, and will address local demand for professional cookery training. The proposed Gallatin College Program is being designed in collaboration with MSU College of Education, Health and Human Development Hospitality Management Degree to encourage 2-year degree students to continue their education and earn a Baccalaureate degree.
Responses from Auxiliary Services/ University Food Services

Alison-- Thank you for inviting Auxiliary Services/ University Food Services personnel to the Faculty Senate Meeting on March 25th. We remain in staunch support for the programs you have developed, especially the Culinary Arts Program.

I would like to share some information with regards to the comments we heard at this meeting.

- A question was raised regarding whether the Culinary Arts Program would negatively impact University Food Services’ ability to retain staff should this program come to fruition.
  - University Food Services believes quite the opposite, we believe that such a program will greatly enhance our candidate pool of qualified applicants.
  - Applicants for all University Food Services positions have been steadily dwindling over the past several years. The most congruent position to a graduate of the Culinary Arts Program would be our Cook III positions. Over the past two years, we have failed two searches due to lack of qualified candidates and one search without any applicants applying.

- Trending information was given with regard to Food Service Management positions. This information appeared to represent national trends. The information also indicated that these positions were in the lower echelon of professional positions.
  - We would tend to agree with national information. However, from a regional perspective, which is what Gallatin College’s mission is to fulfill, we believe there are shortages in all aspects of the food service industry. With the proximity of Yellowstone National Park and its international attraction of visitors, the Big Sky/Yellowstone Club Region demanding high end execution of these or similar jobs and Bozeman’s attracting outdoor enthusiasts for every season with a ski resort setting, the demand in food service remains unmet.
  - It is true that the pay range for food service managers is in the lower quadrant of the professional positions listed. Again, meeting the mission of Gallatin College, the college is to meet the demands of the local job market. As an institution we should embrace obvious opportunities to provide a hands on education to fill current market demands.

And lastly, with the availability of locally & state produced products available within our food service systems, we view this Culinary Arts program an excellent vehicle to meld the State of Montana’s largest economic drivers within one curriculum.