

2022 Impact Report



WHAT IS THE CHILD CARE INNOVATION FUND?

ECIC's Child Care Innovation Fund collaborates with regional and community partners to pilot common-sense business, workforce, and financing solutions to expand equitable access to high quality, affordable child care. Created in 2021 with a \$3 million seed investment from the W.K. Kellogg Foundation and expanded into a public-private partnership in 2022 with a \$12.5 million grant from the Michigan Department of Education as part of the Caring for MI Future initiative, the Fund connects entrepreneurs in local communities with funding, mentorship, and peer networks to hone and implement their innovative ideas to quickly expand access to high quality, affordable care for working families.

ECIC's Child Care Innovation Fund works with public and private sector entrepreneurs to bring innovative solutions from other states to Michigan and test first-of-their-kind projects, such as:

- Economic development strategies that incentivize regional or community efforts to open more high quality, affordable child care programs inclusive of equitable wages and benefits for early educators.
- Employer-based strategies that expand the benefits typically offered by employers to include help with child care expenses or access to onsite licensed, high-quality child care facilities.
- Start-up strategies that help streamline the process and support the costs associated with starting or expanding a licensed child care business.



As a parent, I know how critical it is to ensure access to affordable, high-quality child care,” said Lt. Governor Garlin Gilchrist II. “ECIC’s Child Care Innovation Fund serves as Michigan’s child care accelerator, fast-tracking solutions for working families, the child care workforce, employers, and communities. Governor Whitmer and I are thankful for the partnership of the ECIC and committed to ensuring that parents in every Michigan community can go to work knowing their kids are cared for.”



2022 IMPACT REPORT TABLE OF CONTENTS

Innovation by the Numbers.....	Page 4
Case Study.....	Page 6
Looking Ahead.....	Page 8
Appendix of Public-Private Partnerships.....	Pages 10-13
Special Thanks.....	Back Cover

INNOVATION BY THE NUMBERS

16 INNOVATION AWARDS

32

INCUBATOR GRANTS

\$3.3 million

INVESTED (SO FAR) IMPACTING

33

COUNTIES AND TRIBES ACROSS MICHIGAN

40+

apprentices started, on track to reach 80% retention impacting 300+ children and their families in 20 MI neighborhoods

100+

high school students and young adults targeted for innovative career development programs, building a pipeline of early care and education workers for the future in 5 urban, suburban, and rural communities

40

child care businesses across 7 counties signing up to pilot new approaches with a talent coach, including staff retention strategies, to reduce turnover

10

new home-based child care programs opening in 2 rural communities, meeting the needs of 72 children and their families and piloting the idea of “micro-centers”

5

sites piloting a new child care transportation model that will expand to 17 to serve 401 children and their families in one urban community

50

businesses receiving new online toolkit, the Employer Roadmap of Child Care Options with 15+ employer-based solutions for urban, suburban, and rural communities

Evaluation of ECIC's Child Care Innovation Fund grantees is led by a team from the Frank Porter Graham Child Development Institute at The University of North Carolina at Chapel Hill.

A map of Michigan divided into its constituent counties. The map uses two colors to indicate different types of funding: orange dots represent counties with promising ideas incubator grantees, and dark blue shading represents counties with at least one child care innovation fund. There are three orange dots in the Upper Peninsula and ten orange dots in the Lower Peninsula. A total of 18 counties are shaded dark blue, primarily concentrated in the central and southern parts of the state.

COUNTIES WITH PROMISING IDEAS INCUBATOR GRANTEE

COUNTIES WITH AT LEAST ONE CHILD CARE INNOVATION FUND

CASE STUDY: APPRENTICESHIP INNOVATION IN KALAMAZOO

The Edison Early Childhood Education Career Pathway in Kalamazoo, Michigan, is an innovative approach to developing an effective workforce.

When and how did this project begin?

- The Edison Neighborhood communicated need for additional infant/toddler and non-traditional child care (24-hour drop-in and 2nd/3rd shift)
- A partnership open to innovation (Hollander & YWCA) bringing affordable housing and affordable child care together
- A significant barrier identified to the successful expansion of early learning and child care services: a workforce



**I believe in investing in the future and the future is our children.
I know that I'm teaching the next president, doctor or lawyer."**

– Donna Craig, Early Learning Professional, YWCA Kalamazoo



Photo courtesy of the YWCA of Kalamazoo.

One of the first recipients of funding from ECIC's Child Care Innovation Fund, the Edison Early Childhood Education Career Pathway piloted a new approach to build their early care and education workforce: a registered early care and education apprenticeship.

By engaging adults who lived within walking distance of the new 24-hour child care facility and who were not fully participating in the workforce, the pilot program offered literacy services, academic and basic skills, non-academic supports such as housing assistance, plus on-the-job training in the early childhood field. This unique model offers candidates the opportunity to earn two nationally recognized credentials in early care and education, while earning a competitive wage with benefits. Unlike traditional career pathways in early care and education, the apprentices "earn-as-they-learn."

Based on the early and promising success of this innovation, ECIC will be funding up to 10 additional communities across Michigan in 2023 to pilot an apprenticeship program to help solve their early care and education workforce challenges.

EARLY SUCCESS

25 people were hired into full-time positions at 1 in 5 local child care programs

Retention Rate: 80% (compared to industry average turnover rates of 30%)¹

Wages Rate: \$15 - \$19.25, plus benefits

Credential/Apprenticeship Achievement: 64% on track

49001

EDISON NEIGHBORHOOD
ZIP CODE

1,665

CHILDREN
UNDER AGE 6

1,427

ADULTS 18+ NOT
IN LABOR FORCE

25%

EXISTING CHILD CARE CAPACITY
(TO SERVE 1,665 CHILDREN)

¹Source: Michigan League for Public Policy, 2021



LOOKING AHEAD

In August 2022, the Early Childhood Investment Corporation (ECIC) received \$12.5 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 will help more Michigan families find quality, affordable child care in their community by opening 1,000 new, or expanded, child care programs by the end of 2024.

Starting in the fall of 2022, ECIC began issuing calls for applications from communities seeking funding in one of the three following innovation opportunities:

1. Regional planning grants that, through a partnership with the MI Economic Development Corporation, bring economic development and early childhood leaders together to accelerate community-level efforts to address Michigan's child care crisis
2. Design, pilot, and scale-up grants that support communities to launch, replicate, or sustain early care and education apprenticeship programs to address child care workforce challenges
3. Supply-building grants specifically for entrepreneurs that operate home-based child care programs to design and launch family child care networks



Greater access to affordable child care is absolutely critical to creating economic impact and advancing our efforts to attract, retain and grow businesses and supporting vibrant communities across Michigan,”
said Quentin L. Messer, Jr., CEO of MEDC and President and Chair of the MSF Board. “We are pleased to work with our partners at the Michigan Department of Education and ECIC on this program.”

OUR INNOVATION SOLUTIONS

WORKFORCE

- Provide competitive wages and benefits to early educators and child care providers
- Create “earn-and-learn” career pathways to recruit, train, and credential early educators
- Increase retention of early educators through improved working conditions

SUPPLY BUILDING

- Bring economic development and early childhood sectors together to implement strategies that increase the supply of child care to meet the needs of working families, employers, and communities
- Increase the supply of in-demand care, with a special focus on infant-toddler care and non-traditional hours

WORKING FAMILIES

- Ensure that every Michigan family with young children that wants it has access to early care and education within 5 miles of the family’s home or parents’ work
- Ensure that no Michigan family pays more than 7% of their income for high-quality child care

APPENDIX OF PUBLIC-PRIVATE PARTNERSHIPS AND SCALABLE SOLUTIONS

SUPPORTED BY ECIC'S CHILD CARE INNOVATION FUND

Alphabetical by County



WORKFORCE



SUPPLY-BUILDING



WORKING FAMILIES



URBAN



SUBURBAN



RURAL

Northwest Education Services



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



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



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



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

United Way of Northwest Michigan



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

Kalamazoo Literacy Council



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

Steepletown Neighborhood Services



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

Leelanau Early Childhood Development Commission



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



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

Alliance for Economic Success



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

Newaygo County RESA



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

Ottawa Area Intermediate School District



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

Child Care Network



Washtenaw, Branch, Genesee, 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

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

Promising Ideas Incubator

25 Teams Impacting 16 Communities Statewide, see map on page 5

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.*

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