



2024

ECIC Child Care Innovation Fund
Impact Report



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CHILD CARE IS A WOMAN'S THING.

CHILD CARE IS A PERSONAL PROBLEM.

CHILD CARE IS A PARTISAN ISSUE.

WRONG.

Child care is—in fact—a systemic issue that transcends economic, political, and geographic divides.

And it's beyond time that we started architecting solutions that honored that reality.



Child Care Innovation Fund

We are proud to have created the Child Care Innovation Fund in 2021—a first-of-its-kind effort to reimagine the child care system through common-sense, cross-sector solutions.

The Early Childhood Investment Corporation (ECIC) Child Care Innovation Fund (the Fund) collaborates with national, state, regional and community partners to design, pilot, and scale common-sense, cross-sector solutions that expand equitable access to high quality, affordable child care for working families. Implementation learnings and data gathered from these investments are used to educate and advocate for scaling promising child care solutions across Michigan.

The Fund was founded with a \$3.0 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.

Since 2021, the Fund has made...

94 grants

Totaling **\$13.5** million

Reaching all **83** counties in Michigan

“ECIC’s Child Care Innovation Fund has undeniably transformed the child care system in Michigan. Through its powerful network of cross-sector partners and implementation of evidenced-based strategies, the Innovation Fund has accelerated efforts to make child care more accessible and affordable for families in Michigan.”

— **Alicia Guevara Warren**
CEO of the Early Childhood Investment Corporation

In 2022, ECIC received **\$12.9 million in federal American Rescue Plan Act funding**, awarded by the Michigan Department of Lifelong Education, Advancement and Potential (Mi-LEAP) through the Caring for MI Future Initiative. **Caring for MI Future was a \$100 million investment** that helped more MI families find quality, affordable child care in their communities by opening 1,454 new or expanded child care facilities.

With this funding, ECIC’s Child Care Innovation Fund launched three projects that supported the *Caring For MI Future* goal: Regional Child Care Planning Coalitions, Early Care and Education Registered Apprenticeships, and Family Child Care Networks.

In 2023, ECIC was also awarded nearly **\$1 million in federal funding** from MI’s Preschool Development Grant Birth through Five grant (PDG B-5) to develop and pilot a strategy for helping child care employers better retain their child care teachers and make it easier to recruit the additional teachers needed to operate at full capacity.

Additionally, in 2023, the US Department of Labor (US DOL) awarded ECIC’s Child Care Innovation Fund an Education and Training Administration (ETA) Community Project to support the scale-up of early care and education registered apprenticeship programs (ECE RAPs). This project **will provide funds to support 7 regional Michigan Works! Agencies and 1 community based organization collectively serving 32 counties** to bring more access to ECE RAPs for the 3,300 child care employers within these counties.

Case Studies by Project

Regional Child Care Planning: Cross Sector Solutions to Accelerate Economic Growth + Meet Family Needs

Need

A functioning child care system is required for Michigan's economy to thrive: insufficient child care results in an estimated \$2.88 billion annual loss for Michigan's economy.¹ Solving the child care crisis benefits **everyone** and the scope of the problem cannot be fixed by the child care sector alone. That means we must get **unusual suspects to the table**—not just child care business owners and parents, but Economic Development Organizations (EDOs), Chambers of Commerce, the workforce development agencies, elected leaders, and more.

1. Untapped Potential in Michigan: How Child Care Impacts Michigan's Workforce Productivity and the State Economy, 2023



Project

The purpose of the Regional Child Care Planning grants was to accelerate community-level efforts to address the child care crisis through cross-sector, Regional Coalitions and ultimately expand access to quality, affordable child care for working families in Michigan.

- 16 regional coalitions were funded across Michigan; 10 were led or co-led by Economic Development Organizations; all coalitions included parents of young children
- Coalitions spent 18-months assessing regional needs, understanding family needs and preferences for child care, convening and engaging community members, identifying root causes, and creating regional child care action plans



Results

As a result of this work...



There are now more organizations and people working on innovative child care solutions than **ever before** and previously siloed sectors are co-developing and implementing solutions to serve their communities



Child care needs were assessed through the engagement of thousands of parents to develop responsive action plans for every economic development region



The Michigan Economic Development Corporation has included child care in their Redevelopment Ready Communities initiative



Local governmental policies have shifted across the state to reduce zoning or land use barriers for child care businesses



A state-wide summary of child care needs was developed

The Economic Power of Partnering with the Business Community

In Grand Rapids, Vibrant Futures led the charge in organizing a diverse coalition of organizations and people who are touched by and committed to improving the local child care system. They got together over a period of eighteen months and did some much-needed and previously neglected mapping of the problem and potential solutions. The magic was in the wide range of points of view in the room—from parents to providers, small business owners to government officials—and the shared desire to honor the return on investment that early childhood represents, along with the economic power that adequate quality child care unleashes in communities.



“By catalyzing new partnerships with the business community in Grand Rapids we were able to go beyond the early childhood choir. These unlikely connections are proving to be the gift that keeps on giving.”

— Chana Edmond-Verley, CEO, Vibrant Futures



Case Studies by Project — Regional Child Care Planning

Municipalities Are Key to Removing Barriers for Child Care Employers

Battle Creek has long been a child care desert—a dynamic place full of potential, but hamstrung by a lack of high-quality child care that would allow working parents to fully contribute to a thriving local economy. Thanks to the collaboration and conversation sparked by the Fund, Pulse at the W.E. Upjohn Institute for Employment Research worked with community members to identify that one of the key barriers to expanding the number of child care spots in Battle Creek was unnecessary bureaucracy. So often when zoning laws are put into place, as was the case here, the government officials writing the rules aren't thinking about child care as a business; as such, the rules not only don't work for them, but prevent them from even getting started. That all changed in May of 2023 when a dynamic, diverse group of stakeholders re-imagined the zoning code. Today, child care entrepreneurs in Battle Creek can provide child care in their own homes without jumping through the red tape—i.e. “special use permits”—of yesteryear; instead, child care businesses are now considered “accessory uses” in residential settings and are allowed anywhere that housing is allowed by right.



“Our regional planning process has provided numerous opportunities for inspiration. And surprisingly, a willingness to take action. We got to work immediately and began setting the changes in motion. Because let’s be honest, you can’t have a thriving community or a community ready for development without thriving early learning and care businesses.”

**— Kathy Szenda Wilson, Co-Executive Director,
Pulse at the W.E. Upjohn Institute for
Employment Research**

“The coalition experience has been transformative for me, highlighting the crucial role of child care in our community’s economic development. By integrating child care support into our business initiatives, we’re fostering a more supportive environment for entrepreneurs and families alike. This collaborative effort underscores the importance of accessible, quality child care as a cornerstone of sustainable economic growth.”

— Emma Bostwick, Director of Business Attraction at the Lansing Economic Area Partnership (LEAP)

Strengthening Child Care Businesses Through Existing Small Business Ecosystems

Michigan’s economic development sector—a critical system for our communities to flourish—is proving to be a powerful and willing partner in solving the child care crisis. Flint and Genesee Chamber and Lansing Economic Area Partnership (LEAP), two Economic Development Organizations leading regional coalitions, are taking intentional actions to integrate child care into their “every-day” work. Their advocacy has brought child care to the forefront of conversations where it is historically has been left out and have integrated child care into their existing small business ecosystems. Recently, Flint and Genesee Chamber and LEAP received Small Business Support Hub grants from the Michigan Economic Development Corporation. Both EDOs have intentionally designed these hubs to serve the unique needs of child care businesses—an impact of being part of the regional coalition work and understanding how critical child care businesses are to the economy.

Case Studies by Project

Family Child Care Networks:

A Powerful Strategy to Realize **Sustainable Home-Based Child Care Businesses** and Enhance Access to Comprehensive Services for the Children and Families They Serve

Need

Home-based child care is an essential, yet undervalued component of Michigan's early care and education system. Families seek out and choose home-based child care for a variety of reasons, including the benefit of small, home-like settings for their infants and toddlers. Additionally, for children and families of color, those who have immigrated, those who work hours outside of the traditional 9-5, and those for whom English is not their primary language, home-based child care allows care to meet their needs and share racial, cultural, or linguistic characteristics with the family—leading to more **culturally responsive care** of young children and more peace of mind for families.²

Despite their critical role in Michigan's early care and education mixed delivery system, home-based child care is in short supply in many communities. Home-based child care (HBCC) businesses face many of the same systemic challenges faced by child care centers, but efforts to stabilize the child care industry often fail to recognize the unique nature of the home as a site of high-quality child care.

To sustain this unique type of child care business, in 2022 the Michigan Legislature passed **The Family Child Care Networks Act** that required local Family Child Care Networks be established to provide supports to home-based businesses in every region of the state. The Act sets a standard for networks ensuring that each one equitably provides: business, operational and program quality supports, connections to peers, training and technical assistance, while also engaging new providers.

2. Bhat, S., Howard, M., Caldwell, J., Montoya-Ávila, A., Strueby, S., Valladares Kahn, S. (2022). Michigan family child care networks: Final report. School Readiness Consulting.



Project

The purpose of the Family Child Care Network (FCCN) project was to **pilot a state-wide Family Child Care Network strategy**, including building the capacity of Network Hub organizations, starting-up new networks and expanding existing networks for state-wide reach. The goals of the Family Child Care Network strategy were to:

- Connect and support home-based child care programs, including license exempt child care providers, in the delivery of essential services to improve program quality and strengthen home-based care.
- Improve the policy, funding, and regulatory environments for home-based child care in MI.
- Build the capacity of FCCNs to support home-based providers through consultation, educational and engagement opportunities with decision-makers and policymakers, and connections with state and local resources.



Results

22

Created **9 new networks** across the state, for a total of **22 networks** that are representative of their communities

- **4 networks** serve immigrant and refugee providers
- **3 serve Arabic-speaking** HBCC business owners
- **3 serve Spanish-speaking** HBCC business owners

165

Grew network membership by **165 home-based** child care business owners, for total membership of over **450 HBCC business owners**

\$

Reduced barriers + provided supports for:

- **43 HBCC business owners** to become licensed
- **9 HBCC providers** to become licensed exempt
- **55 HBCC business owners** to start accepting the child care scholarship (formerly subsidy)

1st

Held the **first FCCN Roundtable**

Improving Sustainability and Profitability of Child Care Businesses

A central objective of the FCCN model is improving the financial sustainability of home-based child care businesses. In the project's pilot year, FCCNs focused on sustainability and profit through several economic interventions. In Kent County, the Mainspring Early Care Alliance operates a shared services model that connects FCCN members to existing and new business partner experts in financial planning, record keeping, tax preparation, banking basics, human resources, and a business document library developed by Civitas Strategies. Additionally, FCCN members have participated in small business networking events with the Grand Rapids Chamber, West Michigan Chamber of Commerce, People First Economy's Good for Michigan and Local First. Through Mainspring Alliance, FCCN members are enrolled in a Wellness Assistance Plan, also known as EAP support. The EAP program provides financial and legal assistance and 24/7 access to licensed counselors, including five counseling sessions per year for the members and household family members.

“The role of a home child care provider is uniquely complex and there is no guidebook for the systems we have to maneuver as both small business owners and early childhood professionals. The lack of availability of support and resources can be very exhausting. The FCCNs are really attacking this, and the great thing about it is the providers are leading the way so the resources coming out of the FCCNs really match our needs.”

— Rebecca Keller, Home Based Child Care Business Owner, Mainspring Early Alliance Co-Chair, FCCN member

Case Studies by Project — Family Child Care Networks

Increasing the Community Impact of Home-Based Child Care Businesses by Connecting Families and Children to Comprehensive Services

Home-based child care businesses play a vital role in preparing children for school and addressing children’s developmental needs. While they are experts in early education and care, accessing existing community resources for services like developmental screenings, early childhood mental health consultations, and health and nutrition programs can be challenging as a small business owner. In addition to supporting the business sustainability of home based child care businesses, the networks form connections between home-based providers, their children and families, and existing community resources.

Bethany Christian Services (BCS) received specific funding to work with immigrant and refugee communities in West Michigan. This network addressed the unmet need for child care in the community by connecting home-based child care business owners with a community event to support pregnant mothers. Network members supported the planning and implementation of the event and had many opportunities to market their services and explain their child care approaches with the direct support of BCS interpretive staff. Over 200 people attended this event and home-based business owners were able to connect directly with parents to build their enrollment.

Supporting Provider Success with Great Start to Quality and Child Care Licensing by Leveraging Peer Collaboration

Family Child Care Networks (FCCNs) support equitable access to operating a home based child care businesses by reducing barriers to licensing and navigating MI’s Great Start to Quality system. Navigating these systems can be particularly challenging for immigrant business owners who speak English as a second language. In response to these challenges, Child Care Network partnered with

“[The Conference] was truly the culmination of [Network members’] work together, but it was also the beginning of a whole new way for these providers to be with each other”

— Mary Manner, Director, Great Start to Quality Northwest Resource Center



their local licensing consultant to make the licensing process more approachable for brand new child care business owners who speak English as a second language. Child Care Network provided translations of the licensing manuals and worked with these child care leaders to ensure that their linguistic needs were met. Business owners learned how to navigate the online licensing portal, finding a plain language child care licensing guidance they could use to explain policies to parents, and more.

In northwest Michigan, the members of the FCCN explored available professional development opportunities, finding that most offerings didn't appear to be developed with them in mind. In FCCN meetings, these early education professionals shared and discussed the elements of different curricula they use in their early education programs, sharing best practices and capacity with each other. Based on these experiences, the FCCN developed and hosted a local conference specifically for other home-based child care professionals in the region. The conference was the first of its kind in the area and attracted over 80 attendees.

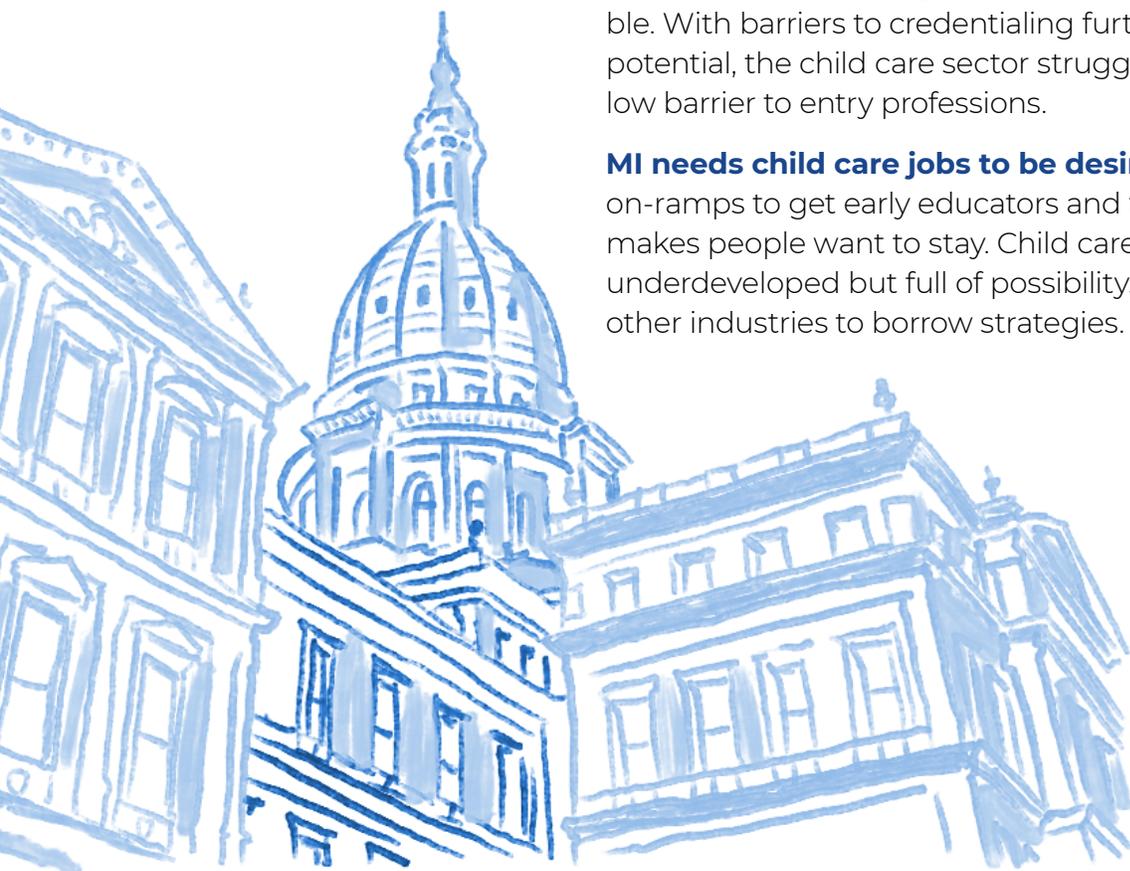
Case Studies by Project

ECE Registered Apprenticeships + Wages Pilot: Working to Make Child Care Jobs Good Jobs

Need

Despite significant investments in child care in recent years, MI's child care sector still leaves many families, businesses, and child care employers underserved. The child care workforce, predominantly composed of women (40% being women of color), faces persistent wage disparities and barriers to obtaining required credentials (Bank Street College of Education, 2019, & BLS, 2019). On average, Black female educators earn just 84 cents for every dollar earned by their white counterparts. Almost half of the child care workforce relies on public assistance, with 86% earning less than \$15 per hour and only 15% receiving employer-sponsored health insurance. Despite requiring high levels of skills and education, early educators earn significantly less than those in comparable industries, highlighting the urgent need for child care wages to be more competitive and equitable. With barriers to credentialing further undercutting wage potential, the child care sector struggles to compete with other low barrier to entry professions.

MI needs child care jobs to be desirable jobs. We need on-ramps to get early educators and the kind of pay that makes people want to stay. Child care is—in fact—an industry... underdeveloped but full of possibility. That's why we looked to other industries to borrow strategies.



ECE REGISTERED APPRENTICESHIP Project

Our investments in registered apprenticeship pathways for early educators is a game changer for Michigan. Borrowed from sectors like manufacturing and construction, early care and education (ECE) registered apprenticeship programs (RAPs) bring more early educators into the industry, provide support to attain two nationally recognized credentials, and offer wrap-around services (like transportation and child care)—all while getting paid.

- The Innovation Fund partnered with Mi-LEAP, the Michigan Department of Labor and Economic Development (LEO), and regional Michigan Works! Agencies, the experts in apprenticeship programs, to design and scale Early Care and Education (ECE) Registered Apprenticeship Programs (RAP) across the state.
- Eight organizations (Michigan Works! Agencies and community-based organizations) received funding to design ECE RAPs for their community and seven additional organizations were funded to scale-up their existing ECE RAP programs to support more child care businesses and early educators.



Results



7 new ECE RAPs, for a total of **14 programs**, serving **80 counties** across Michigan

\$2
million

\$2.0 million in additional funding secured from the US Department of Labor to scale-up newly registered programs from 2024-2026

95

95 child care employers with an active apprentice

215

215 early educators actively enrolled in an apprenticeship

5

5 organizations secured State Apprenticeship Expansion funds aimed specifically to sustain and expand ECE RAPs

Wages Pilot Project

ECIC co-led an early care and education wages taskforce with TalentFirst, child care employers, parents, and other key partners, to develop the first of its kind ECE wage scale. The scale has been disseminated throughout MI, and the Fund is conducting a pilot of the scale, which will be complete in December 2024.

- Two early childhood centers—one in rural Michigan and one in Detroit—were selected for the 9-month pilot. The pilot is providing the funds these employers need to close the gap between what their businesses can afford to pay and what the wage scale indicates early educators should be paid, given their credentials and years of experience. By closing the salary gap for employers, the pilot hopes to show an impact on early educator recruitment and retention.



“Earning the wages my staff deserve makes them more accountable and makes them feel valued and appreciated. This makes for happier staff and a less stressful life for a business owner.”

**— Rachel McDonough-Grogan,
Northern Explorers Child
Development Center**



Early
Results

The pilot program is already showing the benefits of increased wages for child care employers and their early educators.



Both pilot sites have been able to retain and recruit additional staff



More staff are pursuing continuing education to improve their credentials and pay



Early educators and employers are helping to evaluate the pilot and their testimonials to date are very positive

ECE Registered Apprenticeship Programs: Removing Barriers for Educators + Meeting Employer Needs

ECE Registered Apprenticeship Programs (RAPs) create supportive on-ramps and career pathways for people who want to make a difference as an early educator. Steepletown Neighborhood Services, the ECE RAP sponsoring agency in the Grand Rapids area, has registered more than 50 new apprentices as early child educators. Part of Steepletown’s innovative recruitment approach is to offer pre-apprenticeship training, one of the newest tools at LEO, called the Michigan Apprenticeship Readiness Certificate, or MARC credential. This pre-apprenticeship program supports people who are new to the ECE sector to land a job in the classroom and begin their registered apprenticeship. So far, five Spanish-speaking adults who completed the MARC credential last fall were hired by the Grand Rapids Public Schools to work as GSRP Associates and are now actively completing their apprenticeship program. Most recently, an additional 21 Spanish-speaking adults completed the MARC credential and are now seeking employment as early child educators so they can begin their apprenticeship training in August.

“The apprenticeship training program gave me the opportunity to step into a job that I love. Teaching has always been one of my top two choices for a career and this gave me a great way to get started.”

— Abi Parrada, GSRP Teacher Assistant, Early Learning Center, Grand Rapids, MI



Case Studies by Project — ECE Registered Apprenticeships + Wages Pilot

Partnerships with Michigan Works! Agencies help build Registered Apprenticeship Programs (RAPs) that meet Child Care Employer and Community Needs. Michigan Works! West Central co-designed their apprenticeship program through a collaborative partnership with six local child care employers. Together, they worked to build a program that met the needs of the employers and their community at large. Julie Sanders, Apprenticeship Specialist from Michigan Works! West Central, explains: “Right now, the biggest barrier is that there four children to every one available spot available in child care. The whole goal is to create more [child care] spots [...] so families don’t have [finding] child care as a burden to them.”



This ECE RAP also supports child care employers to retain quality early childhood professionals by providing on-the-job training and instruction at no cost to the apprentice. Amber Hutchinson, director of Kiddies Klubhouse LLC. in Reed City and a key partner in building the RAP, shared, “the apprenticeship program that Michigan Works! [West Central] is creating is great for our businesses as its helping to provide opportunities for our employees that we may not be able to help with due to the cost. It helps us, as a mom-and-pop shop [...] to be able to continue to provide resources for our employees.”



Let's Do More Together

This Impact Report was supported by funding provided from the Michigan Department of Lifelong Education, Advancement and Potential (MiLEAP) utilizing American Rescue Plan Act (ARPA) funding, from the Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services.

Philanthropic dollars from the W. K. Kellogg Foundation seeded this fund and helped us attract the public dollars necessary to reach every single municipality in Michigan. **This is private-public partnership at its best.**



Interested in Innovations Happening in your Region?

This digital document offers a brief overview of each Innovation Fund Project. To view our interactive map for each project for fiscal year 2024, [visit our site](#) or simply scan the QR code on this page.

The interactive map is not inclusive of all projects that have been funded by ECIC's Child Care Innovation Fund. A complete list of investments since the Fund's founding can be [accessed on our website](#).



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*as of July 2024



Now it's time
to build on the momentum...

SUPPORT **US.**

LEARN WITH **US.**

BUILD ALONGSIDE **US.**

LET'S TALK.

To contact ECIC's Child Care Innovation Fund Team, please reach out via email at technicalassistance@ecic4kids.org.