Child Care Contribution Tax Credit Meeting Agenda

May 30, 2008
9:30-12:00
OCCRRN
805 Liberty Street NE
Salem 97301

People Present: , Sue Norton, Dawn Norris, Melissa Gritz, Bobbie Weber, Shiela Carter, Sonia Worcel, Tom Olsen, and Beth Green.

A small group convened to discuss the sustainability of the Tax Credit Project. The group looked at the three components of the project to determine the level of intervention for each component to develop a model to sustain the projects. From the beginning the Committee's intention was to have two stages of the tax credit projects: the first focused on quality building and learning what works at what cost, the second a smaller project that could be sustained over time. The first stage was designed to last three years and NPC was hired to do an outside evaluation of both the Lane Community College and Neighborhood House projects. The Lane project is nearing completion of its three year development stage and the committee needs to design the second stage, a project that will sustain the quality developed in the first three-year stage at a lower level of investment so that tax credit projects can be developed in additional communities.

Discussion focused on each of the three components of the project: affordability, quality, and compensation.

Affordability- The group brainstormed several possible options.

- Provide subsidies to only DHS families and keep the Household Income at 10%
- Help fewer families by decreasing eligibility from the current 85% of SMI/about 250% fpl
- Provide less help by increasing the percent of Household Income (15%-20%) parents have to spend on their child care
- Cap the payment rate at (75th percentile of the current market rate survey)-create own maximum subsidy rate or use maximum subsidy rates set by DHS
- Keep the DHS families at 10% and build in a sliding fee scale to increase past 185%
- Serve non-DHS families who are above the 185% and adopt DHS rules for those between 186%-250%

A decision was made for Bobbie to ask Bruce Sorte of interest in analyzing the following scenarios in order to make a decision. If Bruce is unable to contract with the Child Care Division Bobbie will analyze the data.

1. Current level of support but only for DHS eligible
2. Families whose income falls at or below 185% fpl will be supported by DHS An incremental analysis of the costs of serving families earning between 186% fpl and 250%fpl, estimate costs at 200%, 225%, and 250%
3. Use CCEP to serve DHS eligible and families earning between 186% fpl and 250% fpl but raising the percent of Household Income families need to spend on child care. Look at cost of subsidizing to the levels of 13% and 15%.

Dawn will work with Terri, if needed, to gather the necessary data for the analysis.

Quality

Discussion on possible ways to fund the quality component led to the idea of support from public/private partnership. For example, in rural areas, the Ford Family Foundation may be interested in funding the quality improvement stage (the first three years) and the tax credit money would e used for the second stage, sustaining the model in the community.

For Lane County, Sue will develop a budget to transform the Quality component into a Network. Costs will include the FTE to support a Network “Help Desk”, facilitate 6 meetings a year and provide quality improvement support to up to 2 new providers a year. The idea is to keep the Network at 12 facilities.

Compensation

The group looked at how the wage compensation piece would look for providers. The intent is for this compensation to support the provider as long as they are providing care and meeting the other project requirements. The compensation plan proposed by Lane County seemed reasonable to the group and would cost about $40,000.

Providers at a step on the Registry would receive the amount over the course of the year.

Step	Amount
3-7	$100 per step
7.5	$800
8	$1000
8.5	$1200
9	$1500
9.5	$1800
10-12	$2000

Specific to the Lane County project is to grandfather providers in and new providers would not be added until the affordability component is determined. A contract amendment would need to occur at that time.

WHAT CAN BE LEARNED FROM THE NPC EVALUATION

The NPC evaluation was funded to document implementation, measure quality at baseline and over time, measure other outcomes, and document the cost of the tax credit projects by component. The evaluation cannot tell us the minimal cost that would have produced the same outcomes. NPC volunteered that they could interview providers about which project activities were most important to improving quality—activities within each of the three components. NPC will look at their budget and try to interview provider’s and determine what has been the most beneficial component for them and try to get a sense where their “tipping point” is in terms of the level of intervention.

In terms of building new Tax Credit Projects the questions the Committee would like to be able to answer include:

1. What has CCEP demonstrated to be the minimal investment needed for an adequately functioning system? How much is needed to produce:
    a. Quality
    b. Compensation
    c. Affordability
2. Is there a larger investment needed initially? Is one level needed for an initial period of years and a lesser for maintenance?

3. If yes, what is the minimum needed per facility, per family, per provider to get to a well-functioning system?
4. What is the minimum level needed per facility, per family, per provider to maintain a well-functioning system.

Available data does not answer these questions exactly but we will use the experience of Lane Community College and the findings from the NPC evaluation to inform recommendations for both the development and sustainability stages of these quality improvement projects.