

FACILITIES PROVIDING CARE TO CHILDREN ON SUBSIDY

INTEGRATION OF OREGON'S SUBSIDIZED CHILDREN

Produced by the Oregon Child Care Research Partnership, 2021

In some states, children receiving subsidies are clustered in a limited number of facilities. That is, in those states, some facilities care totally or primarily for children whose care is subsidized by the State's Child Care Development Fund (CCDF) program. Integration of children from all income groups in early learning programs is more likely to meet the needs of all children, especially those from low-income families. Since the subsidy program provides a parent a voucher with which to purchase care, we focus on facilities that charge tuition to at least some parents.

To assess the extent to which subsidized children are integrated in Oregon child care and education facilities, we ask two questions:

1. *What percent of licensed¹ facilities that charge parents a fee² (ex. tuition), care for at least one child receiving a subsidy?*
2. *What percent of a facility's desired capacity is filled with children on subsidy?*

For both questions we look at current (March 2020, pre-pandemic) estimates, as well as trends over time.

As described in more detail below, we find that:

- **About half of licensed facilities that charge a fee serve at least one child on subsidy.** Over a third (43%) of small home-based facilities, over half of centers and of large-home based facilities in Oregon care for at least one child on subsidy (55% and 53%, respectively).
- **The number of small home-based facilities serving at least one child on subsidy has significantly decreased over time, while the number of centers and large-home based facilities serving children on subsidy has modestly increased.** Compared to ten years ago, the number of small home-based facilities serving children on subsidy has been cut in half (1293 small home facilities in 2010 vs. 524 in 2020).
- **The vast majority of Oregon children receiving subsidies are served in facilities in which they are typically integrated with children from families not receiving subsidies.** Only four percent of centers, 13% of small-home base facilities, and 20% of large home-based facilities have over half of their desired capacity filled with children using subsidy.

Data Source: For this analysis, we use the datasets created every two years to conduct the biennial market price study. We use datasets for the years 2010 to 2020. Over a three-month period in each of the data collection years, the Child Care Resource and Referral agencies or 211 update data on each child care and education facility's prices and desired capacity. These market price data are merged with child care subsidy data from the Department of Human Services/Early Learning Division to determine if a facility cared for a child on subsidy and, if so, the number of children on subsidy in that facility. Having both the number of subsidized children and the desired capacity, we estimate the percent of capacity filled with subsidized children.

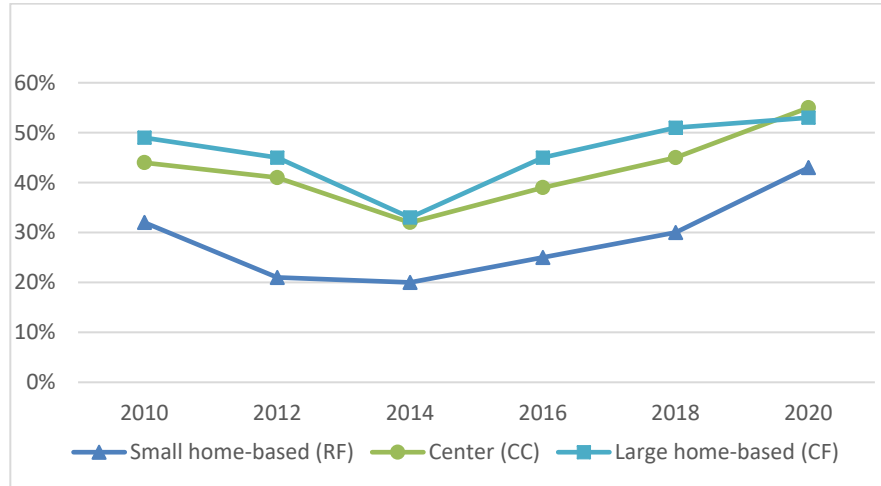
¹ Licensed or regulated facility types include Registered Family (small home-based), Certified Centers (centers), and Certified Family (large home-based)

² Facilities that reported to charge a fee or tuition to parents are considered a part of the priced market and make up the analytic sample. For more on the sample, see the [2020 Market Price Study](#).

FACILITIES PROVIDING CARE FOR AT LEAST ONE CHILD ON SUBSIDY BY TYPE OF CARE, 2010-2020

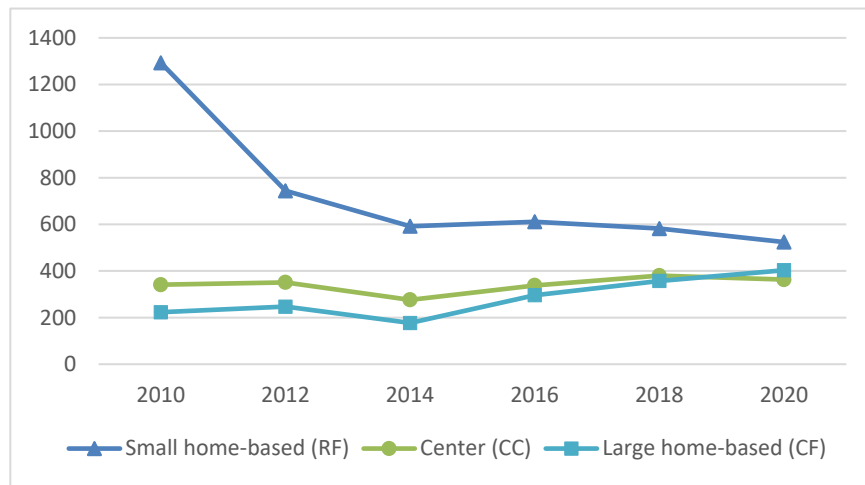
As can be seen below, over the past 10 years, the percent of facilities that care for at least one child on subsidy varies by type of care. Large home-based facilities (Certified Family) are the most likely to care for a child on subsidy (between 33% and 53%). Small home-based (Registered Family) facilities are the least likely serve at least one child on subsidy (between 20% and 43%). The participation of center (Certified Center) facilities has ranged between 32% and 55% of centers serving at least one child on subsidy.

Graph 1. Percent of Child Care Facilities with at Least One Child on CCDF Subsidy



When examining the number of facilities that care for at least one child on subsidy, the picture looks slightly different (see below). More small home-based facilities care for a child on subsidy than do other types of facilities, although that number has declined significantly over the past 10 years. In 2010, almost 1,300 small home-based facilities cared for at least one child on a subsidy (vs. the highest number of centers was 380 and large home-based facilities was 357)³. By 2020, fewer than 600 small home-based facilities cared for at least one child on subsidy.

Graph 2. Number of Child Care Facilities with at Least One Child on CCDF Subsidy



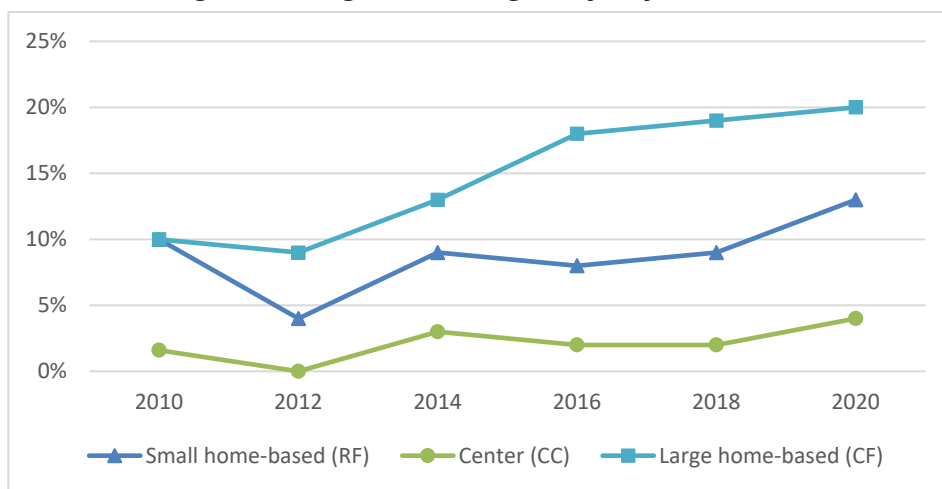
³It is important to note that during these 10 years, there have been changes in the number of facilities who charge a fee to parents (e.g., tuition), varying by type of care. The number of small home-based facilities who charge parents a fee (e.g., tuition) declined from 4,045 to 1,221 and the number of large home-based facilities increased from 454 to 762. The number of centers that charge a fee has remained relatively stable overtime (around 800).

PERCENT OF FACILITIES' DESIRED CAPACITY FILLED WITH SUBSIDIZED CHILDREN, 2010-2020

Estimating the percent of a facility's desired capacity filled with subsidy children addresses the question of whether children from low-income families receiving subsidies are segregated into facilities serving only children on subsidy. That is, do these children make up a large portion of the children in a facility?

As can be seen in the figure below, only small percentages of facilities have more than 50% of the facility's desired capacity filled by subsidized children, most commonly in large home-based facilities. Over last 10 years, having 50% or more of desired capacity filled with subsidized children is the case for between 1% and 4% of centers, up to 13% of small home-based facilities, and up to 20% of large home-based providers.

Graph 3. Percent of Regulated Programs Serving a Majority of Children on CCDF Subsidy



The number of facilities where subsidized children fill over 50% of desired capacity has changed over the past 10 years. The figure below illustrates a decline in small home-based facilities, modest increase in number of large home-based facilities, and relative stability of center facilities that fill over half of their capacities with children on subsidy.

Graph 4. Number of Regulated Programs Serving a Majority of Children on CCDF Subsidy

