

OREGON'S CHILD CARE SUBSIDY PROGRAM

Household, Child, and Provider Characteristics
and Program Stability from 2014 through 2022

Oregon Child Care Research Partnership
Prepared for the **Oregon Department of Early Learning and Care**

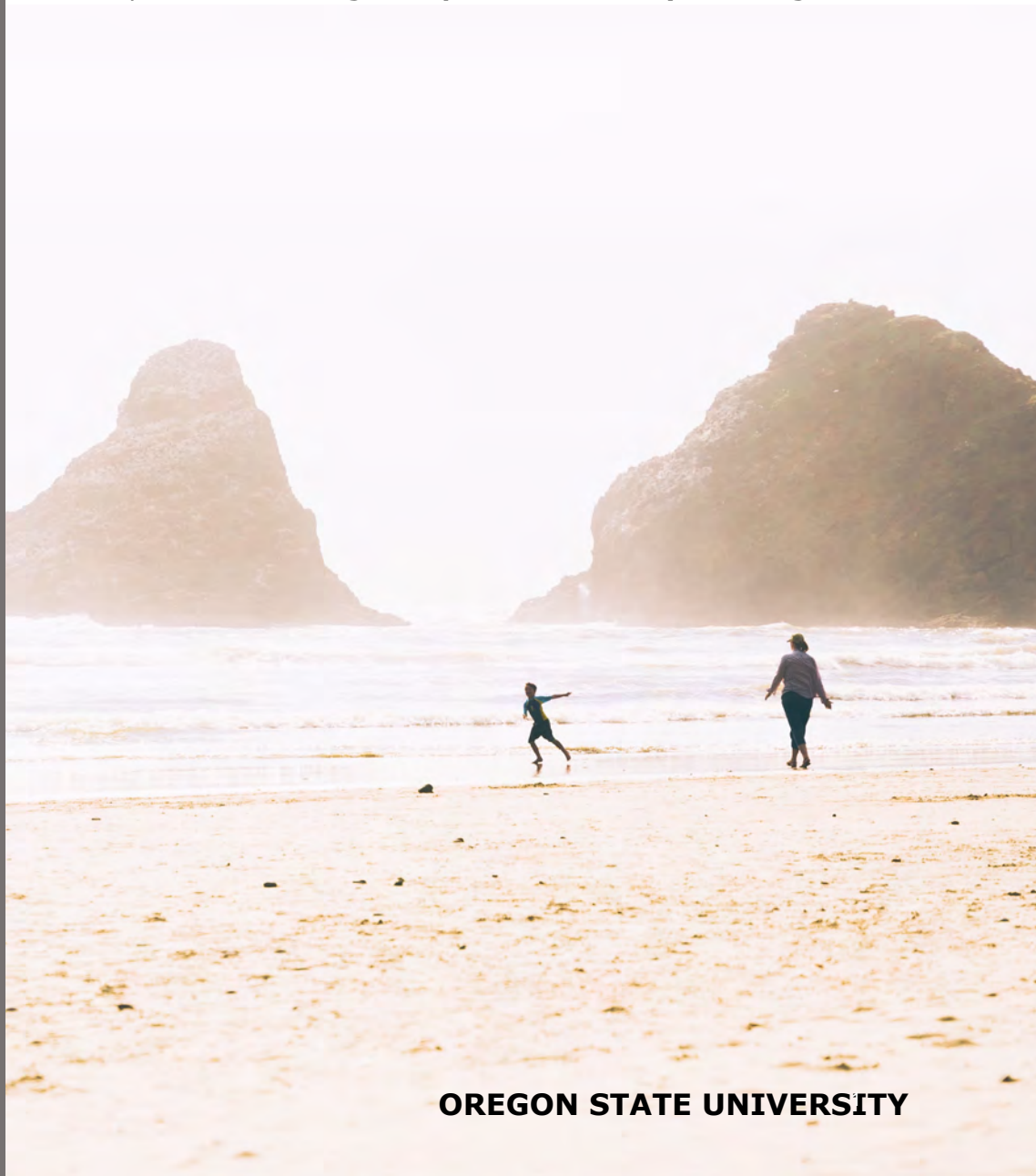




Table of Contents

Introduction & Data Source 3

Households 4

Number of Households 4

Single Parent & Income 5

Number of Children in a Household 6

Geography 7

Participation Stability 8

Children 9

Number of Children 9

Eligible Served 10

Age Groups 11

Race and Ethnicity 12

Type of Care 13

Arrangement Stability 15

Providers 16

Number of Providers 16

Type of Care 17

Authorship 19



INTRODUCTION

This report is an annual product of the Oregon Child Care Research Partnership at Oregon State University for Oregon's Department of Early Learning and Care (DELIC). The purpose of this report is to describe trends in Child Care and Development Fund (CCDF) child care subsidy program participation over time.

The report starts by describing the characteristics and program stability of households. Then, it describes children, followed by providers.

This is the third annual report covering trends through Federal Fiscal Year 2022.

DATA SOURCE

The report uses ACF-801 administrative program data to describe participants. This data is used to track and report child and household participation and payments made to providers.

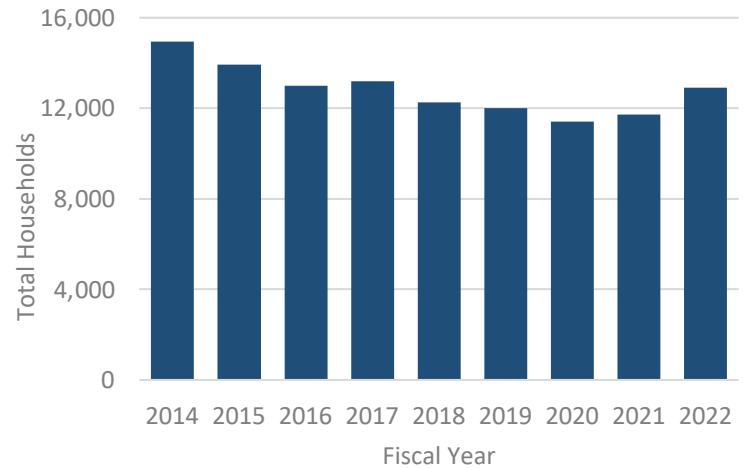
Data are analyzed yearly by Federal Fiscal Year (FFY), which runs from October 1st to September 30th. For example, FFY 2015 starts October 1st, 2014, and ends September 30th, 2015. This report illustrates participation trends from FFY 2014 through 2022.

Households

Household Participation in Oregon's Child Care Subsidy Program

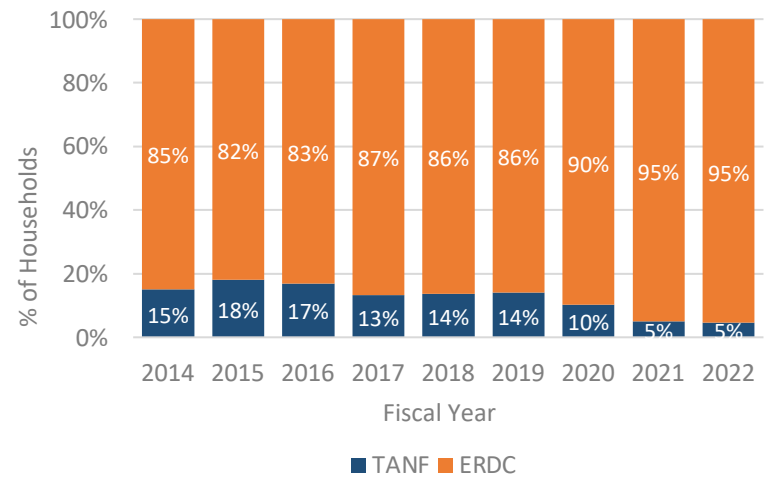
THE NUMBER OF PARTICIPATING HOUSEHOLDS DECLINED BETWEEN 2014 AND 2020. THE NUMBER OF FAMILIES SERVED HAS GROWN OVER THE PAST TWO YEARS.

Between 2020 and 2022, yearly participation increased by about 1,500 families. This is the first increase in households served since 2017. The number of households in the subsidy program remains 14% smaller than those served in 2014.



THE MAJORITY OF SUBSIDY-PARTICIPATING HOUSEHOLDS ARE SERVED BY ERDC.

TANF child care subsidy accounts for only one out of every 20 households participating in subsidy in 2021 and 2022. This is down from one out of every ten households in 2020.



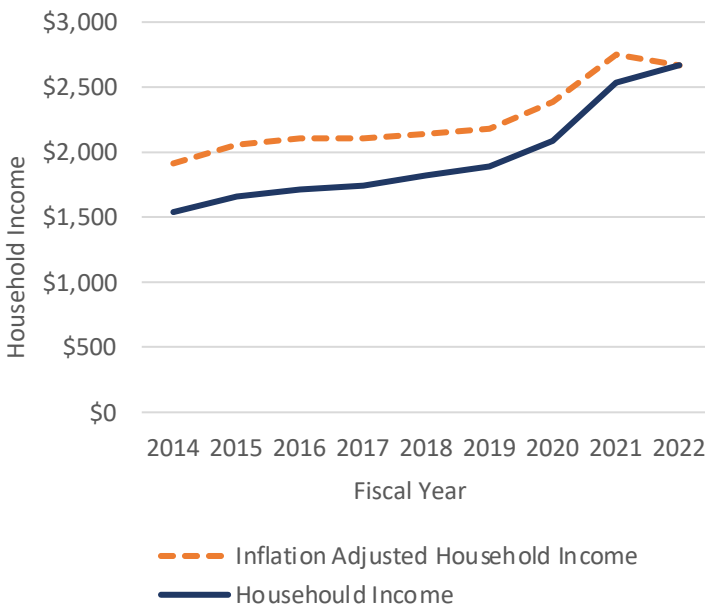
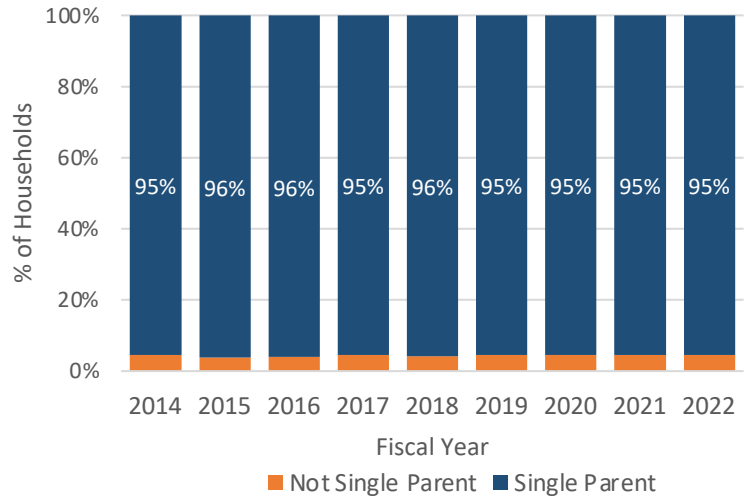
The number of subsidy participating households is defined as any unique head of household that received at least one month of child care support in a fiscal year. Household characteristics are drawn from the first month the household appears in the dataset.

Households

Household Participation in Oregon's Child Care Subsidy Program

THE SUBSIDY PROGRAM PRIMARILY SERVES SINGLE-PARENTS HOUSEHOLDS.

Consistently over time, 9 out of 10 households participating in the subsidy program are headed by a single parent.



THE AVERAGE MONTHLY HOUSEHOLD INCOME AMONG FAMILIES USING ERDC HAS GRADUALLY INCREASED OVER TIME.

After adjusting for inflation, the average monthly household income increased modestly between 2014 and 2019 (less than a 3% increase yearly). There was a 15% increase in average income between 2020 and 2021, followed by a 3% decrease between 2021 and 2022.

In 2022, the average household income was \$2,669, just under 150% of the federal poverty level for a family of three.

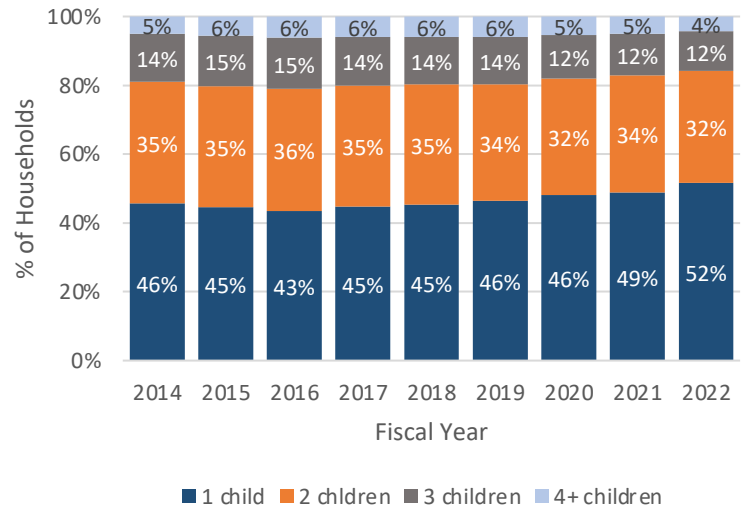
Inflation-adjusted income is calculated using the Bureau of Labor Statistics Consumer Price Index inflation calculator for 2022. In their first billing month, families on ERDC with zero income (1% of the sample) were omitted when calculating the average monthly income. The average income was not estimated for families using the TANF child care subsidy program due to the large number of zero income values (50% of TANF families reported zero income in their first month).

Households

Household Participation in Oregon's Child Care Subsidy Program

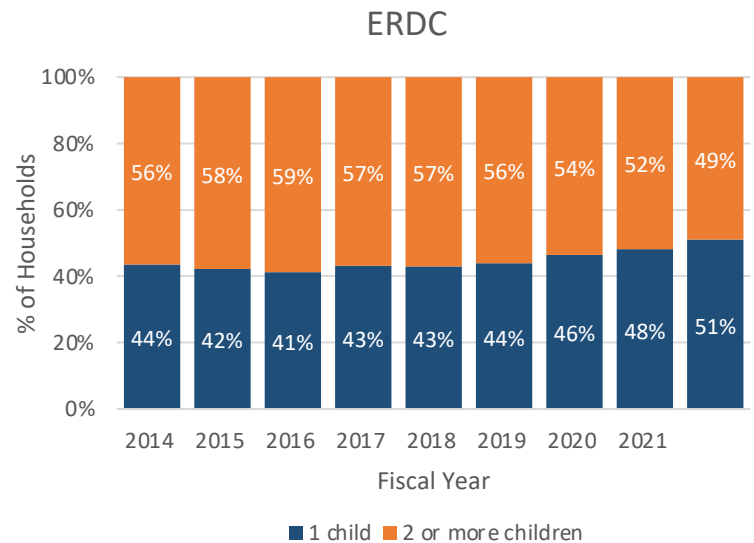
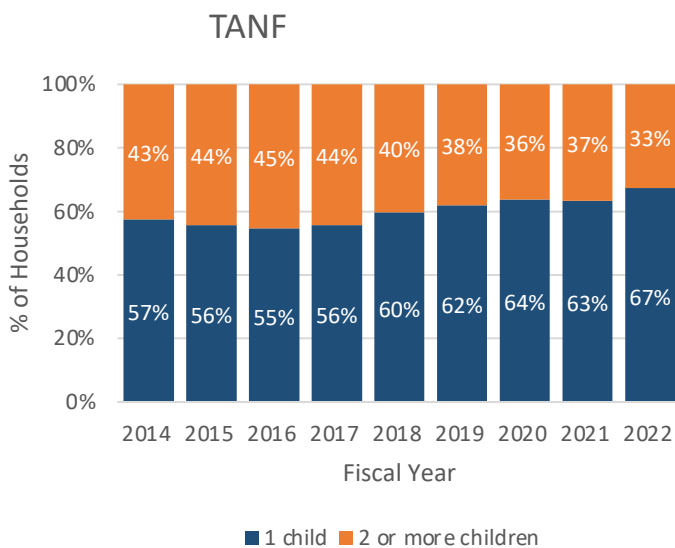
MOST PARTICIPATING HOUSEHOLDS HAVE ONE OR TWO CHILDREN ON SUBSIDY.

Consistently over time, about half of households have one child, and approximately a third have two children on subsidy.



HOUSEHOLDS PARTICIPATING IN TANF ARE MORE LIKELY TO HAVE ONLY ONE CHILD ON THE SUBSIDY PROGRAM THAN THOSE PARTICIPATING IN ERDC.

A growing proportion of TANF child care subsidy households use the program for care for a single child. As of 2022, 67% of households in TANF have only one child, compared to 51% of ERDC households.



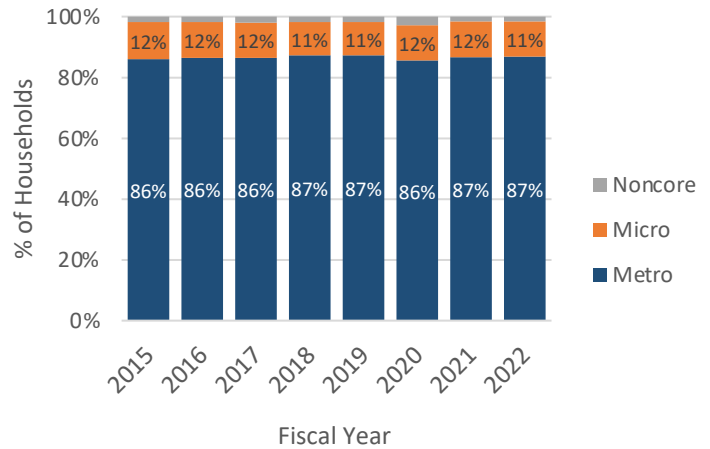
The number of subsidy participating households is defined as any unique head of household that received at least one month of child care support in a fiscal year. Household characteristics are drawn from the first month the household appears in the dataset.

Households

Household Participation in Oregon's Child Care Subsidy Program

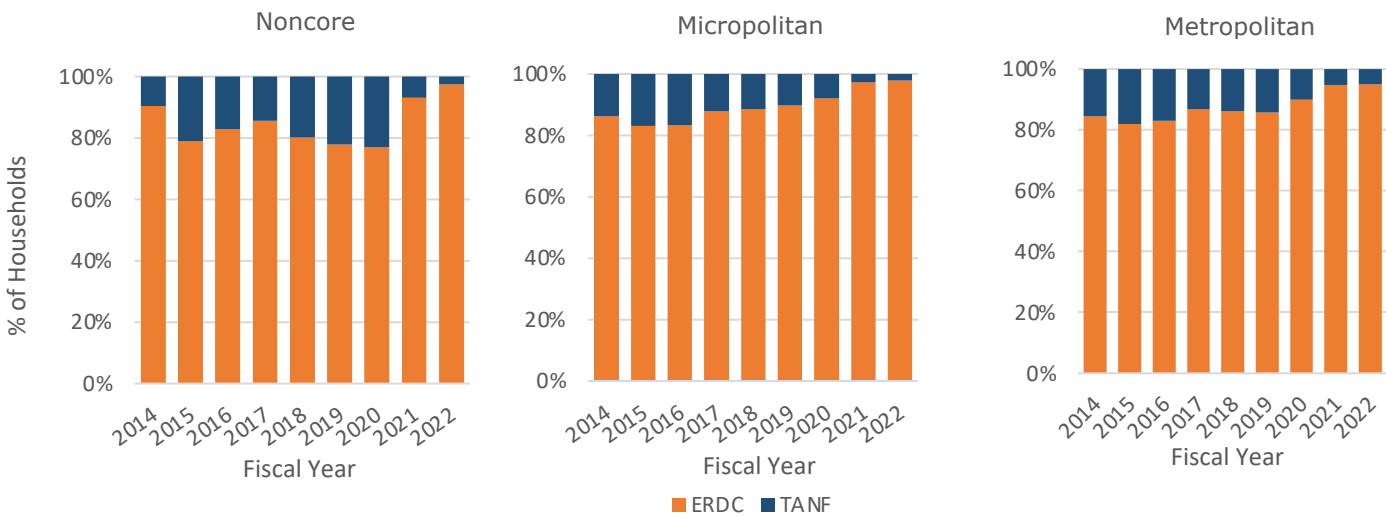
SUBSIDY UTILIZATION RATES ACROSS GEOGRAPHIC REGIONS HAS REMAINED STABLE OVER TIME.

Consistently over time, nearly 9 out of 10 households on subsidy live in metro counties.



THE PROPORTION OF SUBSIDY PARTICIPATING HOUSEHOLDS ON TANF CHILD CARE SUBSIDY DROPPED ACROSS ALL REGIONS IN 2021.

Across geographic regions, a declining proportion of participating households are on TANF. A less consistent yearly pattern appears for households within Noncore counties; these households account for less than two percent of participating households, so trends should be interpreted cautiously.



Metropolitan counties include: Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Lane, Linn, Marion, Multnomah, Polk, Washington, Yamhill. Micropolitan counties include: Clatsop, Coos, Crook, Curry, Douglas, Hood River, Klamath, Lincoln, Malheur, Morrow, Umatilla, Union, Wasco. Noncore counties include: Baker, Gilliam, Grant, Harney, Jefferson, Lake, Sherman, Tillamook, Wallowa, Wheeler.

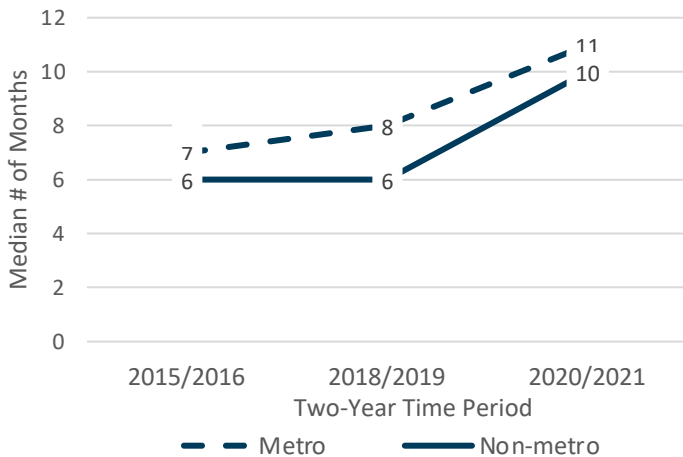
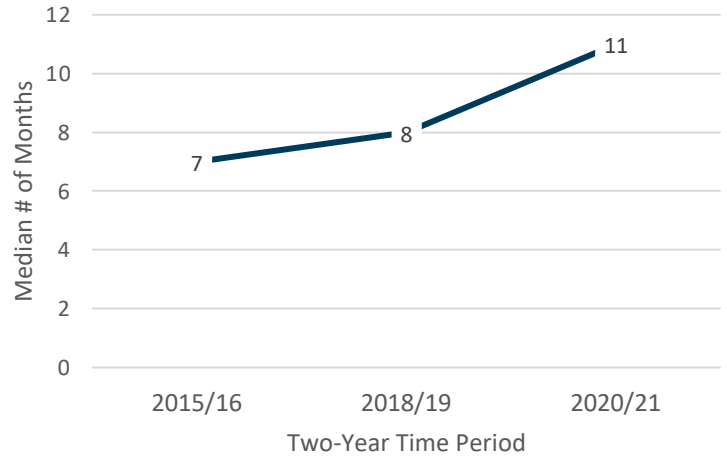
The Economic Research Service defines Metro counties as densely settled counties with an urban core population of 50,000 or more and outlying counties tied to the central core by labor force commuting. Micropolitan counties are similar to metro counties but include an urban core with a population between 10,000 and 49,999 and outlying counties tied to the core by commuting. Noncore areas are the remaining counties that are neither metro nor micropolitan.

Households

Household Participation in Oregon's Child Care Subsidy Program

THE MEDIAN LENGTH OF TIME A HOUSEHOLD CONTINUOUSLY PARTICIPATES ON ERDC INCREASED BY THREE MONTHS SINCE 2018-2019.

Since 2015-2016, households receiving ERDC have continuously participated in the program for a median of 7-8 months; during 2020-21, this increased to 11 months.



HOUSEHOLDS LIVING IN METROPOLITAN COUNTIES EXPERIENCE SLIGHTLY LONGER SUBSIDY SPELLS THAN THOSE IN NON-METROPOLITAN COUNTIES.

Among households that continuously participated in ERDC, those who lived in non-metropolitan counties experienced 1-2 months shorter participation time than those living in metropolitan counties.

Metropolitan counties include: Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Lane, Linn, Marion, Multnomah, Polk, Washington, Yamhill. Non-Metropolitan Counties include: (Micropolitan) Clatsop, Coos, Crook, Curry, Douglas, Hood River, Klamath, Lincoln, Malheur, Morrow, Umatilla, Union, Wasco, and (Non-Core) Baker, Gilliam, Grant, Harney, Jefferson, Lake, Sherman, Tillamook, Wallowa, Wheeler.

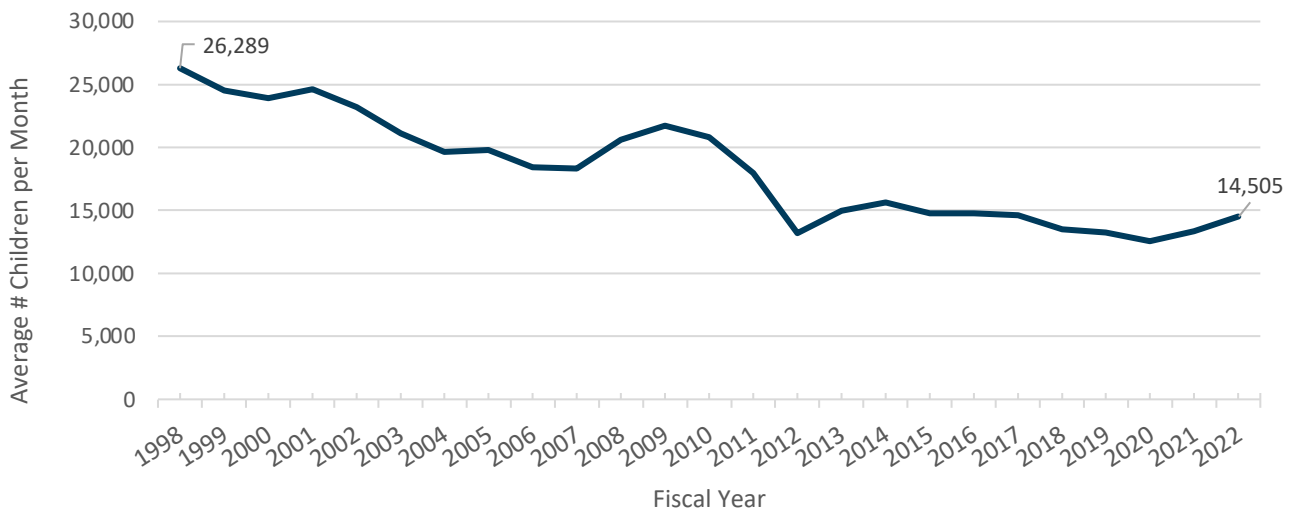
Household stability on the program is restricted to families who participated in (ERDC and excludes those with TANF child care subsidy months). The median spell length represents the point at which half of the households have left the program. This metric is estimated using Kaplan-Meier survival analysis and reflects the median or average number of continuous months of participation. Results are for a household's first spell in the program. A break in the spell is defined as the first consecutive month with no billing.

Children

Child Participation in Oregon's Child Care Subsidy Program

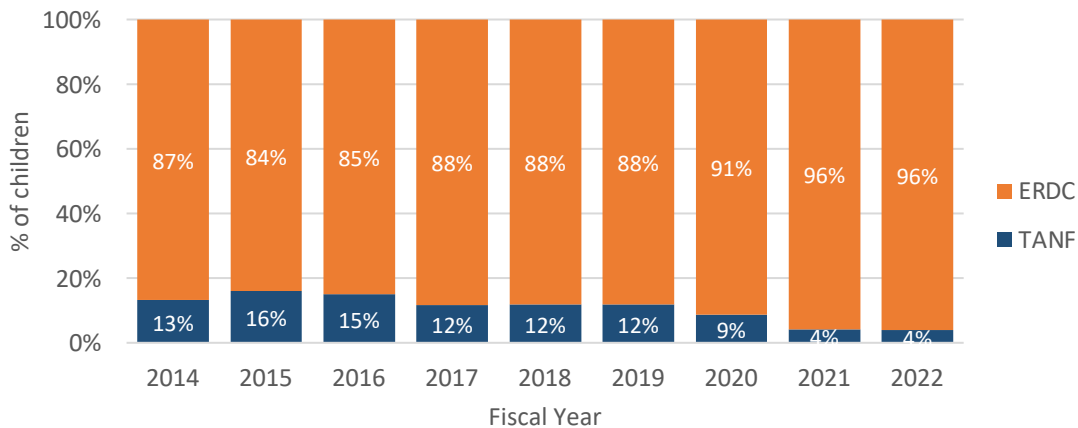
FEWER CHILDREN ARE SERVED BY THE SUBSIDY PROGRAM THAN WERE SERVED TWO DECADES AGO, ALTHOUGH THE NUMBER SERVED HAS INCREASED SINCE 2020.

The average monthly caseload of children receiving subsidies in 2022 is 45% lower than in 1998. Despite growth between 2007 and 2009, there was a rapid decline in the number of children served until 2012. Implementing a wait list due to budget constraints in October 2010 is related to this decline. The average number of children served each month in 2022 is similar to 2017.



MOST PARTICIPATING CHILDREN ARE SUPPORTED BY THE ERDC.

The percentage of children supported by the TANF child care subsidy has remained at 4% since 2021.



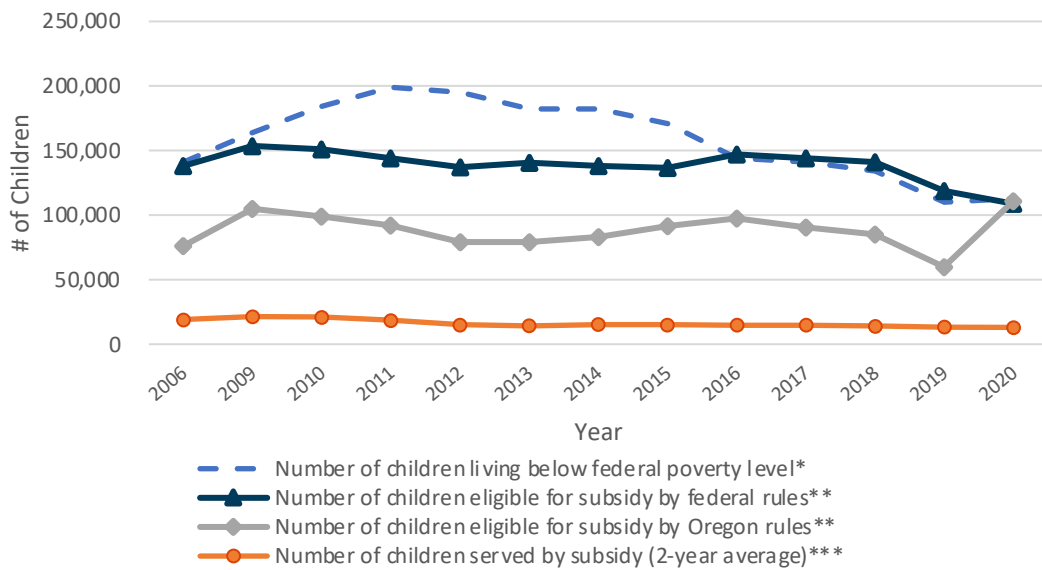
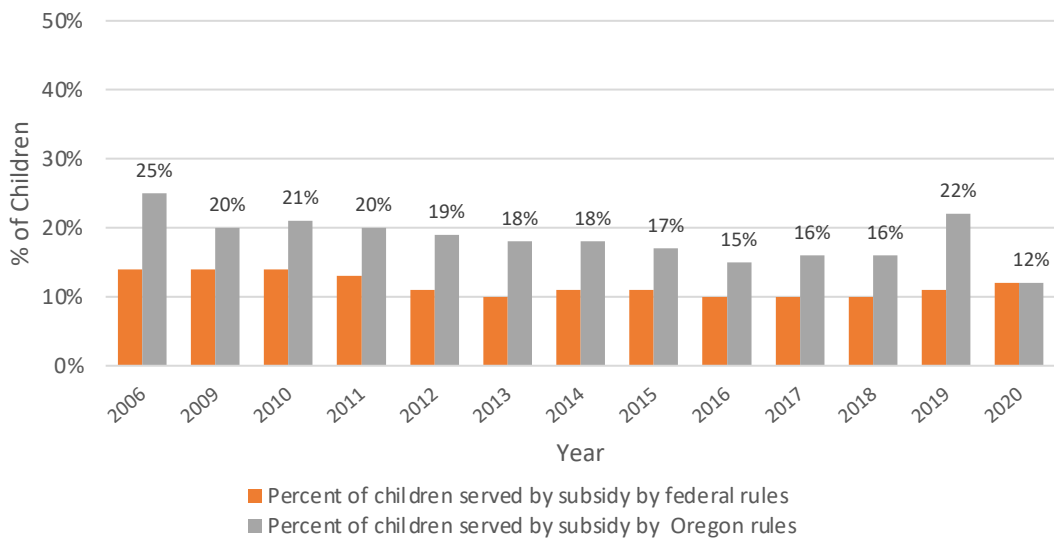
The number of subsidy participating children is defined as any unique child that received at least one month of child care support in a fiscal year. Child characteristics are drawn from the first month the child appears in the dataset.

Children

Child Participation in Oregon's Child Care Subsidy Program

THE CHILD CARE SUBSIDY PROGRAM SERVES A FRACTION OF ELIGIBLE CHILDREN.

The percentage of eligible children served by subsidy has declined by approximately 13% between 2006 and 2020. This decrease is explained by a significant increase in children eligible by Oregon Subsidy rules in 2020 relative to the number of children served; the number of children served appears consistent over time.



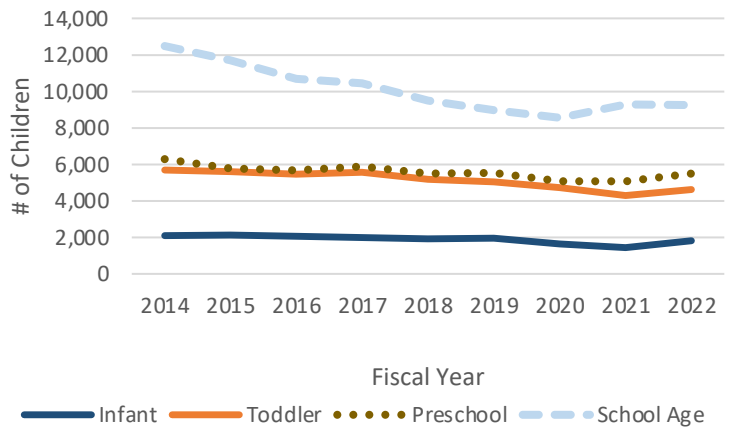
The Administration estimates the number of children eligible by Oregon subsidy rules for Children and Families (ACF) Assistant Secretary for Planning and Evaluation (ASPE). This estimate becomes available about two years after the fiscal year ends. For more on subsidy eligibility estimates, visit health.oregonstate.edu/early-learners/affordability

Children

Child Participation in Oregon’s Child Care Subsidy Program

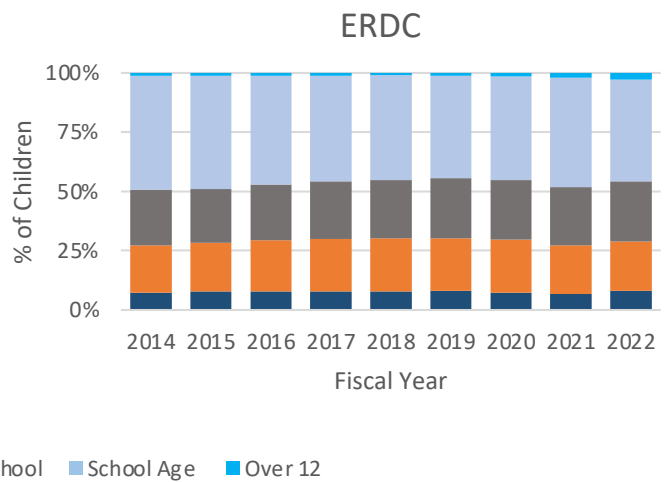
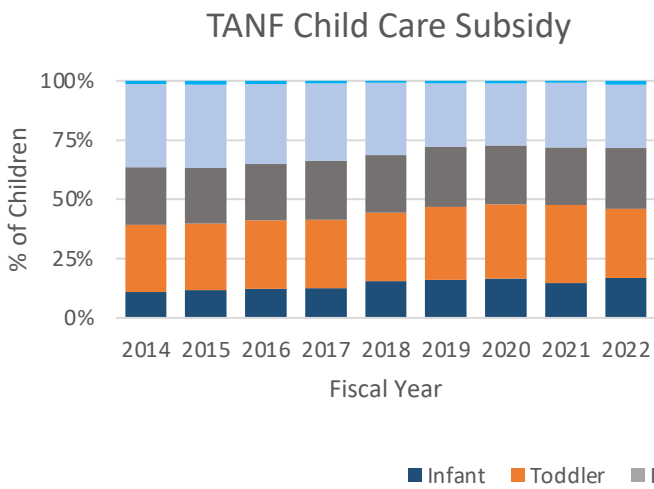
UNTIL 2021, THE LARGEST DECLINE IN SUBSIDY PARTICIPATION WAS AMONG SCHOOL-AGE CHILDREN. BETWEEN 2021 AND 2022, THE NUMBER OF SCHOOL-AGE CHILDREN STABILIZED WHILE THE NUMBER OF YOUNGER CHILDREN INCREASED.

In 2022, school -age children remained the largest category of children served. The number of younger children served increased between 2021 and 2022*; infants increased by 26%, while toddlers and preschoolers increased slightly (8% and 9%).



THE AGES OF CHILDREN SERVED DIFFER BETWEEN THE TANF CHILD CARE SUBSIDY PROGRAM AND ERDC.

Over time, almost half of the children served by the TANF child care subsidy program are infants and toddlers. In comparison, almost half of the children served by the ERDC are school-age.



Age categories are based on birthdate at the time of the first month of care. Categories include Infant = ages 0 through 11 months; Toddler = 12 through 35 months; Preschool = ages 3 through 5 years; School-age = 5 through 12

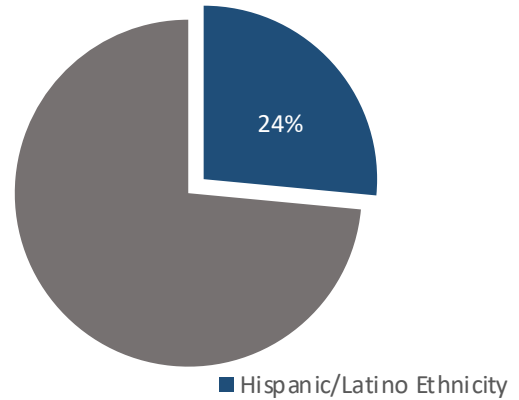
* As of 1/1/2020, ERDC policy shifted to cover children through age 12 rather than up to age 12.

Children

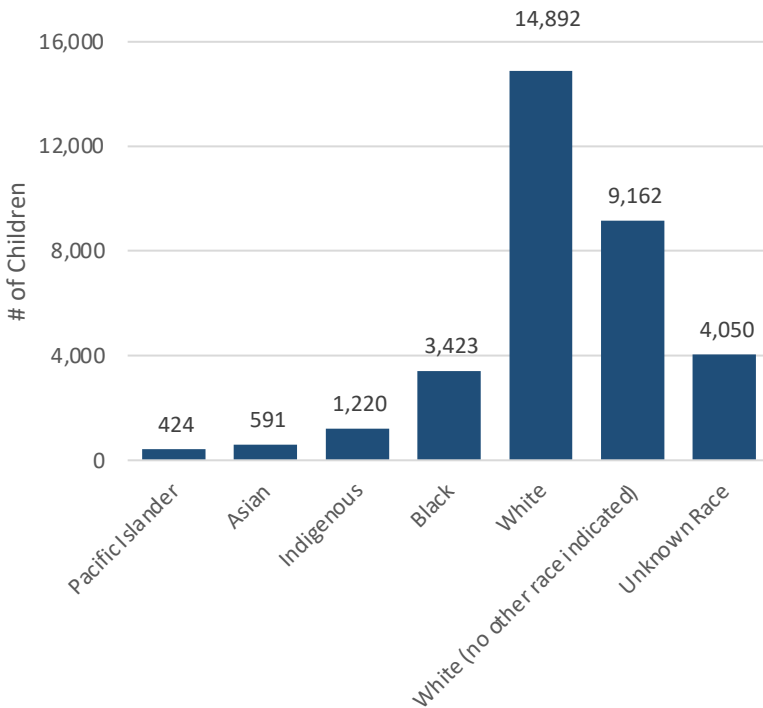
Child Participation in Oregon’s Child Care Subsidy Program

A QUARTER OF PARTICIPATING CHILDREN REPORT HISPANIC/LATINO ETHNICITY.

Similar to 2020 and 2021, 24% of children participating in the subsidy program were identified as Hispanic/Latino by their parent(s).



For each participating child, parents were asked about their Hispanic/Latino ethnicity, separately from race.



THE MOST COMMON RACIAL CATEGORY USED TO DESCRIBE PARTICIPATING CHILDREN WAS WHITE, FOLLOWED BY BLACK.

The racial composition of children using subsidies in 2022 was similar to 2020 and 2021. The majority of children were identified by parents as white, followed by Black, Indigenous, Asian, and Pacific Islander. Race remained unknown for just over 4,000 children.

The child race information in the graph above allows children to be included in multiple race categories. Eleven percent of children reported more than one race in 2022; these children are counted in more than one category in the figure above. If no race was indicated, the child is included in a category called “Unknown Race.” For the 2022 report, all available months of race data were used to define race. Early annual subsidy reports (2020 & 2021) defined the child’s race and ethnicity using the categories selected in the child’s first billing month.

Children

Child Participation in Oregon’s Child Care Subsidy Program

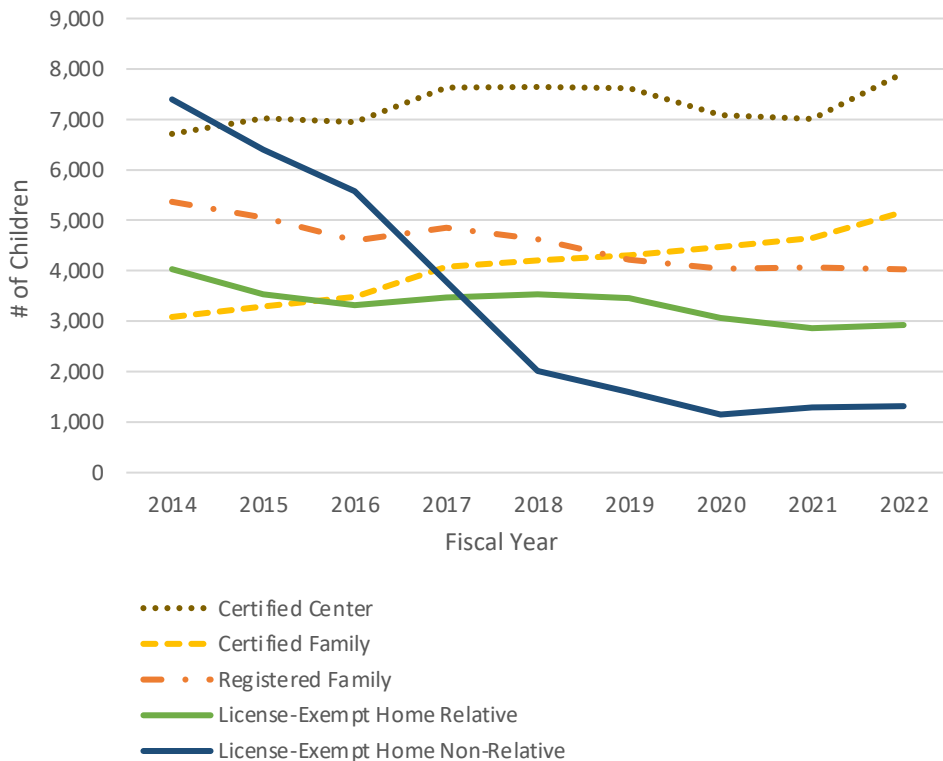
BETWEEN 2014 AND 2018, THERE WAS A SHARP DECLINE IN THE NUMBER OF CHILDREN ATTENDING LICENSE-EXEMPT NON-RELATIVE CARE.

The number of children served by license-exempt non-relative providers dropped by 82% between 2014 and 2020, while participation in license-exempt relative care has remained generally stable.

BETWEEN 2021 AND 2022, THE NUMBER OF CHILDREN SERVED IN CENTERS AND LARGE HOME-BASED SETTINGS INCREASED.

Within licensed home-based care settings, the number of children attending Registered Family programs has declined by 25%. By comparison, the number of children served in Certified Family programs increased by 50% between 2014 and 2022.

The number of children served by Certified Centers has remained relatively stable over time, with a slight drop in 2020 and 2021. By 2022, the number of children served by centers surpassed 2019 levels; certified centers served just under 8,000 children in 2022.



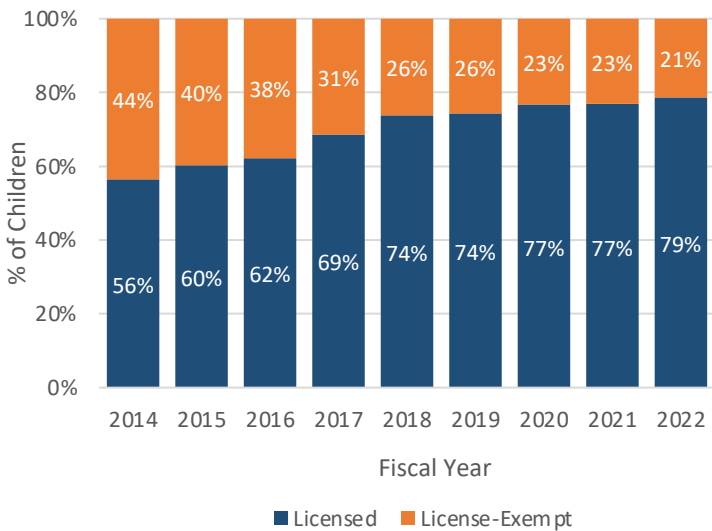
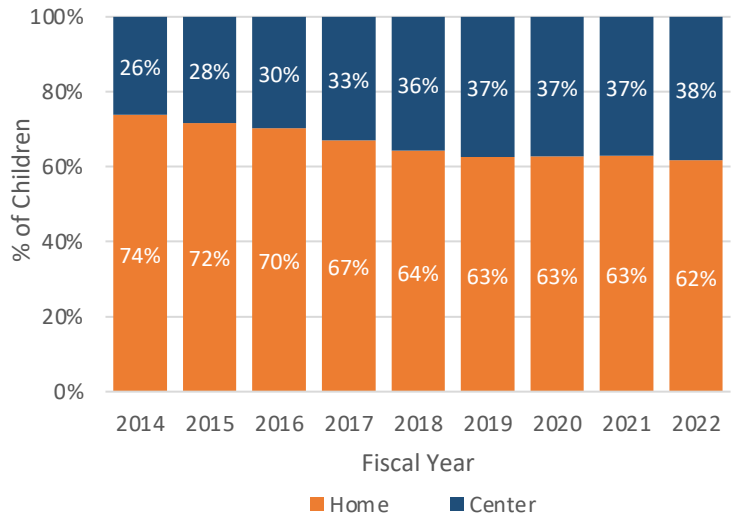
A child’s type of care is based on their primary provider (the provider with the highest number of hours or highest subsidy payment) in the first month the child appears in the dataset. In 2022, 10% of children had an additional provider at the same time.

Children

Child Participation in Oregon’s Child Care Subsidy Program

THE MAJORITY OF CHILDREN PARTICIPATING IN SUBSIDY CONTINUE TO BE SERVED IN HOME-BASED PROGRAMS.

The percentage of children in home-based and center-based programs declined between 2014 and 2018. Since 2020, home-based programs have consistently served around 63% of children on subsidy, down from 74% in 2014.



A GROWING SHARE OF CHILDREN USING SUBSIDY ARE BEING SERVED IN LICENSED PROGRAMS.

The proportion of children served in license-exempt programs has declined. By 2022, nearly 80% of children attend licensed programs. In contrast, in 2014, only 56% of children using subsidies attended licensed programs.

A child’s type of care is based on their primary provider (the provider with the highest number of hours or subsidy payment) in the first month the child appears in the dataset.

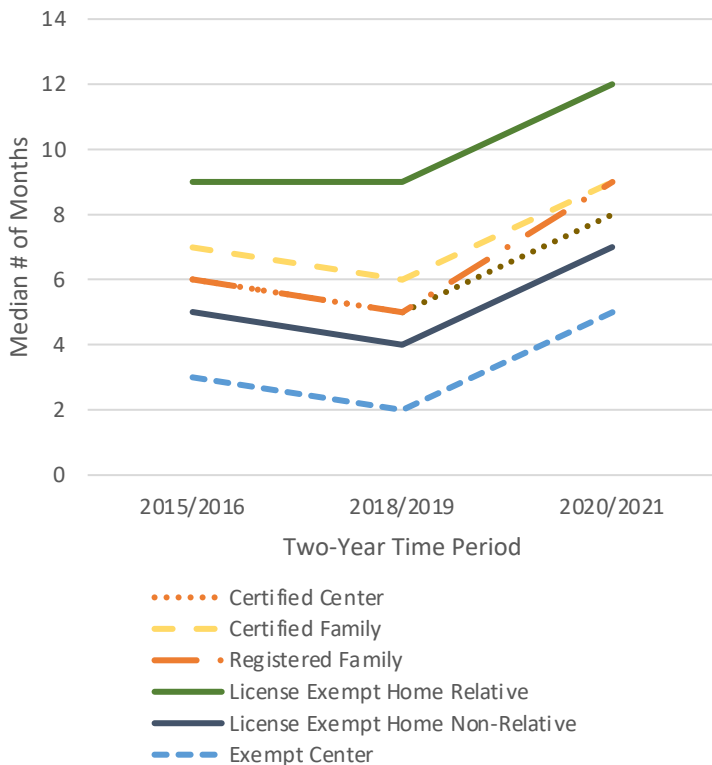
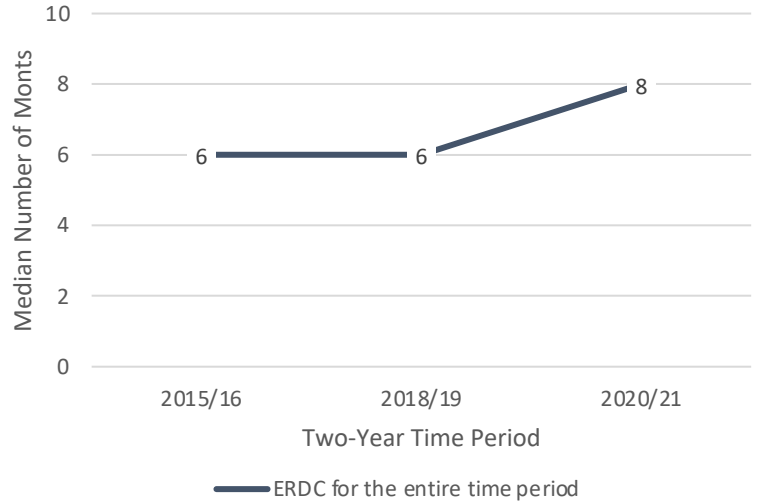
Home-based programs include both licensed (Certified Family and Registered Family) and license-exempt (license-exempt home relatives and non-relatives) programs. Centers include both licensed (Certified Center) and License-exempt Centers. Licensed programs include Certified Family, Registered Family, and Certified Center programs. All others are license-exempt.

Children

Child Participation in Oregon’s Child Care Subsidy Program

THE LENGTH OF TIME A CHILD STAYS WITH THE SAME CHILD CARE ARRANGEMENT HAS INCREASED.

Children in households participating in ERDC experienced more continuous months of care in the same arrangement over time, increasing from a median of 6 months with their primary provider in 2015/2016 to 8 months in 2020/21.



CHILDREN IN CARE WITH LICENSE-EXEMPT RELATIVES TEND TO EXPERIENCE THE MOST STABLE CARE OVER TIME COMPARED TO CHILDREN USING OTHER TYPES OF CARE OVER TIME.

Children whose subsidized care is with license-exempt relative providers tend to stay with the same provider for 9 to 12 continuous months, more than children in other care types.

Children in licensed care arrangements (Certified Family, Certified Center, and Registered Family) tend to stay for 6-9 months, and this stability has increased over time.

Children in license-exempt (LE) non-relative care and LE center-based care tend to be the least stable arrangements compared to other care types.

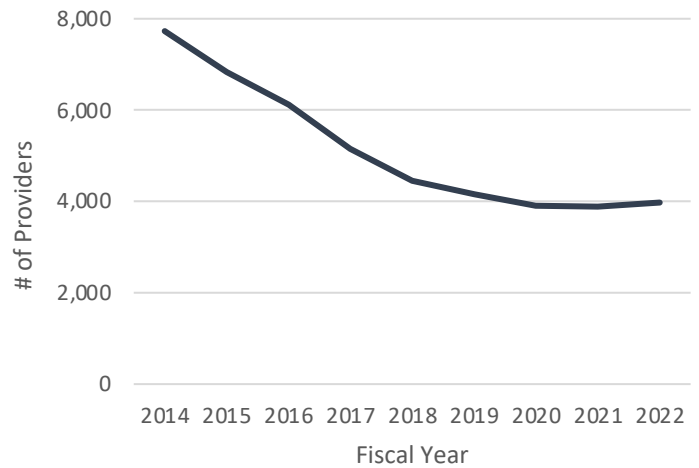
The length of a child’s arrangement with a provider is estimated using Kaplan-Meier duration, or survival, analysis. This approach estimates the average or median number of continuous months children remain with their primary provider while participating in the subsidy program. The primary provider for a child is the one who has been billed for the most hours in a benefit month. These results are for the first spell with a primary provider. A break in a spell is defined as a month when the provider is no longer billed for that child or if the child has a new primary provider.

Providers

Provider Participation in Oregon's Child Care Subsidy Program

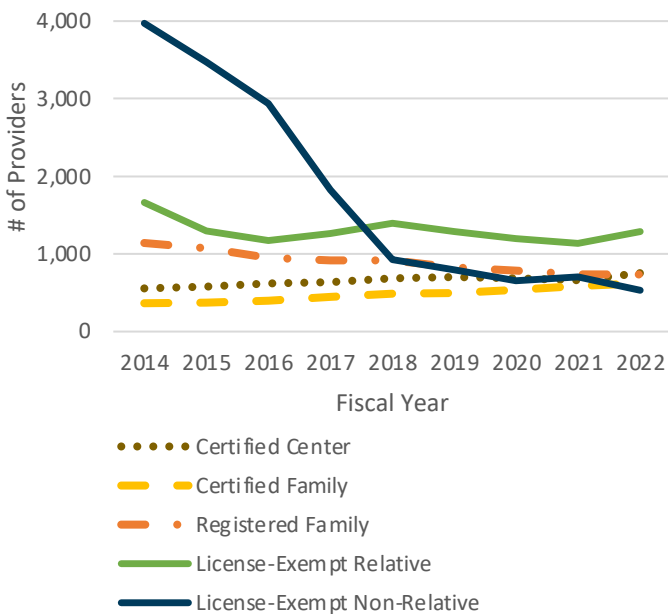
UNTIL 2021, THE NUMBER OF SUBSIDY-PARTICIPATING CHILD CARE PROVIDERS DECLINED. SINCE BETWEEN 2021 & 2022, THE NUMBER OF PROVIDERS HAS STABILIZED.

The total number of providers has declined by 50% since 2014. However, there was a modest 2% increase in the number of participating providers between 2021 and 2022.



THE MAJORITY OF THE PROVIDER DECLINE IS EXPLAINED BY THE LOSS OF LICENSE-EXEMPT NON-RELATIVE PROVIDERS

The subsidy program lost over 3,400 license-exempt non-relative providers over the last nine years, an 87% decline between 2014 and 2022.



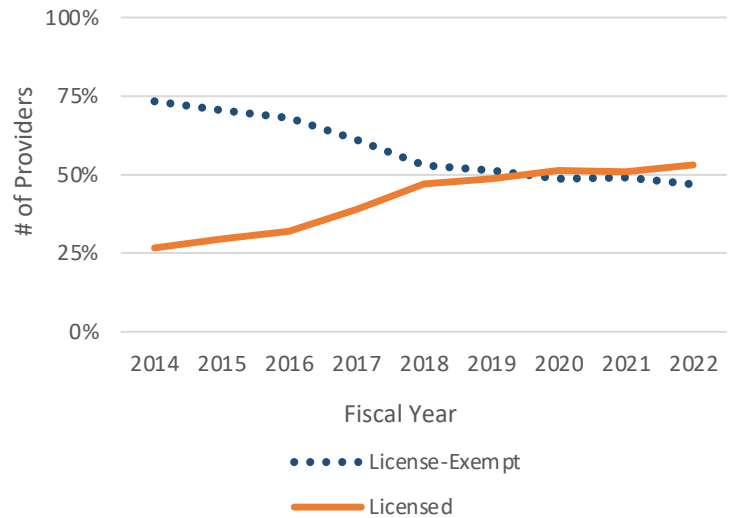
The number of subsidy participating providers in a fiscal year counts each provider that was in the system for at least one month of the year. The characteristics of the provider are drawn from the first month the provider receives a payment in a given fiscal year.

Providers

Provider Participation in Oregon's Child Care Subsidy Program

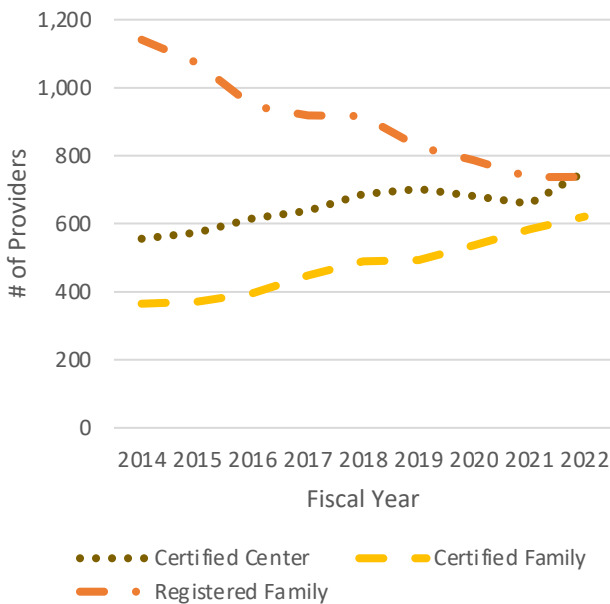
LICENSE-EXEMPT PROVIDERS NO LONGER MAKE UP THE MAJORITY OF PROVIDERS PARTICIPATING ON SUBSIDY.

As of 2022, over half of all participating providers are licensed. Eight years earlier, 75% of all providers were License-Exempt (LE).



BETWEEN 2021 & 2022, THE NUMBER OF CERTIFIED CENTER AND CERTIFIED HOME-BASED LICENSED PROVIDERS INCREASED. REGISTERED FAMILY PROVIDER NUMBERS REMAINED STABLE.

Between 2021 and 2022, the number of participating Certified Centers and Certified Family providers has grown modestly. Registered Family provider participation did not change; there continue to be 35% fewer Registered Family providers participating in the subsidy program than there were in 2014,



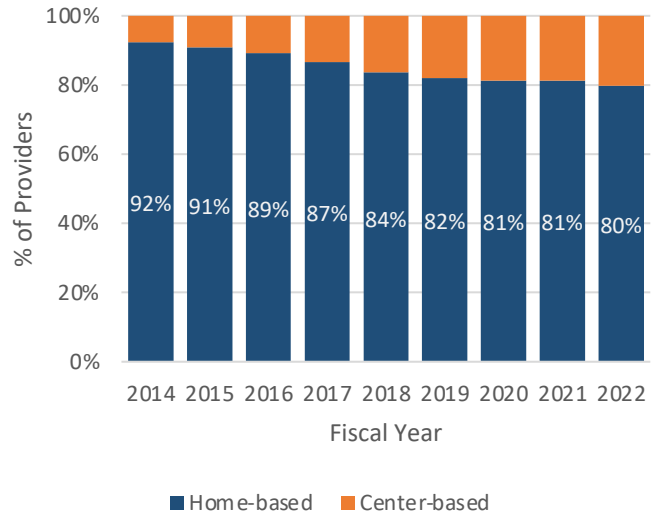
The number of subsidy participating providers in a fiscal year counts each provider that was in the system for at least one month of the year. The characteristics of the provider are drawn from the first month the provider receives a payment in a given fiscal year.

Providers

Provider Participation in Oregon’s Child Care Subsidy Program

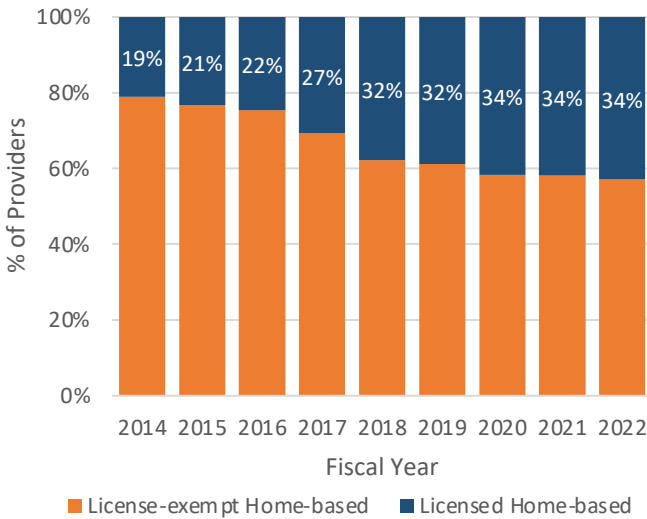
HOME-BASED PROVIDERS STILL REPRESENT THE VAST MAJORITY OF PROVIDERS PARTICIPATING IN THE SUBSIDY PROGRAM*

Since 2020, home-based providers account for 4 in 5 providers participating in the subsidy program compared to centers regardless of licensing status.



HOME-BASED PROVIDERS ARE INCREASINGLY LIKELY TO BE LICENSED.

Less than 1 in 5 home-based providers were licensed in 2014. In contrast, from 2020 to 2022, more than 1 in 3 were licensed each year.



**Although home-based providers make up the vast majority of the subsidy-participating providers, they care for relatively fewer children than centers-based programs. So, although there are fewer center-based providers, centers often care for a larger number of children (see page 13 for child participation by type of care).*

Home-based programs include licensed (Certified Family and Registered Family) and license-exempt (license-exempt home relatives and non-relatives). Center-based programs include both licensed (Certified Center) and License-Exempt Centers.



FOR MORE INFORMATION

To learn more about child care in Oregon, visit health.oregonstate.edu/early-learners

AUTHORSHIP

Prepared by the Oregon Child Care Research Partnership

Megan Pratt & Laurie Houston

Oregon State University, College of Health

oregonccrp@oregonstate.edu 541-737-5373

The contents of this report are solely the responsibility of the authors and do not represent the official views of the funding agency or Oregon State agencies, nor does publication in any way constitute an endorsement by the funding agency.