

# KEY OUTCOMES FROM OREGON'S CHILD CARE CONTRIBUTION TAX CREDIT PILOT PROJECTS

## Key Findings for Families

- Subsidy parents reported more child care arrangement changes than control parents in the year prior to the start of the study.
- Subsidy children stayed at their care arrangement significantly longer than control children (indeed, 5 months longer).
- Subsidy parents had more children enrolled in care and purchased more hours of care than income-matched control parents.



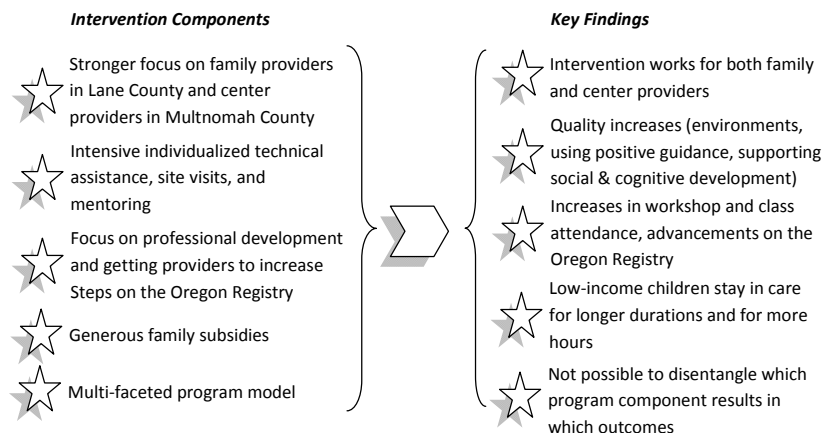
In 2003, the Oregon Legislature enacted the Oregon Child Care Contribution Tax Credit (CCCTC). Proceeds from these credits have been used to fund two child care enhancement pilot projects. The CCCTC pilot projects (one in Lane County and one in Multnomah County) were guided by three goals:

- To decrease the cost of child care to 10% of gross family income;
- To increase and stabilize child care provider wages; and
- To increase child care quality through provider access to professional development and other enhancements.

Thus, the pilot projects consisted of three components:

1. *Parent subsidies:* The pilot projects provided income-eligible parents with child care subsidies to limit the percentage of family income spent on child care to 10%.
2. *Wage enhancements and other financial supports:* The projects provided child care providers with wage enhancements tied to enrollment and advancement on the Oregon Registry, scholarships, and facility improvement grants designed as incentives for quality improvements and to support provider retention.
3. *Mentoring, networking, and technical support:* The projects provided individualized technical assistance, facilitated networking among providers, and provided mentoring to enhance child care quality.

The Lane County CCCTC project provided services to 11 family child care facilities and 2 centers serving more than 300 children. The Multnomah County CCCTC project provided services to 13 family child care facilities and 2 centers serving 448 children.



## Key Findings for Providers

- CCCTC providers at both program sites showed significant improvements in quality ratings.
- CCCTC providers were more likely than control providers to be at a Step 5 or higher on the Oregon Registry by the end of the pilot projects.
- CCCTC providers showed a significant improvement in confidence in their skills .
- Over the course of the 3-year pilots, a total of 11 control family providers went out of business compared to just 4 CCCTC family providers.



## Quality Improvement Outcomes for Providers

In Lane County, CCCTC family-based providers showed greater quality improvements in several key domains, relative to control providers. However, among center-based providers, the level of improvement was not greater for CCCTC participants, relative to controls. In Multnomah County, the pattern was somewhat reversed.

- Lane County CCCTC family providers and Multnomah County CCCTC center providers showed significant improvements relative to controls in environmental quality.
- Multnomah County CCCTC center providers showed significant improvement relative to controls in their ability to respond positively to children and in their use of positive guidance.
- Lane County CCCTC family providers showed significant improvement relative to controls in their ability to support children's social-emotional development.
- Lane County CCCTC family providers and Multnomah County CCCTC family and center providers showed significant improvements relative to controls in various areas of cognitive and language development quality.
- Increases in environmental quality were most apparent after the first year of intervention, while quality improvements in other domains continued to increase after the second year of intervention as well.

The Lane County results can be explained by the fact that family providers in Lane County on the whole participated in the program longer than center providers (who had more turnover) coupled with the fact that the focus of the Lane County project activities was on family providers and center directors. Multnomah County, on the other hand, placed a particular emphasis upon engaging center staff.

While it is not possible to disentangle which program components led to which outcomes, it can be concluded that the package of interventions, taken together, had a set of modest but wide-ranging effects on both families and providers. Further, results from both pilot projects indicate that the intervention can lead to effects for both family and center-based providers.