

A top-down photograph of several children's hands and heads as they play with colorful wooden blocks on a dark wooden table. The children are wearing light-colored clothing. The blocks are in various colors including yellow, orange, red, green, and blue. A dark blue banner with white text is overlaid on the bottom half of the image.

# 2023 Impact Report

**CHILD CARE  
iNNOVATION**  
*fund*

 **Early Childhood  
Investment Corporation**



# WHAT IS THE CHILD CARE INNOVATION FUND?


ECIC's Child Care Innovation Fund collaborates with national, state, regional and community partners to design, pilot, and scale common-sense business, workforce, and financing solutions that expand equitable access to high quality, affordable child care for working families.

The Child Care Innovation Fund was founded in 2021 with a \$3 million seed investment from the W.K. Kellogg Foundation (WKKF). Thanks to WKKF's strategic investment, the Fund has leveraged \$15.9 million in public funds and \$300,000 in private funds to advance equitable child care solutions. The Innovation Fund has built powerful strategic partnerships with the economic development sector, the public workforce sector, and municipalities.


## As a public-private partnership, the Fund invested in these state-wide solutions in 2023:




**Early care and education (ECE) registered apprenticeship** programs which are being designed or scaled state-wide in partnership with MI Works! Agencies and child care employers.



**Regional Child Care Supply Building Coalitions** bringing together, for the first time, MI's economic development organizations, regional business leaders, child care employers, working families, and municipal leaders, to take aligned regional action to expand access to child care for the region's working families.



**Family Child Care Networks** bringing together individual home-based child care programs in staffed Networks that offer tangible business and financial supports, improve program quality, and promote well-being, sustaining and expanding home-based child care options.



ECIC's Child Care Innovation Fund is a game-changer in Michigan, paving a new path toward affordable, accessible child care, where the early care and education workforce is truly valued."

– Michelle Richard, *miLEAP* Director, State of Michigan

# LOOKING AHEAD:

In 2023, the Early Childhood Investment Corporation received two grants, a \$2 million federal earmark from the U.S. Department of Labor for development of a child care workforce, and a \$923,000 grant from the Michigan Department of Education, as part of the federal Preschool Development Grant Birth through Five Initiative, for a competitive ECE wage scale pilot and related Taskforce.

These grants will allow the Child Care Innovation Fund to scale up investments in registered apprenticeship in seven MI Works! regions and partner with TalentFirst, a CEO alliance providing leadership on today’s complex talent challenges, to develop a statewide early care and education wage scale, co-author and disseminate two knowledge products, and educate state policymakers about the critical need for K-12 pay parity for early educators.

By the end of 2024, the Child Care Innovation Fund anticipates strengthening its focus on innovation capacity building with state, regional and community partners. Capacity building services will include consultation and coaching for prospective innovators and their organizations, innovation incubation and acceleration opportunities, like ECIC’s Promising Ideas Incubator, and the creation and dissemination of reports and resources.



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# INNOVATION BY THE NUMBERS

**\$19.7**  
**Million**  
Invested to date

**FY23**

**\$15.8**  
**Million**

**\$3.9**  
**Million**

**FY22**

**50**

Innovation awards  
granted to

**all 83**  
MI counties.

**12**

## INNOVATIVE SOLUTION: SUPPLY BUILDING

Supply Building investments support the **start-up, expansion and sustainment of child care businesses.**

New **child care homes** and **one center** opened in rural MI supported...

**6**

New programs opened by  
Leelanau Early Childhood  
Development Commission **space for...**

**72** Children.

**7**

New child  
care programs  
in Newaygo  
County, **creating  
employment for...**

**20**

New staff  
and space for

**81**

**Children**, demonstrating  
**substantial growth and  
impact** in this region.

**500+**

Child care  
businesses  
supported by...

**22**

Family Child  
Care Networks  
across Michigan.





## INNOVATIVE SOLUTION: WORKFORCE

Workforce investments aim to build an **equitably compensated, credentialed/high-quality ECE Workforce** in MI.

123

Early educators  
received a living  
wage (\$15/hr+)

344

Early educators estimated  
to be **progressing toward**  
an ECE credential

78

Early educators have  
**completed a credential**  
(CDA, RA, AA)

142

Are enrolled in an  
**ECE Registered**  
Apprenticeship

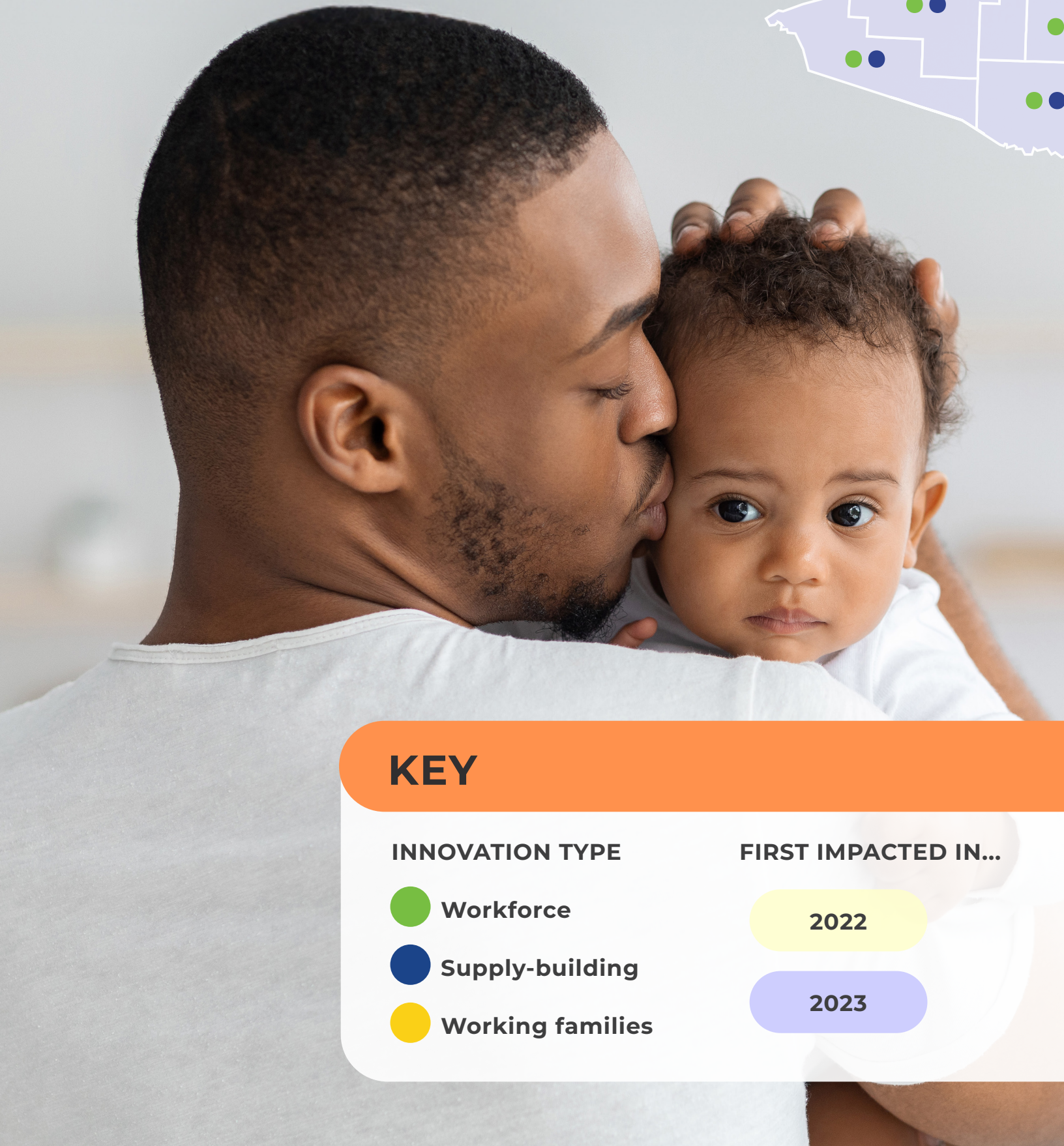
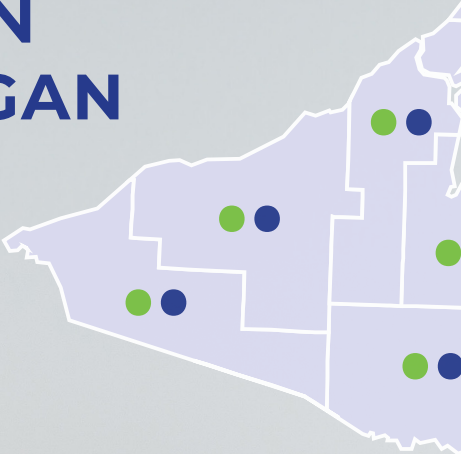
2,532

Estimated **children now being served** by an early educator who has completed or is working toward a credential.

4,757




**Child care business owners now have access** to ECE Registered Apprenticeships.

# HOW CHILD CARE INNOVATION IS SPREADING ACROSS MICHIGAN



## KEY

### INNOVATION TYPE

-  Workforce
-  Supply-building
-  Working families

### FIRST IMPACTED IN...

2022

2023





# CASE STUDY: RURAL CHILD CARE SUPPLY BUILDING

The Infant and Toddler Child Care Start Up in Leelanau County, Michigan, is an innovative approach to building child care supply in a rural community.

## When and how did this innovation begin?

- Center-Based child care facilities were closing in Leelanau County, leaving the community with limited to no access to infant and toddler child care.
- The Leelanau Early Childhood Development Commission (LECDC) took on the challenge of increasing access to infant and toddler child care by focusing on the start-up of five new home-based child care businesses.
- LECDC partnered with the Leelanau Children's Center and the Leelanau Peninsula Economic Foundation to ensure the new child care businesses had a strong focus on program quality and business sustainability from their inception.



ECIC's funding was crucial in allowing us to address our licensed child care deserts in a unique way introducing a model that was both financially viable while maintaining high quality care...these home-centered programs have generated a sense of community ownership and incredible provider support for success and sustainability."

– Patricia Soutas Little, *Leelanau Early Childhood Development Commission*



Photo courtesy of Tyler Thompson,  
Interlochen Public Radio



The Infant and Toddler Child Care Start-Up, one of the Innovation Fund's first grantees, piloted a new approach to increasing access to high quality infant and toddler child care: scaling up a county-based child care business development model to recruit and coach culturally and economically diverse qualified adult entrepreneurs to launch a licensed child care business.

This unique model offered qualified entrepreneurs funds for child care business start-up costs, facilities repairs and capital improvements, child care and business coaching, support to meet regulatory standards, and opportunities for no/low-cost shared services such as accounting and invoicing.

After learning that existing home-based child care regulations did not work for many prospective entrepreneurs - due to home size, property restrictions, or other factors - project leaders worked with the Michigan Department of Licensing Administration and Regulatory Affairs to create a cost-effective alternative, now known as a "micro-center." A micro-center operates with approved variances to existing child care center regulations, allowing the business owner to obtain a "home-scaled" license for up to 12 children while operating outside of the business owner's home. The micro-center option created flexibility for prospective business owners and allowed for the creation of public/private partnerships with school districts, churches and other community-based organizations.

## INNOVATION IMPACTS

Start up of **2** child care homes and **4** micro-centers.

Creation of **72** additional child care openings.

Access to high-quality child care for **60** working families.



Photo courtesy of Leelanau Early Childhood Development Commission

Based on the impact of this innovation, ECIC has promoted it as an adaptable child care business development approach to all 16 Regional Child Care Planning Coalitions.

# CARING FOR MI FUTURE

In 2022, ECIC received \$12.9 million in federal American Rescue Plan Act funding, awarded by the Michigan Department of Education (MDE) through the Caring for MI Future Initiative. Caring for MI Future is a \$100 million investment that is helping more MI families find quality, affordable child care in their communities by opening 1,000 new or expanded child care programs by the end of September 2024.

With its funding, ECIC's Child Care Innovation Fund has launched three projects to support the Caring For MI Future goal: Regional Child Care Planning Coalitions, ECE Registered Apprenticeships and Family Child Care Networks. These projects are currently in progress and described below.

## REGIONAL CHILD CARE PLANNING COALITIONS

### PURPOSE:

Child care is a two-generation workforce issue, essential to support the workforce of today and vital to develop the talent pool of tomorrow. The Innovation Fund's cross sector work with economic development organizations is leading to strategies that will recognize and build child care businesses as an integral part of the business community in Michigan, and as an economic asset for townships, municipalities, and regions. These partnerships are increasing the use of economic development solutions for child care supply building so that supply better meets the needs and preferences of working families, helping to close the large gap between child care availability and need that currently exists in all regions.

### GOALS:

In partnership with the Michigan Economic Development Corporation, bring economic development and early childhood leaders together to accelerate community-level efforts to address MI's child care crisis.





## EARLY SUCCESSES

10

Coalitions led by  
economic development  
organizations

2,830

Families

609

Child Care  
Business  
Owners

368

Employers

3,807

Stakeholders  
engaged

16

Regional child  
care coalitions

524

Members  
across Michigan,  
including...

107

Child Care Business Owners

84

Economic Development  
Organization members

68

Parent Leaders



ECIC's Child Care Innovation Fund makes the path to owning a child care business in Michigan attainable, using cross-sector solutions that allow business owners to invest in staff and young children alike."

– Kevin Stotts,  
President & CEO, TalentFirst and Board  
Member, ECIC Executive Committee

# CARING FOR MI FUTURE

## ECE REGISTERED APPRENTICESHIPS

### PURPOSE:

Registered apprenticeship is an employer-driven model which can be customized to meet the needs of child care employers of all types. Registered apprenticeship provides a path for early educators to gain skills and credentials, and helps child care employers recruit, credential, and retain highly qualified teaching staff. Unlike traditional career pathways in early care and education, apprentices “earn-as-they-learn” and receive at least one wage increase for competencies gained.



This innovation is on track to being sustained due to the collaboration occurring among ECIC, and the Michigan Departments of Education, Labor and Economic Opportunity, and Licensing and Regulatory Affairs - Child Care Bureau, and the Michigan Works! Association.

### GOALS:

Support regions to launch and scale early care and education apprenticeship programs to address the child care workforce challenges facing child care employers throughout the state.



## EARLY SUCCESSES:

**71**

Child care employers engaged state-wide.

**142**

Early educators enrolled in a RAP.



# CARING FOR MI FUTURE

## FAMILY CHILD CARE NETWORKS



Photo courtesy of Empowered Community Outreach Services and Shehab's ProMedia

### PURPOSE:

Family Child Care Networks (Networks) are considered a promising strategy for increasing the supply of child care and improving the quality of home-based child care settings. Networks are organizations that connect, stabilize, and support home-based child care businesses by addressing their common challenges through:

- Offering tangible business and financial support.
- Connecting their members to needed tools and training to increase capacity and enhance quality practices.
- Creating opportunities for home-based child care business owners to connect and share effective practices and promote wellbeing.
- Using a governance structure where the voices and individual needs of providers are prioritized.

### GOALS:

Connect and support home-based child care programs in the delivery of essential services to improve program quality and strengthen home-based child care, build the capacity of the state's nine Network Hubs, and improve the policy, economic, and regulatory environments for home-based child care businesses.



**As refugees, we need support, guidance, time, education, and an opportunity of hope to become financially independent. The FCCN has helped me and other providers to better manage our home-based business, provide high quality child care for refugee children just like other children in the world."**

**– Roaa Alguri,  
Home Based Child Care  
Business Owner,  
Family Child Care  
Network member**



## EARLY SUCCESSES

**22** Networks with...

**336** Licensed home-based business owners

Representing **24** counties

**87** License Exempt home-based providers participating

Representing **9** counties

Networks are representative of their communities. One network is comprised of Spanish-speaking providers and another of Arabic-speaking providers. Two networks serve refugee providers, supporting non licensed providers to become licensed.

Networks are staffed by individuals who deeply understand the business of home-based child care and are from the communities where Networks are being convened.

*Photo courtesy of Rising Stars Child Care*

# APPENDIX OF PUBLIC-PRIVATE PARTNERSHIPS AND SCALABLE SOLUTIONS (FY23)

## ECE Registered Apprenticeships: Design and Scale-Up

**25 grants, impacting all 83 counties statewide, see map on page 6**

12/01/2022 - 7/31/2024

The ECE Registered Apprenticeships project provides start-up and scale-up funding to support communities to design, launch, replicate, or sustain early care and education registered apprenticeship models to address child care workforce challenges.

**Investment:** Up to \$120,000 per design grant, up to \$350,000 per scale-up grant from Caring for MI Future Initiative funding

## Regional Child Care Planning

**16 grants, impacting 81 counties statewide, see map on page 6**

01/01/2023 - 6/30/2024

The Regional Child Care Planning project provides funding for cross-sector coalitions to develop a child care plan that meets the needs and preferences of working families, and addresses Michigan's current child care crisis, ultimately expanding access to quality, affordable child care for working families in Michigan.

**Investment:** Up to \$230,000 per coalition (16 coalitions funded) from Caring for MI Future Initiative funding

## Family Child Care Networks

**9 grants, impacting 28 counties statewide, see map on page 6**

12/01/2022 - 7/31/2024

The Family Child Care Network project aims to support and connect home-based child care programs in the delivery of essential services to improve program quality and strengthen home-based child care.

**Investment:** Up to \$200,000 per network (22 networks funded through 9 organizational hubs) from Caring for MI Future Initiative funding





**WORKFORCE**



**SUPPLY-BUILDING**



**WORKING FAMILIES**



**URBAN**



**SUBURBAN**



**RURAL**

### Northwest Education Services FY22



#### Antrim and Benzie Counties



06/01/2022- 5/31/2023

Pilot the use of direct wage supplementation for early educators at the onset of their formal education and build a model for the use of ongoing fiscal incentives, to engage, support, and retain early educators

**Investment:** \$80,000 from philanthropy

**Key Partners:** Northwest Michigan Community Action Agency, Head Start, Ferris State University, Baker College, Northwest Michigan College, Northwest Resource Center Director, Great Start Collaborative, Tribal Head Start & Early Childhood Support Network

### Community Action South Central Michigan FY22



#### Calhoun County



06/01/2022- 5/31/2023

Recruit and retain early childhood educators by offering support for formal education beyond the Child Development Associate, including assisting with barriers to completion

**Investment:** \$150,000 from philanthropy

**Key Partners:** Battle Creek Shared Services Alliance, Kellogg Community College, Pulse at the W.E. Upjohn Institute for Employment Research & Calhoun Intermediate School District

### Pulse at the W.E. Upjohn Institute for Employment Research FY22



#### Calhoun County and the cities of Battle Creek and Kalamazoo



06/01/2022- 5/31/2023

Pilot the use of a web-based menu of child care options for employers that brings together corporate, economic development and early childhood resources

**Investment:** \$75,000 from philanthropy

**Key Partners:** Battle Creek Unlimited, City of Battle Creek, Southwest Michigan First, Kalsec, Duncan Aviation, Kalamazoo County Ready 4s & the Policy Equity Group

## North Central Michigan College FY22

### Emmet County

06/01/2022- 5/31/2023

Conduct an innovation access and impact analysis with child care businesses in Emmet County, to inform the development of resources to increase their uptake of high impact innovations for business sustainability and growth

**Investment:** \$87,500 from philanthropy

**Key Partners:** Great Start to Quality & the University of Michigan Poverty Solutions

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## United Way of Northwest Michigan FY22

### Grand Traverse, Leelanau, and Benzie Counties

06/01/2022- 5/31/2023

Scale out the Social Determinants of Health Community Connections Assessment, adding child care and other early childhood services questions, and piloting with employers and health departments

**Investment:** \$80,000 from philanthropy

**Key Partners:** Great Start Collaborative of Traverse Bay, Great Start to Quality Northwest Resource Center, Healthy Futures & Cherry Republic

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## Kalamazoo Literacy Council FY22

### Kalamazoo County – City of Kalamazoo, Edison Neighborhood

10/01/2021-9/30/2022 (Round 1) and 06/01/2022- 5/31/2023 (Round 2)

Scale up a neighborhood-based early care and education career pathway which creates access to full-time, living wage jobs in child care and offers child care business incubation services

**Investment:** \$450,000 from philanthropy (two awards)

**Key Partners:** YWCA Kalamazoo, Southwest Child Care Resources, Goodwill Industries of Southwestern Michigan, Early Learning Neighborhood Collaborative Kalamazoo & Youth Opportunities Unlimited

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## Steepletown Neighborhood Services FY22

### Kent County – City of Grand Rapids

10/01/2021-5/31/23

Scale up an early childhood educator registered apprenticeship program which combines academic instruction with on-the-job training, for which the apprentice is paid

**Investment:** \$199,888 from philanthropy

**Key Partners:** The Early Learning Neighborhood Collaborative

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## Leelanau Early Childhood Development Commission FY22

### Leelanau County

10/01/2021-5/31/23

Scale up a county-based, shared services model to recruit, train, and support culturally and economically diverse adults to launch child care businesses which provide infant/toddler and extended hours care

**Investment:** \$318,000 from philanthropy

**Key Partners:** Leelanau Children's Center & Leelanau Peninsula Economic Foundation



## Focus: HOPE FY22

### Macomb, Oakland, and Wayne Counties

06/01/2022- 5/31/2023

Pilot on-the-job training and credentialing to adults who wish to pursue a career in early learning and provide low-to-no-cost childcare for families who do not qualify for subsidized childcare but are income restricted

**Investment:** \$100,000 from philanthropy

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## Alliance for Economic Success FY22

### Missaukee and Wexford Counties

06/01/2022- 5/31/2023

Launch a child care accelerator that capitalizes on existing community assets and engages new stakeholders to grow a vibrant, equitable childcare ecosystem

**Investment:** \$62,500 from philanthropy

**Key Partners:** Great Start Collaborative – Wexford, Missaukee, Manistee Counties, Cadillac Area Chamber of Commerce & Cadillac Area Community Foundation

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## Newaygo County RESA FY22

### Newaygo County

10/01/2021-5/31/23

Pilot a county-based, child care supply building hub that engages economic development and employers in providing business assistance to child care business owners

**Investment:** \$100,000 from philanthropy

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## Ottawa Area Intermediate School District FY22

### Ottawa County and City of Holland

06/01/2022- 5/31/2023

Iterate on an existing centralized enrollment and eligibility system to increase access to available preschool and child care vacancies for families

**Investment:** \$32,000 from philanthropy

**Key Partners:** Great Start Collaborative, Western Regional Resource Center, Family Child Care Provider, Child Care Center, Parent Coalition, Michigan Department of Health and Human Services & Help Me Grow Ottawa

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## Child Care Network FY22

### Washtenaw, Branch, Genessee, Hillsdale, Jackson, Lenawee, Livingston, and Monroe Counties

06/01/2022- 5/31/2023

Scale out the use of an Early Childhood Talent Coach to support early learning professionals to become credentialed and strengthen the culture and business practices of child care workplaces

**Investment:** \$300,000 from philanthropy\*

*\*Philanthropic support to launch ECIC's Child Care Innovation Fund strategically provided by the W.K. Kellogg Foundation. This innovation was funded through a generous partnership with the Ralph C. Wilson, Jr. Foundation.*

## Development Centers FY22

### Wayne County, City of Detroit, Cody Rouge Community

10/01/2021-5/31/23 (Round 1) and 06/01/2022- 5/31/2023 (Round 2)

Pilot a community-based approach to child care supply building, focusing on infant/toddler care and extended hours care and a provider designed transportation service that will bring young children from home to/from childcare and after care services safely and seamlessly

**Investment:** \$175,000 from philanthropy (two awards)

**Key Partners:** IFF (a community development financial institution), Trinity Health, Crystal Swann Childcare & Carlee's Home Daycare

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## Promising Ideas Incubator FY22

### 25 Teams Impacting 16 Communities Statewide

01/01/22-04/30/222

In February 2022, ECIC prototyped and tested a Promising Ideas Incubator. The use of an incubator to assist entrepreneurs to generate strategic, viable innovation concepts is common in the business sector but, historically, there has been little to no support to develop innovations among child care providers and other would-be innovators. ECIC's Promising Ideas Incubator is a first-of-its-kind system level innovation for Michigan, specifically designed to generate the child care innovations Michigan needs to powerfully impact the current child care crisis.

**Investment:** \$37,500 from philanthropy (25 incubator grants)

*\*Philanthropic support to launch ECIC's Child Care Innovation Fund strategically provided by the W.K. Kellogg Foundation. This innovation was funded through a generous partnership with the Ralph C. Wilson, Jr. Foundation.*

# SPECIAL THANKS TO:

## ECIC EXECUTIVE COMMITTEE, 2022-2023

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*\*as of October 2023*

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**CHILD CARE  
INNOVATION**  
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