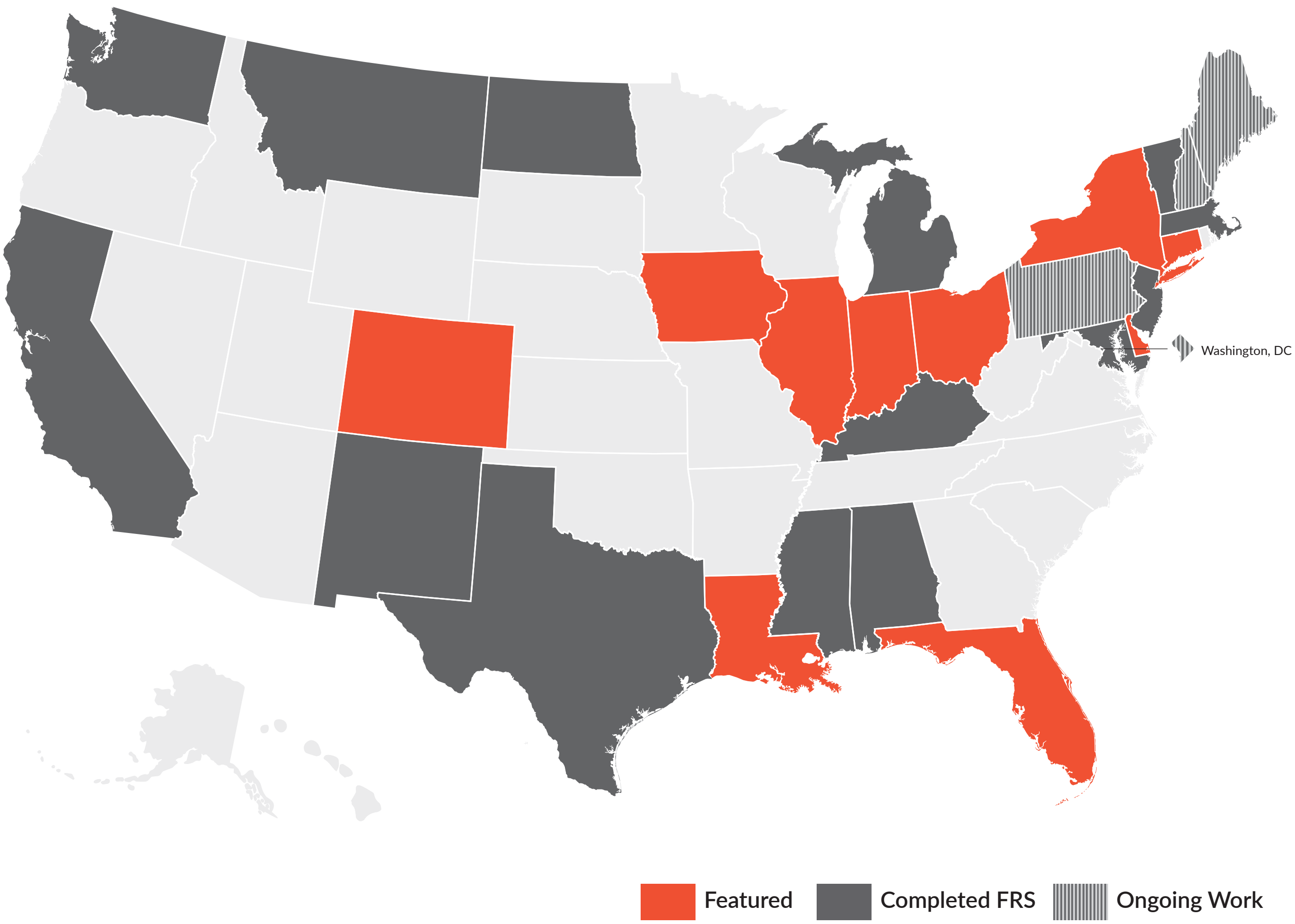
The Family Resource Simulator
Two Decades of Impact

Developed by the National Center on Children in Poverty,
Bank Street Graduate School of Education

NCCP National Center for Children in Poverty
Bank Street Graduate School of Education

The Family Resource Simulator's Reach

The National Center for Children in Poverty has produced the Family Resource Simulator (FRS) for 25 states and is currently developing or updating FRSs for three states and Washington DC. States highlighted in orange indicate those that are featured in this graphic report.

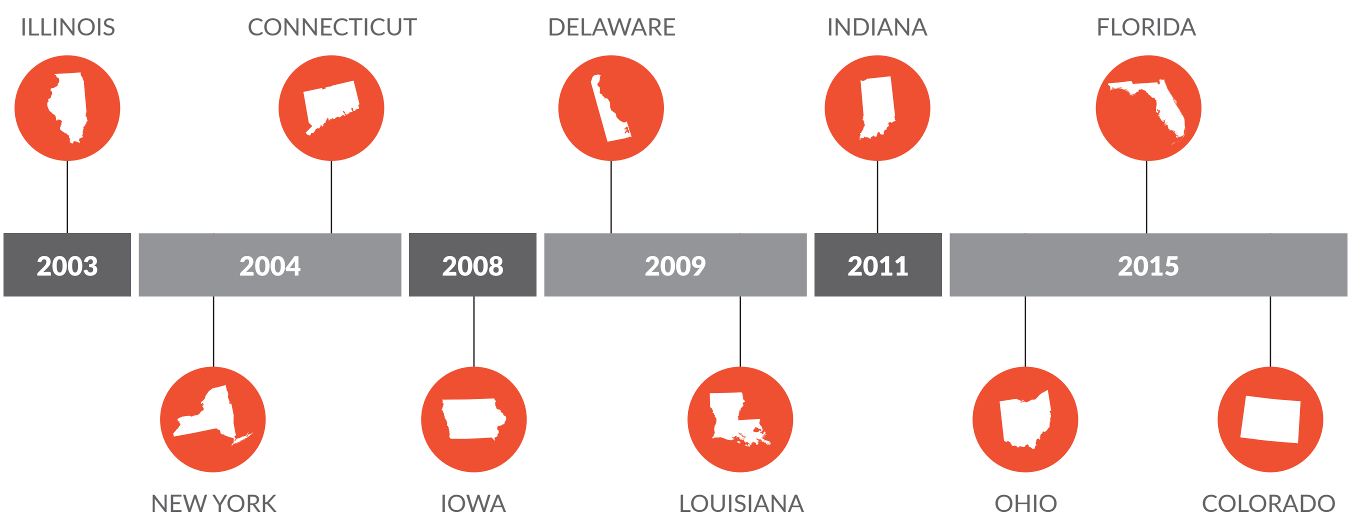


Twenty-eight million working families rely on multiple public benefits, such as Supplemental Security Income (SSI), Medicaid, Supplemental Nutrition Assistance Program (SNAP), free school lunch, Earned Income Tax Credit (EITC), or free pre-K to make ends meet; however, public benefit programs sometimes penalize families as they earn more. Program administrators have the power to improve and streamline program rules, but they need up-to-date, comprehensive data tools that show how packages of benefits impact the budgets of working families.

The Family Resource Simulator (FRS), a publicly available, online data tool, puts power in the hands of low-income working families, advocates, and program administrators. The first of its kind, the FRS allows users to assess the impact of the eligibility rules and support levels provided by comprehensive packages of benefits on family budgets, tailored to specific family situations and geographic locations. In total, over **four million** children and families are impacted annually by policy decisions based on the FRS.

The impact cases come from documents from NCCP's archives; ongoing conversations with former and current partners; the institutional knowledge of current and former NCCP staff; and Internet searches of FRS citations in legislation, state hearings, reports to state policymakers, advocacy reports, and government-issued requests for proposals. Additional research was conducted using online policy databases developed by federal agencies or with federal funds to analyze changes in rules that correspond to recommendations made by NCCP as part of FRS projects. Overall, this work focuses primarily at the state and local levels and gathers information about regulatory change, legislative change, change via ballot measures, and new programs resulting from FRS analysis.

This visual report represents a small sample of NCCP's national impact. For more detail and a full list of states positively impacted by the FRS, see the report *Family Resource Simulator Policy Impact Case Studies*.



ILLINOIS

OVERVIEW

NCCP developed the Illinois FRS in 2003—and later updated the tool in 2006, 2008, and 2011—in partnership with the Sargent Shriver National Center on Poverty Law, Voices for Illinois Children, and the Center for Law and Social Policy to assess state policy and model a wide range of potential policy reforms. NCCP recommended four sweeping policy changes to Illinois lawmakers, all of which were eventually passed. All told, these changes have impacted the lives of nearly two million low-income citizens in Illinois annually.

PARTNER PROFILE

Partner: **Sargent Shriver National Center on Poverty Law**
Partner Type: Policy Advocacy Organization

Partner: **Voices for Illinois Children**
Partner Type: Policy Advocacy Organization

Partner: **The Center for Law and Social Policy**
Partner Type: Research and Advocacy Organization

IMPACT

Policy Change: Expansion of SNAP and increase in SNAP payments

SNAP recipients impacted: **1,929,163**[1]

Policy Change: Increase in income disregard for TANF and increase in cash payments

TANF families impacted: **10,800**[2]

Policy Change: Increase in income eligibility for CCDF

CCDF families and children impacted: **23,100; 41,200**[3]

[1] Figures from April 2020
[2] Average, per month
[3] Average, per month

NEW YORK

OVERVIEW

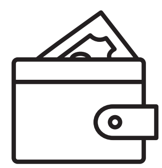
NCCP worked with the Schuyler Center for Analysis and Advocacy in 2004 and 2008 to update the New York state FRS. In 2006, NCCP presented to New York City's Commission for Economic Opportunity and recommended increasing the eligibility limit for subsidies, creating a refundable tax credit for families with young children, and floated for consideration the benefits of Universal Pre-K (UPK). New York City subsequently became the first city in the nation to pass a local child care tax credit, and later, UPK was famously adopted under the de Blasio Administration and is credited for the movement to adopt UPK nationwide.

PARTNER PROFILE

Partner: **Schuyler Center for Analysis and Advocacy**
Partner Type: Research and Advocacy Organization

IMPACT

Policy Change: Passed the nation's first local child care tax credit.



CCTC claims in 2008: **50,000+**

Money distributed to low-income families in 2008: **$30 million**

CONNECTICUT

OVERVIEW

In 2004, NCCP updated the Connecticut FRS in partnership with the Connecticut Association for Human Services and Connecticut Voices for Children. The team presented findings to the state legislature, identifying difficult situations low-income families encounter as they struggle to make ends meet. In 2011, Connecticut announced the state's first EITC, citing NCCP's report in their announcement.

PARTNER PROFILE

Partner: **Connecticut Association for Human Services**
Partner Type: Research and Advocacy Organization

Partner: **Connecticut Association for Human Services**
Partner Type: Research and Advocacy Organization

IMPACT

Policy Change: Connecticut announced the state's first Earned Income Tax Credit.

EITC Claims in 2019: **216,000**

Money distributed to low-income families in 2019: **$122 million**

IOWA

OVERVIEW

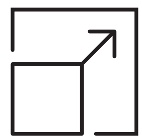
In 2008, NCCP partnered with the Iowa Fiscal Partnership, a joint initiative of the Iowa Policy Project and Iowa's Child and Family Policy Center, to develop an FRS for the state. From there, NCCP recommended two policy changes that were later adopted: a categorical expansion of the SNAP program in 2011, which disregarded personal savings when considering eligibility; and increased income eligibility for subsidized child care in 2016 to address the child care benefit cliff—a phenomenon that occurs when a small wage increase leads to the loss of public benefits, leaving families worse off.

PARTNER PROFILE

Partner: **Iowa Fiscal Partnership**

Partner Type: Research and Policy Organization

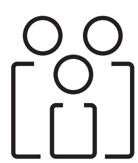
IMPACT



Policy Change: Expanded categorical eligibility for SNAP

SNAP recipients impacted:
323,637[4]

Policy Change: Increased CCDF income eligibility



CCDF families and children impacted:
10,100; 18,100[5]

[4]April 2020
[5]Average, per month

DELAWARE

OVERVIEW

In 2003, NCCP co-developed a Delaware FRS in partnership with Delaware Kids Count, and later updated the FRS in partnership with the Delaware Child Poverty Task Force to Governor Jim Markell in 2009. NCCP presented findings from the FRS at the Governor's Summit on Child Poverty and Economic Opportunity in April 2009, including a recommendation to raise Delaware's child care subsidy reimbursement rate. The Markell administration subsequently pushed through a range of investments in the child care subsidy program in 2011, including NCCP's recommended increase in reimbursement rates.

PARTNER PROFILE

Partner: **Delaware Child Poverty Task Force**
Partner Type: Interagency Government Task Force

IMPACT

Policy Change: Raised reimbursement rates for child care subsidies

Number of families impacted: **4,600**[6]

Number of children impacted: **7,300**[7]

[6]Average, per month
[7]Average, per month

LOUISIANA

OVERVIEW

NCCP developed an FRS for Louisiana in 2007 and later updated the FRS in partnership with the Picard Center for Child Development and Lifelong Learning and Louisiana Department of Social Services in 2009. NCCP presented findings to the Child Poverty Prevention Council, an entity created by the state legislature to reduce child poverty in Louisiana. Informed by NCCP's work and the recommendations from the Council, Louisiana implemented an EITC increase from 3.5% to 5% in June 2018, improving financial security of more than 480,000 low-income families in 2019.

PARTNER PROFILE

Partner: **Picard Center for Child Development & Lifelong Learning**
Partner Type: University-Based Research Center

Partner: **Louisiana Department of Social Services**
Partner Type: Government Agency

IMPACT

Policy Change: Increased state's Earned Income Tax Credit

EITC Claims in 2019: **488,000**

Value of EITC change for low-income households in 2019: **$20 million**

INDIANA

OVERVIEW

NCCP started working with the Indiana Institute for Working Families (IIWF) to develop an FRS in 2011. The FRS revealed several benefit cliffs—a phenomenon that occurs when a small wage increase leads to the loss of public benefits, leaving families worse off—within Indiana's SNAP program, EITC, and child-care subsidies. IIWF used the findings from the FRS to successfully advocate for changes in these policies, including an increase in the eligibility limits for child care subsidies. The grassroots advocacy efforts led by IIWF, and informed by NCCP's FRS, led to an official policy change in 2016.

PARTNER PROFILE

Partner: **Indiana Institute for Working Families**
Partner Type: Research and Advocacy Organization

IMPACT

Policy Change: Increased eligibility limits for childcare subsidies

Number of families impacted: **14,500**[8]

Number of children impacted: **26,200**[9]

[8]Average, per month
[9]Average, per month

OHIO

OVERVIEW

In 2015, NCCP partnered with Policy Matters Ohio to assess the impact of potential state policy reforms. These included: introducing a free and universal pre-kindergarten program for four-year-olds; adjusting Ohio's Earned Income Tax Credit (EITC) to make it benefit more low-income families; and addressing the "canyon effect", a phenomenon that occurs when a working parent who loses a child care subsidy—because she loses her job, for example—and must take a job at a lower wage to qualify again for the subsidy.

IMPACT

Policy Change: Expansion of Universal Pre-K and Ohio's Earned Income Tax Credit

Number of children impacted annually: **6,000**[10]

EITC Claims in 2019: **887,000**

[10]On average

PARTNER PROFILE

Partner: **Policy Matters Ohio**
Partner Type: Research and Advocacy Organization

FLORIDA

OVERVIEW

Following the completion of the Florida FRS in 2016, NCCP provided technical assistance to Florida Children's Council to generate a report based on the results of the FRS analysis. The report made recommendations for improving two-generation policies for low-income families. NCCP's FRS analysis and the Council's report led to the launch of a public-private demonstration project in two Florida counties, with possible expansions to two more counties, implementing trial reforms that could be replicated across the state.

IMPACT

Policy Change: Piloted two-county project, with potential expansions to two more counties, which included gradual phase-out of child care subsidy co-pays, workforce development training, and integration of child care and workforce services.

Number of families receiving cash assistance in Martin and St. Lucie counties: **Approximately 8,800**[11]

[11] 2018 annual total

PARTNER PROFILE

Partner: **Florida's Children's Council**

Partner Type: Research and Advocacy Organization

COLORADO

OVERVIEW

In 2015, NCCP began work with the Colorado Center for Law and Policy to analyze the impacts of their state policy decisions on families' budgets, focusing on universal Pre-K, universal full-day kindergarten, and two state tax credits. The FRS helped reveal county-based policy that could require additional co-payments for child care subsidies from families who earned more than 130% of the federal poverty guidelines—a direct contradiction to Colorado state law. The county option was subsequently removed in September of 2016.

PARTNER PROFILE

Partner: **Colorado Center for Law and Policy**
Partner Type: Research And Advocacy Center

IMPACT

Policy Change: State administrators removed county policy for determining co-pays for child care subsidies.

Number of families impacted: **11,800**[12]

Number of children impacted: **20,400**[13]

[12] Average, per month
[13] Average, per month

Glossary of Terms

Benefit Cliff. A significant drop in a family's overall resources (earnings plus cash assistance minus expenses) because an increase in the family's earnings leads to a reduction in public benefit support. When families who receive public benefits earn more, they may lose eligibility for those benefits or experience a decline in benefit support because of their higher income. As a result families are worse off because they earn more, one commonly-cited benefit cliff occurs when a family earns too much to continue receiving CCDF child care subsidies. The impacts that benefit cliffs can have on family finances are called **cliff effects.**

Child Care Development Fund subsidies (CCDF). Also known as child care subsidies, this state-run program provides low-income families assistance with paying for child care. State CCDF programs vary in their eligibility requirements, redetermination policies (how often benefit recipients need to recertify eligibility), family co-payments, and regulatory policies for providers. CCDF funds are disbursed to states through fixed funding streams called block grants.

Earned Income Tax Credit (EITC). The EITC is a refundable federal tax credit; the amount depends on the filer's family structure and earnings. The tax credit increases gradually from $0 (a phase-in period) and declines gradually (a phase-out period) as family income rises. Many states have introduced a state EITC that reduces a tax filer's state tax burden by a percentage of the federal EITC.

Federal Poverty Guideline. The U.S. Department of Health and Human Services (HHS) sets the federal poverty guidelines (FPG) annually, which varies based on family size. The federal poverty guidelines are used to assess eligibility for a range of public benefit programs.

Refundability. This refers to whether a tax credit, like the **Earned Income Tax Credit (EITC),** can result in a refund to the tax filer that is greater than what they owe in taxes. In other words, the maximum amount of a refundable tax credit is not limited to what one owes in taxes, and it can effectively increase one's income beyond what one earns in wages. A nonrefundable tax credit can only reduce one's tax burden and is limited to the amount one owes in taxes after other tax credits are considered.

Reimbursement Rate (Child Care), or State Payment Rate. This is the amount states reimburse providers who provide subsidized child care to CCDF recipients. Reimbursement rates are set at the state level; states often adjust reimbursement rates based on child age, the quality of child care provided, or whether providers are serving children with special needs. States have the option of allowing child care providers to charge families the difference between these reimbursement rates and the rates that providers would normally charge for services provided, above any child care co-payments families are paying. Most states allow for this practice, while a handful forbid providers from charging these additional costs. The reimbursement rate can also affect the supply and quality of child care. Generally speaking, increasing the reimbursement rate increases the number of providers willing or able to provide subsidized child care under CCDF, thereby increasing access to child care among low-income families.

Temporary Assistance for Needy Families (TANF). TANF funds are disbursed to states through fixed funding streams called block grants. States have the option of using TANF for a variety of programs or services aimed at supporting low-income families, including workforce training, but services must include a program that provides cash assistance to some low-income families. States vary widely in the types and amount of support provided through TANF.

Supplemental Nutrition Assistance Program (SNAP). SNAP, formerly known as Food Stamps, is a federal program administered by the U.S. Department of Agriculture and distributed by state-level departments. Through this program, low-income families are provided direct funds to purchase certain foods. Most SNAP rules are set by federal rules, but the federal government allows states to adopt Broad Based Categorical Eligibility policies that expand access to the SNAP program by effectively increasing the program's income limits and/or increasing or eliminating its asset limits, or the maximum amount of assets a family can have while remaining eligible for benefits.

THANK YOU

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Connecticut Voices for Children
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Delaware Kids Count
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Iowa Fiscal Partnership
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Picard Center for Child Development & Lifelong Learning
Policy Matters Ohio
Sargent Shriver National Center on Poverty Law
Schuyler Center for Analysis and Advocacy
The Annie E. Casey Foundation
The Center for Law and Social Policy
The Child Poverty Council
US Department of Health and Human Services
Vermont's Department for Children and Families
Voices for Illinois Children
Washington Kids Count
Washington State Budget and Policy Center
Wellspring Advisors