Montana Early Childhood Account Board

June 18, 2026
9 a.m. – 3 p.m.
Capital Room 472

WELCOME

- Call to Order
    - Meeting called to order by Lisa Malmquist at 9:04 a.m.
- Roll Call
    - Board Members Present:
        - Tory Malek
        - Caitlin Jensen
        - Jackie Ronning
        - Tracy Moseman
        - Lisa Malmquist
        - Crystal Armstrong
        - Mackenzie Espeland
        - Louisa Libertelli-Dunn
        - Kathy Deserly
        - Beth Branam
    - ECFSD Staff Present:
        - Michelle Cusey
        - Sally Tilleman
        - Didi High
        - Nicole Quirino
        - Shannon Mackey
        - Amber Tipton
- Review and approve prior meeting minutes
    - Jackie Ronning Motions to approve the meeting minutes
    - Lisa Malmquist seconds the motion.
    - Minutes are unanimously approved by the board.
    - Motion Passed

LIEUTENANT GOVERNOR'S REMARKS

The Lieutenant Governor thanks all board members for their service and special thanks to Michelle Cusey for her great work and positive impact while in her role at ECFSD. She then goes over the vacancies moving forward within the MECA Board and replacement appointments needed for Jackie Ronning and Beth Branam. Any questions on board vacancies should be sent to the Lieutenant Governor. She then reminded the board to use the statute (HB 924) as the guide and to review all eligible uses rather than pre-prioritizing a single use. Asked the board to distinguish one-time capital investments from ongoing recurring expenditures and weigh sustainability relative to available dollars. Noted legislative context: a prior bill (HB 456) proposed workforce scholarships with a $5.5M/year fiscal note, but was vetoed; current funds are insufficient to fully replicate that program. The board will no longer hear public comment on (HB 456) moving forward. The Lieutenant Governor urged that the focus is on maximizing impact and selecting investments that yield the biggest return for the dollars spent (e.g., targeted grants, affordability, access, workforce support) and that it's the board's responsibility to determine how best to use this funding to get the highest impact from the dollars spent.

BOARD TIMELINE REVIEW

- Sally Tilleman did a quick overview of the board's timeline and accomplishments since its establishment. Appointments were made in December 2025; the first in-person board meeting occurred in January, and officer elections happened in February. The board set an early spending goal of up to $3.5M to obligate funding in FY26 if possible, recognizing that goal was a heavy lift within the timeframe. Specific allocations have already been approved: $1.5M for special training implementation and $200K for research/data collection. Procurement and internal approvals are currently underway for these. The board completed initial meetings and made adjustments as needed following public comment. A comprehensive timeline document will be posted on the MECA website.

Review Funding Decision Framework Goal: Structure a short checklist with sequential steps to ensure consistency across proposals.

- **Step 1** – Eligibility screening: confirm alignment with HB 924 and the board's strategic plan;
- **Step 2** – Investment assessment: evaluate desired outcomes, determine if investment aligns with strategic plan
- **Step 3** –Tracking and distribution: capture who receives the funds and ensure distribution spreads benefits across the whole system rather than concentrating on a single entity

PUBLIC COMMENT AND VOTES

PUBLIC COMMENT

- One member of the public made comment.

VOTES

- Vote to approve amended language on the Funding Decision Framework
  - Tracy Moseman motions to approve this.
  - Lisa Malmquist seconds the motion.
  - Unanimously approved by the board.
  - Motion passed.
- Break from 9:55 a.m.- 10:05 a.m.

FUNDING DECISION FRAMEWORK IMPLEMENTATION

The funding decision framework was formally adopted. The board will use the framework to review future proposals and re-check previously approved projects to confirm compliance with statute and funding principles. The expectation is to prioritize investments that deliver the largest impact per dollar while ensuring legal compliance (no supplantation) and broad benefit across the system. Framework document will be posted on the MECA website.

- Early Learning Development Support and Training Grant
  - Committee to Review Utilizing Framework Document
    - The purpose of the grant is to support early childhood providers directly in building a foundational understanding of how to serve children with developmental differences through participating in professional development opportunities, increasing access to necessary technology, and related staffing costs. The board reviewed this previously approved grant utilizing the funding framework, and all agreed that the grant adheres to all guidelines. Currently adopted as a one-time non-competitive grant.
    - The committee was in unanimous agreement that the grant meets all standards required. Approved grant informational document will be posted on the MECA website.
- Montana's Early Care and Education (ECE) Workforce Research Agenda
  - Committee to Review Utilizing Framework Document
    - Provides a comprehensive agenda of research to information to support the recruitment, retention, and advancement of Montana's

early care and education workforce. This research agenda was developed with funding from the U.S. Department of Health and Human Services and in coordination with an advisory group of ECE stakeholders in Montana. Most research activities associated with this research agenda are analysis of existing administrative data, both within and outside of the new MACQS data system. Some research activities involve the collection of qualitative data utilizing focus groups and interviews with ECE directors, owners, and providers. Committee members recommended centralizing workforce-related data currently scattered across multiple sources to enable data-driven decisions. Without a consolidated dataset, the board cannot consistently define what workforce funding should be prioritized or derive targeted metrics. Board stewardship principles and comprehensive fiscal analysis were called out as necessary components to any data consolidation effort.

        - The committee was in unanimous agreement that the grant meets all standards required. Approved grant informational document will be posted on the MECA website.

- Montana Early Childhood Account Evaluation
    - Committee to Review Utilizing Framework Document
        - State statute directs the Board to evaluate the efficacy of funded services and activities. As pilot projects are implemented, establishing a clear and consistent evaluation approach will ensure programs are carried out as intended, outcomes are measured effectively, and meaningful data is collected. Members discussed the statute HB 924 requiring an evaluator; the group confirmed that evaluation is mandatory. The committee discussed internal vs. external evaluators and decided that an internal evaluator is the best-aligned option to meet the intent. This option is also the most budget-friendly.
        - The committee agreed that this overview for an evaluator position adheres to all guidelines. A comprehensive informational document will be posted on the MECA website.

PUBLIC COMMENT AND VOTES

PUBLIC COMMENT

- Zero members of the public made comments.

- Adjourn for lunch at 11 a.m. Reconvene at 12 p.m.

STRATEGIC BUDGET AND PROJECT DISCUSSION

ECFSD staff presented an overview of the budget report, which shows funding information up to March 31, 2026. The remaining revenue is around $9.92 million, with remaining appropriations at $7.3 million. Indirect costs will be posted quarterly. Expenditures include personal services and operating expenses as well as travel expenditures for board members. Business Financial Services Division's current indirect projection for SFY26 is approximately $14K. An internal evaluator was budgeted/provisioned: a $36K projection for a 12-month period was shown, and the team expects the evaluator to begin charging time in SFY27. Board-approved contracted services allocated create a $1.7M obligation that reduces available appropriation. Specific allocations that have already been approved: $1.5M for special training implementation and $200K for research/data collection. Interest income estimates were provided by the governor's office; $2.99M in interest was prepared in SFY26 and expected to be received in SFY27 (August).

BOARD DISCUSSION ON EXPENDITURES, INCLUDING PERSONAL SERVICES AND OPERATING EXPENSES, AS WELL AS TRAVEL EXPENDITURES FOR BOARD MEMBERS

- Future and Design Budget projections
    - The subcommittee reviewed allocation options of $2M, $2.5M, and $3M The group opted to treat the initiative as a pilot two-year plan with one-time/short-term funding intent and a clear expectation of reevaluation after year one to decide on any long-term continuation. Subcommittee overview of decisions and reasoning: Include child care 3M. The group opted to treat the initiative as a two-year pilot with funds for centers and after-school programs together. After-school programs are currently licensed as centers. A subcategory will be added if they obtain distinct licensure in the future. Preserve access for rural single-family and small providers by weighing allocations to reflect facility counts; avoid disproportionate outcomes where large centers receive small per-staff amounts. Keep the mechanism non-competitive to reduce administrative burden and avoid a state RFP procurement process that would be lengthy and burdensome. The committee agreed that this grant adheres to all guidelines and will be voted on with current changes and updates.

- Flexible Workforce Grant Review Utilizing the Funding Decision Framework
  - The flexible workforce support grant is designed to provide funding to early childhood providers to implement strategies that strengthen and stabilize the workforce. Through this program, eligible providers would apply for funding by submitting a proposal outlining how funds will be used within board-approved categories. Funding will be distributed through a non-competitive grant, one-time funding pilot program. The committee reviewed the purpose and impact of this grant, with intended outcomes including increased workforce recruitment and retention, improved compensation and benefits for early childhood staff, expanded access to professional development and career advancement, and greater flexibility for providers to respond to workforce needs at the local level. The committee noted that an additional category should be added to the framework document to include a pilot category. The committee agreed that this grant should utilize a distribution mechanism that is non-competitive, first-come, first-served, direct to providers, with an overall program sizing of $3M. To expand over a two-year timeframe with $3M allocated to FY27 and an additional $3M allocated to FY28 for this pilot project, totaling a $6M investment for this grant. The committee agreed that this grant adheres to all guidelines and will be voted on with current changes and updates.

- Infant and Toddler Capacity Expansion Grant: Structure and Design Budget projections
  - The Quality Incentives Subcommittee recommends establishing an Infant and Toddler Capacity Expansion Grant to increase access to licensed infant and toddler care across Montana. Increasing the overall care capacity for infant and toddler child care slots across the state. The project would support providers in meeting infant and toddler state licensing standards while reducing barriers related to facility readiness and program stabilization. Applications will be submitted and awarded through the submittable platform on a first-come, first-served basis until all funds are awarded. The committee agreed that this grant adheres to all guidelines and will be voted on with current changes and updates.

- Infant and Toddler Capacity Expansion Grant Utilizing the Funding Decision Framework
  - The maximum award amount is $10,000 per provider. This grant proposal is established with an initial $1M investment. The committee agreed that

this grant adheres to all guidelines and will be voted on with current changes and updates.

PUBLIC COMMENT AND VOTES

PUBLIC COMMENT

- Two members of the public made comments.

VOTES

- Vote to approve Flexible Workforce Grant
  - Crystal Armstrong motions to approve this.
  - Tory Malek seconds the motion.
  - Unanimously approved by the board.
  - Motion passed.
- Vote to approve Infant and Toddler Capacity Grant
  - Tracy Moseman motions to approve this.
  - Lisa Malmquist seconds the motion.
  - Unanimously approved by the board.
  - Motion passed.

GRANT PROCESS INFORMATIONAL OVERVIEW

Michelle Cusey presented a multi-phase non-competitive grant workflow document of the next steps for the approved grants the committee has voted on today. Michelle discussed the bylaws indicate the board approves award agreements; because grants are non-competitive, the board discussed whether a full-board vote is required per individual applicant. Concern raised that requiring a full-board vote for every applicant could delay payments (e.g., waiting up to a month if board meets monthly). Proposed alternatives: a blanket approval process or presenting a consolidated list of applicants to the board for batch voting. The board will discuss this further at the next meeting.

- Summary of Grant Process Phases
  - Planning Phase: During this phase, staff will collaborate with leadership and the MECA Board to finalize program design, funding allocations, and required approvals. Estimated Timeline: 4-6 Weeks
  - Solicitation and Application Phase: During this phase, staff focus on announcing the funding opportunity, supporting applicants, and collecting submissions. Estimated Timeline: 4-6 Weeks

- Application Review Phase: During this phase, staff focus on reviewing submitted applications for completeness, eligibility, risk, and alignment with program priorities. Estimated Timeline: 4-6 weeks
- Award and Contracting Phase: During this phase, staff focus on finalizing award agreements, verifying applicant compliance requirements, and issuing payments. Estimated Timeline: 3-4 Weeks
- Grant Monitoring Phase: During this phase, staff focus on supporting grantees, tracking progress, and ensuring compliance with grant requirements. Estimated Timeline: Ongoing throughout grant period
- Closeout Phase: During this phase, staff focus on ensuring all grant requirements have been fulfilled by awardees, including submission and approval of final expenditure reports from applicants and report outcomes to the MECA Board. Estimated Timeline: 3-4 weeks

GENERAL PUBLIC COMMENTS

- One member of the public made comment.

ADJOURNMENT

- The next in-person board meeting is being moved to July 16, 2026, via Zoom.
- Vote to Adjourn
  - Louisa Libertelli- Dunn motions to adjourn the meeting.
  - Tracy Moseman seconds the motion.
  - Unanimously approved by the board.
  - Motion passed.
  - Meeting adjourned at 2:33 p.m.