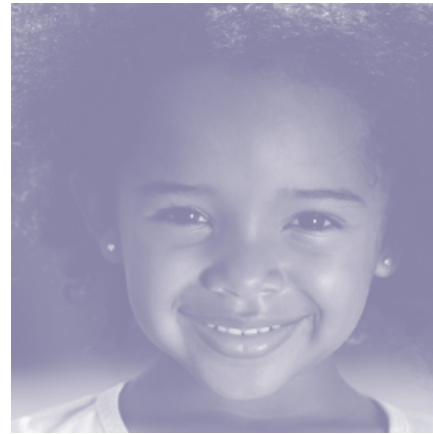


The Colorado Family Resource Simulator: A Tool for Policy Modeling



National Center for Children in Poverty

Columbia University • Mailman School of Public Health
Department of Health Policy & Management

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Colorado FRS Capacity-Building Project



- ◆ Collaboration between NCCP and Colorado Center on Law and Policy
- ◆ Update the CO Family Resource Simulator and Basic Needs Budget Calculator web-based policy modeling tools for Alamosa, Denver, Eagle, El Paso, Mesa, Morgan and Pueblo counties
- ◆ Model 3 policy reforms to improve outcomes for low-income families in CO

Family Resource Simulator



- ◆ Interactive web-based tool estimates changes in *net resources* (Earnings + Work Supports – Basic Family Expenses) as earnings rise
- ◆ Includes TANF, SNAP, LIHEAP, CC subsidies, tax credits, Section 8, Medicaid/CHIP, ACA subsidies
- ◆ Can be used to model the effects of policy reforms on family net resources
- ◆ Available for 26 states and more than 100 localities; updates for CO, FL, and OH in 2015

<http://www.nccp.org/tools/frs/>



Basic Needs Budget Calculator

- ◆ Estimates basic expenses for a family of a given composition in a given location
- ◆ Includes rent & utilities, food, child care, health care, transportation, other necessities, and taxes net of credits
- ◆ Allows NCCP estimates or customized user input for all expenses

<http://www.nccp.org/tools/frs/budget.php>

I. Colorado Child Tax Credit and Earned Income Tax Credit

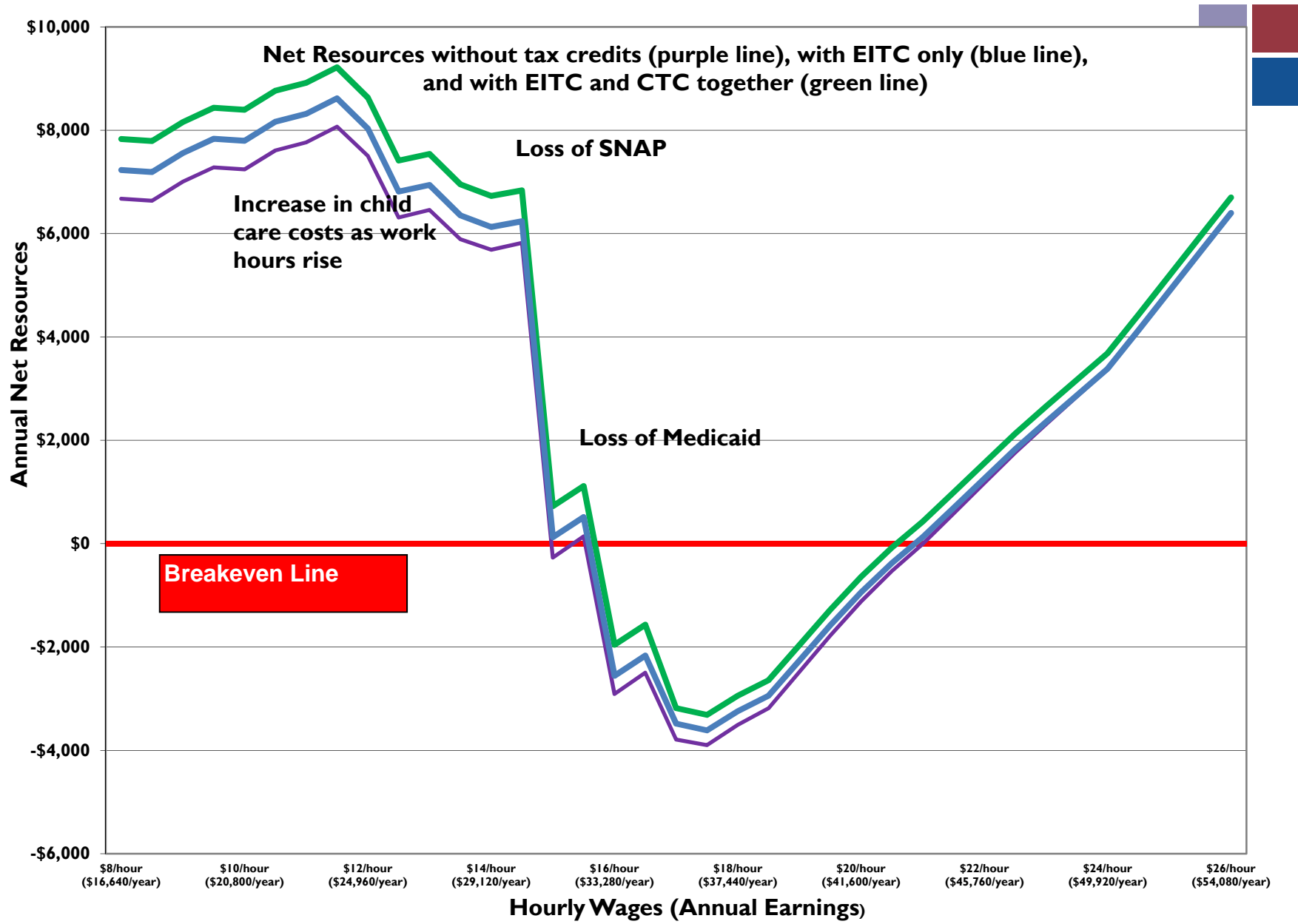


- ◆ CTC is a refundable credit of up to 30% of the federal CTC, or \$300 for each child under six years old. Larger for families with lower incomes
- ◆ EITC is a refundable credit of 10% of the federal credit, or about \$600 maximum
- ◆ Both credits signed into law but not yet implemented



Modeling Scenario and Findings

- ◆ Two-parent family with two children ages 2 and 5 in Alamosa County
- ◆ When eligible, family receives federal tax credits, the CO child care tax credit, a federal housing subsidy, SNAP/food stamps, public health insurance, LEAP and telephone cost assistance
- ◆ Results: family benefits significantly, especially at lower levels of earnings
- ◆ With both parents working full time at \$8.23, the family receives EITC of \$330 and CTC of \$600





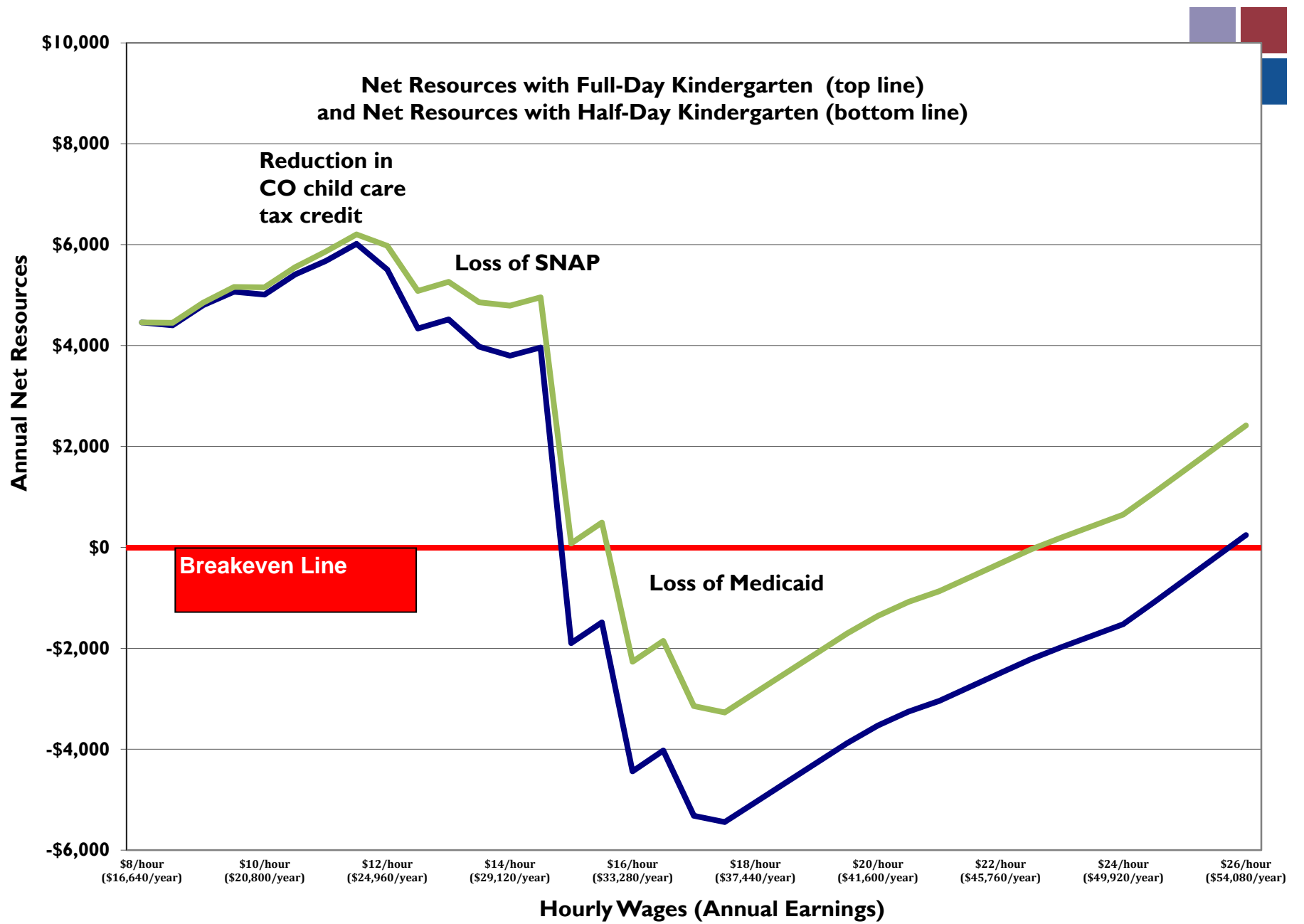
2. Universal, Full-Day Kindergarten

- ◆ Research shows children attending full-day K are better prepared for 1st grade than those attending half day
- ◆ An additional benefit of free, public K for low-income, working parents: savings in child care costs
- ◆ About 74% of CO kindergarteners attend full-day, higher than the Western state average, but state only fully funds half-day programs
- ◆ HB 15-1020 would provide state-paid, universal K



Modeling Scenario and Findings

- ◆ Two-parent family with two children ages 5 and 7 in Eagle County
- ◆ When eligible, family receives federal tax credits, the CO child care tax credit, a federal housing subsidy, SNAP/food stamps, public health insurance, energy and telephone cost assistance
- ◆ Default scenario is half-day kindergarten
- ◆ Results: family saves substantially in child care costs when both parents are working full time. Working full time at \$8.23/hour, the family saves \$2,173 in child care expenses





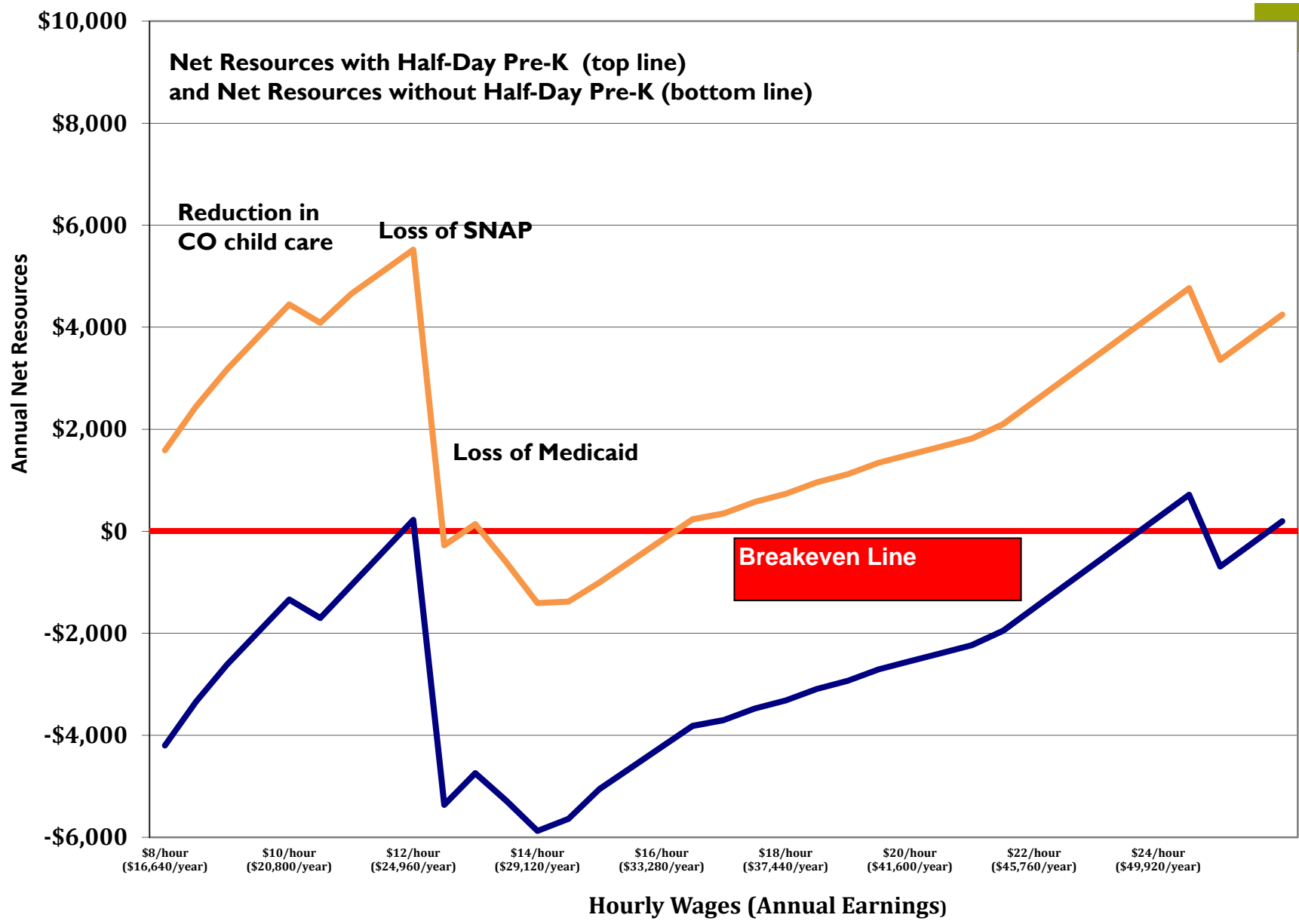
3. Universal, Free Prekindergarten

- ◆ Research shows high-quality pre-k programs help children's cognitive and social skills, especially children from low-income families
- ◆ An added benefit of free, public pre-k for low-income, working parents: savings in child care costs
- ◆ Eligibility for state-funded pre-k for 4-year-olds now limited to those with risk factors, including low income; about 22% of all CO 4-year-olds enrolled
- ◆ HB 15-1024 would fund small number of new seats

Modeling Scenario and Findings: Half-Day Pre-K



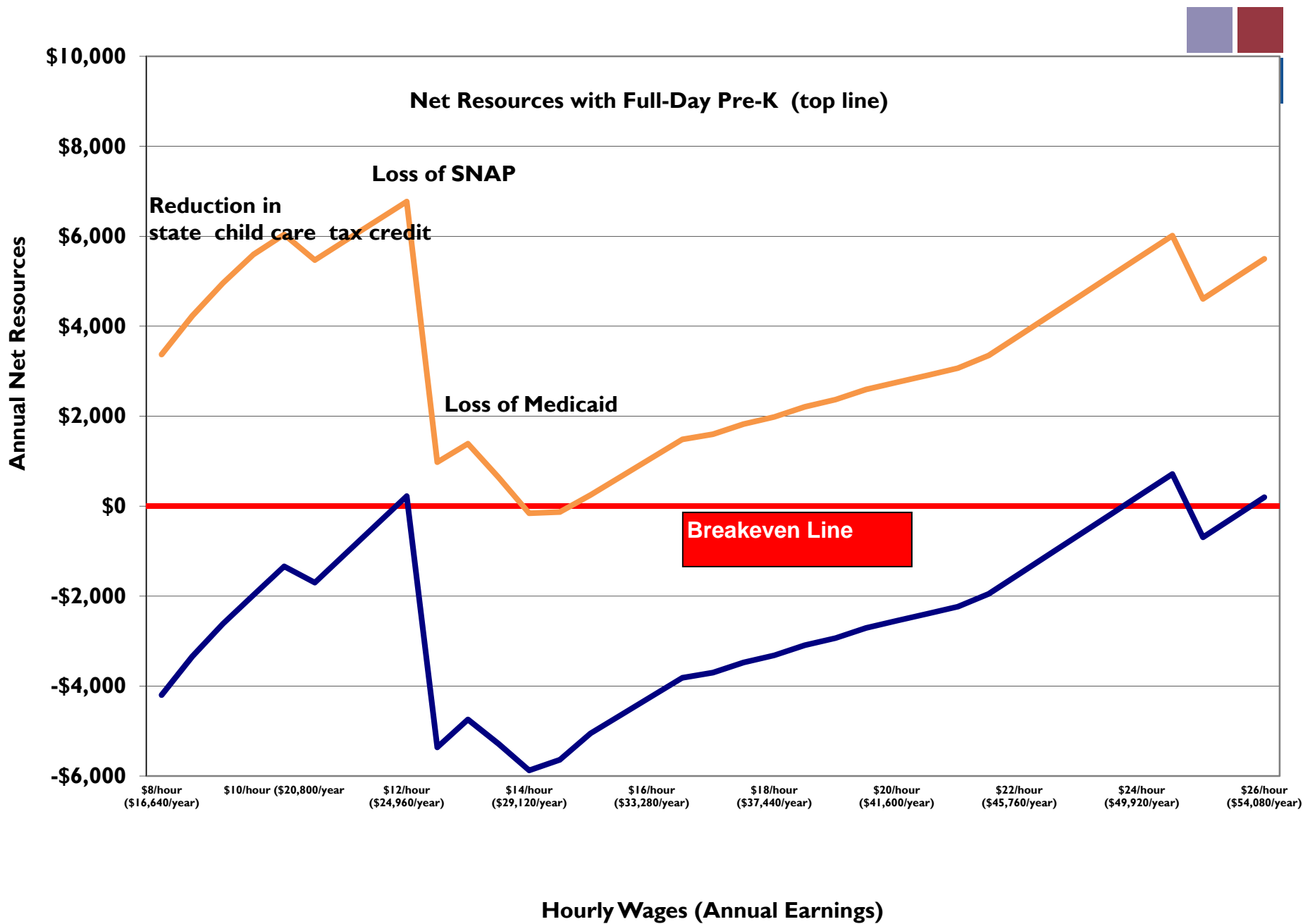
- ◆ Single-parent family with two children ages 4 and 8 in Denver County
- ◆ When eligible, family receives federal tax credits, the CO child care tax credit, a federal housing subsidy, SNAP/food stamps, public health insurance, energy and telephone cost assistance
- ◆ Results: significant savings in child care expenses. The family saves about \$4,000 in expenses for center-based care when the parent works full time at \$16/hour (\$33,280 in annual earnings)



Modeling Scenario and Findings: Full-Day Pre-K



- ◆ Same family composition and work supports as the half-day pre-k scenario
- ◆ As with half-day pre-k, the default scenario is full-day, center-based child care for the 4-year-old and after-school, center-based care for the 8-year-old
- ◆ Results: large savings in child care expenses. The family saves more than \$5,000 in expenses for center-based care when the parent works full time at \$16/hour (\$33,280 in annual earnings)



FOR MORE INFORMATION

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Visit NCCP website
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