How Participation in Different Safety Net Programs Affects Child Care Subsidy Recipients

Sarah Minton and Christin Durham
Presentation for 2014 NAWRS Conference
August 19, 2014
In this Presentation

- Introduction to the Child Care and Development Fund (CCDF) and the CCDF Policies Database

- Overview of state CCDF policies for families receiving assistance from other benefit programs

- Introduction to the Transfer Income Model (TRIM3) and assessing the impacts of alternative policy options
Acknowledgments

• Data for this presentation come from the CCDF Policies Database and the Transfer Income Model, version 3 (TRIM3).
  
  – The CCDF Policies Database is funded by the Department of Health and Human Services, the Office of Planning, Research and Evaluation (HHS/OPRE).
  
  – TRIM3 is funded by the Department of Health and Human Services, the Office of the Assistant Secretary for Planning and Evaluation (HHS/ASPE).

• This analysis was completed using Urban Institute funds. It does not necessarily represent the views of the Urban Institute, its trustees, or its funders.
The Child Care and Development Fund (CCDF)

- Largest source of child care subsidies for low-income families
- Part of a federal block grant and funded with both federal and state matching funding
- Authorized in 1996 under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)
- Not an entitlement program
The CCDF Policies Database

- The CCDF Policies Database is a longitudinal database of State/Territory CCDF Policies.
  - Data are currently available through 2012, with 2013 data due later this year.
CCDF Eligibility

Federal Guidelines

• **Family Income** – cannot exceed 85 percent SMI

• **Children’s Age** – under age 13 or have special needs

• **Reason for Care** – parents working or have other need for care
State CCDF Policies and Families Receiving Assistance from Other Programs

• States establish several policies within the broad guidelines.

• State-specific policies cover eligibility, family payments, provider reimbursement, and a number of other policy areas.

• State policies may vary for families in need of child care assistance and receiving assistance from other programs:
  - TANF
  - General Assistance
  - SNAP
  - Housing Assistance
  - SSI (received by children and/or adults)
  - SSDI
  - EITC
  - LIHEAP
Determining Eligibility: Activity and Income Requirements
Approved Activities for CCDF Eligibility, 2012

- SNAP E&T: 15
- TANF Work Program: 51
- Other TANF Activities: 35
If Different Types of Income are Counted Towards Family Income When Determining Eligibility, 2012

- Fully Counted
- Varies/Partially Counted

<table>
<thead>
<tr>
<th>Income Type</th>
<th>Fully Counted</th>
<th>Varies/Partially Counted</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>SSI</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>SSDI</td>
<td>42</td>
<td>2</td>
</tr>
<tr>
<td>Value of SNAP Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Assistance</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>Value of Housing Assistance</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>LIHEAP</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>State EITC Refunds</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

URBAN INSTITUTE
Priority Policies for Eligible Families
If TANF Recipients are Given Priority when Funds are Limited, 2012

- **If TANF Recipients are Given Priority**
  - NA, state has no priority policies
  - No, same priority as other children
  - Varies
  - Priority over other children, subsidy not guaranteed
  - Subsidy guaranteed
  - NA, no TANF program
If Families Transitioning Off of TANF are Given Priority when Funds are Limited, 2012

If Children in Families Transitioning Off TANF are Given Priority

- NA, state has no priority policies
- No, same priority as other children
- Varies
- Priority over other children, subsidy not guaranteed
- Subsidy guaranteed
- NA, no TANF program

URBAN INSTITUTE
If Families At Risk of Becoming Dependent on TANF are Given Priority when Funds are Limited, 2012

If Children in Families At Risk of Becoming Dependent on TANF are Given Priority

- NA, state has no priority policies
- No, same priority as other children
- Varies
- Priority over other children, subsidy not guaranteed
- NA, no TANF program

URBAN INSTITUTE
Copayment Exemptions
If Copayments are Waived for TANF Recipients, 2012

- All Current TANF Families: 19
- TANF Families with No Eared Income: 34
- TANF Families with Eared Income: 26
- Child-Only TANF Families: 25
If Copayments are Waived for Families In Need of TANF or Transitioning Off of TANF, 2012

- Families Transitioning Off TANF: 5
- TANF Applicants: 14
- Families at Risk of Becoming Dependent on TANF: 2
If Copayments are Waived for SSI Recipients, 2012

If Copayments are Waived for SSI Recipients

No
Yes
NA, copayments waived for all families

URBAN INSTITUTE
If Copayments are Waived for Families Participating in SNAP Employment and Training, 2012

If Copayments are Waived for SNAP E&T Participants

- **Yes**: Yes
- **No**: No
- **Varies**:Varies
- **NA, SNAP E&T participants not serviced through primary CCDF program**: NA

*URBAN INSTITUTE*
CCDF Eligibility and Alternative Policies
Transfer Income Model, v3 (TRIM3)

• TRIM3 is a microsimulation model that simulates major government transfer, tax, and health insurance programs:
  - SSI
  - TANF
  - Child care
  - LIHEAP
  - Medicaid and SCHIP
  - Child support
  - Payroll taxes
  - Public and subsidized housing
  - SNAP
  - WIC
  - Medicare
  - Employer sponsored health insurance
  - Unemployment compensation
  - Federal and state income taxes

• For our analysis we use CPS data for CY 2011 and look specifically at eligibility for CCDF.

• http://trim3.urban.org
2011 CCDF Eligibility

TRIM3 estimates using 2011 state CCDF rules:

- 8.395 million children were eligible for subsidies in the average month of 2011.
- 5.169 million families were eligible for subsidies in the average month of 2011.
Alternative Policy Simulations

• How many additional families and children would become eligible for CCDF if state policies were changed to –
  – Disregard all TANF income
  – Disregard all SSI
  – Disregard all SSDI
  – Disregard all general assistance income

• What would be the combined impact of these policy changes?
Effects of Alternative Policies, 2011

- Disregarding all SSDI income for CCDF eligibility had the smallest impact, increasing eligibility by approximately 1,000 families (<0.0 percent) and 2,000 children (<0.0 percent).

- Disregarding all SSI income had the greatest impact, increasing eligibility by approximately 24,000 families (0.5 percent) and 32,000 children (0.4 percent).

- Combining all policy changes – disregarding TANF, SSI, SSDI, and general assistance income when determining eligibility – increased eligibility by approximately 30,000 families (0.6 percent) and 44,000 children (0.5 percent).
Effects of Alternative CCDF Policies, 2011

Average Monthly Numbers (Thousands)

- Increase in the Number of Eligible Families
- Increase in the Number of Eligible Children

- TANF
- SSI
- SSDI
- General Assistance
- Combined Policies
Effects of Alternative Policies, 2011

• Overall, the simulated policy changes had very little impact on eligibility.
  – Partially attributed to fact that families receiving other types of assistance are often low-income and therefore already qualify for CCDF without any additional income disregards.
  – Partially attributed to some states already disregarding some of these benefits when determining eligibility.
  – Additionally, in families with adults with disabilities, the parent(s) may not be working or in school, and therefore not meet activity requirements.

• While overall eligibility saw very little change, the impact for individual families could be substantial if the families go from being ineligible to eligible or experience reduced copayments as a result of income disregards.
Contact Us

Sarah Minton
Research Associate
The Urban Institute
sminton@urban.org

Christin Durham
Research Associate
The Urban Institute
cdurham@urban.org