Montana Early Childhood Account Board Meeting
April 16, 2026
9:00 a.m. – 3:00 p.m.
Capital Room 455

Welcome
The meeting is called to order by board chair, Lisa Malmquist, at 9:01 a.m.

Roll Call
Present:

1. Tory Malek
2. Tracy Moseman
3. Lisa Malmquist
4. Jackie Ronning
5. Beth Branam
6. Crystal Armstrong
7. Louisa Libertelli-Dunn
8. Caitlin Jensen
9. Mackenzie Espeland
10. Kathy Deserly

- Confirmation of Quorum

Review and Approve Prior Meeting Minutes

- Kathy Deserly motions to approve the meeting minutes
- Tory Malek seconds the motion
- Approved unanimously by the board
- Motion passed

Lieutenant Governor Remarks
The Lieutenant Governor thanks all board members for their service. She then explains her role in local government and how the board is a part of the Executive Branch in which she helps govern. She helps govern over 106 boards and commissions for the state of Montana, with the MECA Board being one of them. There are short-term and long-term decisions to make and board members are considered under code to be public officers with the responsibility to represent the public. Funds provided by HB 924 may not be sufficient to solve every problem that is brought to the board. The board should create permanent capacity without recurring costs as well as funding ongoing expenditures. Statute 52021003 shows that there are five categories anticipated for board authority to create eligible uses. These include:

- Support and Development to ECE
- Quality improvement initiatives
- Affordability initiatives
- Innovation initiatives

- Emergency assistance and disaster relief

There are some questions the board must consider as they work through initiatives.

- Does this build durable investment capacity?
- Will the trust be required to support expenditures?
- Is this spending sustainable?

The board must consider each category of eligible use. These are not prioritized in any way, and it will be up to the board to determine what is most important for Montana communities. These funds under board supervision should not replace state funding but rather bridge gaps in the existing system.

The board should consider public comments. They must value and encourage the opinion of the public, but this cannot be the only information considered. The board must consider concerns such as how decisions will affect childcare desert areas. All areas of the state must be considered when making decisions. The board will need to consider all the interests of the state. It is their job to ask what will be durable and what can be sustained.

General Remarks from the Board

As the board looks at allowable uses, they should also consult the strategic plan which will outline high level categories. There is a board work group looking for additional data around workforce retention and recruitment. Under allowable uses there is not a lot of language around research. As a board there is inherent authority that if there is a need to collect information, there is authority to do so. This is how informed decisions are made for the public by the board. Board members should make informed decisions, and this is a direct responsibility. Some agencies are already contracted to do some of this work. Duplicative funding is not ideal. There is a need to see what agencies are paying for already.

Subcommittees are not required to be publicly broadcast. The board should not make important decisions without public comment. However, work groups are tasked with collecting information and making recommendations, but they do not have decision making authority since they lack a quorum. There is pressure to make decisions quickly, but it must be done right. It is a public servant's responsibility to take the time to get it right. The board must make thoughtful and deliberate decisions.

Budget Report

ECFSD Fiscal staff present the budget report which shows funding information up to March 31, 2026. The remaining revenue is around $9.9 million with remaining appropriations at $7.4 million. Expenditures include personal services and operating expenses as well as travel expenditures for board members. Indirect costs will be posted quarterly. Board members will need to fill out paperwork for travel expenses and return these to Michelle Cusey before the end of the day.

Vote

- Crystal Armstrong motions to approve the budget report
- Tracy Moseman seconds the motion
- Approved unanimously by the board
- Motion passed

Special Needs Training Implementation Committee Report

This initiative would strengthen early identification practices by supporting providers with training and resources to participate. Most providers would be eligible for around $2,000 per program. The committee recommends not using reimbursement for this grant and grantees should receive direct funds. This approach offers flexibility. Grants would give providers autonomy on whether they want to spend funds on tech or training. Training can vary to suit whatever each provider and program finds appropriate for their business. This has been identified as a high level of need for providers. Providers will need to outline a plan for funds within the initial application. The board would utilize Submittable to manage applications and distribute funds. The committee also suggests the use of noncompetitive grants.

This initiative is also supported by the community's need for early identification. This is important because the older a child is the harder it is to intervene. When child care workers are able to receive training to help do their jobs, they feel valued, confident, and able to support children's development. This is something to consider as an effective way to retain employees as well as being important for children's livelihood. Challenges in early childhood education are creating staffing issues, and these challenges in the workforce follow children to schooling. It is also noted that it is a goal for early intervention services to increase the number of children being helped. This project would help providers connect children to resources for early intervention when needed while helping to fill the gaps. This is considered a small achievable project that elevates the child care workers and helps them see their value in the child care system.

The financial requirements for implementation would be about $1.5 million if every single provider in the state applied. All applicants would be able to receive funds if the board approves this initiative. The subcommittee would be working with the evaluation committee to identify short-term and long-term needs for funding. There is no certain timeframe yet of how expenditures will need to be reported back. Though the board states that the suggested timeframe should be longer than six months to allow for time for trainings to occur and to collect data on this project.

Public Comment and Vote

Four members of the public made comment.

- Tory Malek motions to approve a $1.5 million budget for this initiative.

- Jackie Ronning seconds the motion
- Unanimously approved by the board.
- Motion passed

Break from 10:20 a.m.- 10:35 a.m.

Quality Incentives Implementation Committee Report
The committee reviews a research proposal which would allow them to narrow down data and inform decisions on where to spend trust dollars specifically. The committee believes that funding this initiative will allow the board to make decisions with the correct information. There are already some pieces of data available and completed. Economists have reviewed the research proposal and can provide comment and help to reduce the cost of the research portion of this plan and make sure that data being collected is not duplicative. DLI has already been working on research for some of these pieces. Effectively one third of the research has already been done. Data exists but there is a need to understand the why behind what data shows. This specific research was put together by Child Trends who have looked at this in depth. If the board wants to move forward with utilizing the research that Child Trends work group has already done, then DLI could work in conjunction with state to complete the research utilizing the already proposed model.

The Child Trends work group would need to be monetarily compensated. Focus groups would also be created with child care providers and money would be provided to participants. The WIGS grant within DLI provides and supplements a portion of this research work at no cost. The proposal from the committee includes a research study that would utilize funding up to $200k. This is less than previously anticipated.

Priorities for quality incentives were reviewed, and the committee would like to focus on the infant and toddler pieces for grants. The data shows that there is a lack of care in the infant and toddler spaces. Potentials for eligible expenses include wage enhancement and subsidies. More development to this piece will need to be done and the committee would like to construct a more in-depth plan to come back to the board with.

Public Comment and Vote
Seven members of public made comment.

- Board Discussion: Crystal Armstrong asks about timeline for these projects and if they would be implemented for FY26-27. Michelle confirms that this is the timeline for these projects. There will be opportunities to spend more trust dollars in FY27.
- Mackenzie Espeland motions that the board spend up to $200k for the research initiative
- Beth Branam seconds the motion

- Two board members voted against the motion (Jackie Ronning and Louisa Libertelli-Dunn), and the other eight board members vote in favor of the motion
- Motion passed
- Crystal Armstrong motions for the committee to focus on development for an infant toddler quality incentive.
- Kathy Deserly seconds the motion
- Unanimously approved by the board
- Motion passed

Adjourn for lunch at 11:15 a.m.
Reconvene at 12:15 p.m.

Evaluation Committee Report
Evaluation of allocated funds is mandatory. This must be completed to show how funds are being used as well as effectiveness of how funds are used. There are three options for evaluation. These include internal evaluations, external evaluations, or university contracts. For smaller projects, it may not make sense to spend a lot of money on external evaluation. Though this may need to be reconsidered in a year and a half to two years. External evaluations can be important and of great use, but they are also extremely expensive. The ECFSD has an evaluation team within the division.

If this board would like to move forward with internal evaluation there would be a salary cost associated with this. It would likely cost around $25k for the FTE required for state workers to evaluate this project. Workload capacity for the internal evaluation team will also affect this. External evaluation can take up to a year while internal evaluation (if capacity is available) could be completed more immediately. DLI may also be able to pick up some of this workload free of cost. The committee suggests internal evaluation until they move on to larger projects at which time they will then reevaluate whether internal evaluation is still appropriate.

Public Comment and Vote
No public comment was made.

- Kathy Deserly motions to move forward with the internal evaluation with dollar amount for expenditure to be determined in future meetings.
- Louisa Libertelli-Dunn seconds the motion
- Unanimously accepted by the board
- Motion passed

Future Planning
The Montana Early Childhood Account Board is focusing on the Flexible Workforce Support Grant Program. They would like to decide on whether this is competitive grant or formula-based grant. All allowable use categories should align to the strategic plan,

and the board will review to see if there are any gaps in the plan or things that need to be applied from strategic plan.

Michelle Cusey groups board members in pairs and assigns them an allowable use category to look in to and see how the strategic plan ties into these strategies. The board members will see if there are any other strategies that they would like to implement during the time they are working on this as well.

Child Care Cost Assistance for Employees

- There is alignment to the strategic plan for cost-of-living variations and subsidies which would reduce barriers for families, how critical the child care workforce is to the economy, and supporting workforce recruitment and retention through bonuses and supplements such as covering child care costs.
- It was suggested in public comment that first year turnover is common, so there was discussion of bonuses within the first year of employment as a retention incentive.

Employee Sponsored Childcare Support.

- The board could match employer funding with MECA dollars.
- A workforce operational fund could provide a stipend for facilities. This is in alignment with the strategic plan.
- This project promotes family friendly business practices.

Employee Benefits Support

- There is a discussion on utilizing a workforce operational fund.
- If evaluation is too broad it becomes challenging because the impact will be hard to track.

Compensation Enhancements

- This is in alignment with the strategic plan as looking at cost of living variations most of the work was under Objective 3.
- Grant applications could be written in a specific way to drive collaboration with tribal communities.

Professional Development and Education

- Aligns with the strategic plan objectives for workforce aspects around retention and recruitment.
- Progressive wage scales could be included in this.
- This could fill gaps in professional development without duplicating work. The board would need to consider after-school programs as well. Out-of-school care should be included in all strategies.
- 21st Century funding is available for this as well so there is a need to make sure providers aren’t receiving these funds before they are awarded.

- This does not include infant toddler strategy.
- The board should consider if funding can support a program moving towards licensure. This should not include a time stipulation as it may cause out of school time programs to not be able to receive funding.

Final Suggestions from the Board

- There are portions of the bill that would allow for operational grants, however much of the bill content and board consensus shows support for workforce is the most important topic here. Expanding workforce grants to operational grants could dilute the outcome of what is wanted by the public as far as supporting the actual workforce.
- Tracy Moseman asks the group to consider how grants could be given and how grantees are chosen. There is a need to understand how smaller providers can be included in this as many of them do not have the capacity to compete for grants. Because of this it is suggested that grants should not be competitive. It would be more advantageous to make these grants as inclusive as possible.
- There has not been a specific dollar amount allocated to this project yet.
- Jackie Ronning discusses applications and how requiring providers to show their budget and what grant dollars would go to is ideal. However, Applications should be simple with as little barriers as possible. Board members express that they would like a tiered system of some sort and a firm deadline for all applications.
- Administrative work for this project would be a heavy lift for Michelle only. There will be administrative costs to fulfill this strategy. There is also a need to be mindful of the staff capacity available to work on this at DPHHS.
- The Pilot must be reevaluated after a year and may need to change to be more sustainable.
- Most likely in August after the first revenue deposit the board will have a better estimate of funds in the account. Shannon Mackey will work with the director's office to try to give an accurate estimate of what this amount could be.
- There is a possibility of allocating a percentage of funds for projects instead of concrete dollar amount. This is considered allowable. The board discusses how it might be advantageous to assign a dollar to small activities while larger projects and pilots could have percentages assigned to them. Though percentage amounts should be advised by ECFSD Fiscal team.
- The board discusses the possibility of keeping a percentage of money in the account for an emergency fund.

- Lisa Malmquist appoints a committee for flexible workforce. This includes board members Jackie Ronning, Louisa Libertelli-Dunn, Crystal Amrstrong, and Mackenzie Espeland.

Public Comment
Nine members of the public made comment

- Board Discussion: Jackie Ronning clarifies parameters for use of funds. Caitlin mentions child care costs for employees and asks the board to look at how employer sponsored childcare grants have been utilized to support child care programs.

General Public Comment
Nine members of the public made comment

- Board Discussion: Tracy Moseman asks about employer sponsored grants as she would like to know about dollar amounts for this (Non MECA funded project that was discussed in public comment). Darcy Juedeman, member of the public, states that the first round of employers who applied got $25k and the second round of employers who applied received $15K. Caitlin Jensen worked in partnership with PDGB-5 and states that a total of 26 employers participated in total. There was a range of funding and grants varied. Caitlin could give more information about this at a future meeting. The model of this pilot was not only for child care workers, but this could be beneficial to them.

Adjournment

- Tory Malek motions to adjourn
- Louisa Libertelli- Dunn seconds the motion
- Unanimously approved by the board
- Motion passed

Meeting adjourned at 2:46 p.m.