Modeling Eligibility for CCDF-Funded Subsidies with TRIM3

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TRIM3 is funded by a contract with DHHS/ASPE
Today’s Talk

• What TRIM does
• What TRIM estimates are used for
• Connection between TRIM estimates and the ee/cc model
Key points about TRIM3

• Comprehensive microsimulation model: models taxes, other safety net programs
• Funded by HHS/ASPE
• Input to the model: Each year’s March CPS data
The March CPS

• 76,000 households
• Representative of the U.S. population
• Information includes:
  – Detailed demographics
  – Weeks worked, hours per week
  – Income for each person by type of income
• Used for:
  – Annual poverty estimates
  – State median incomes
What the TRIM3 Child Care Model Does

• Simulate eligibility for CCDF-funded subsidies
• Simulate receipt of CCDF-funded subsidies
• Calculate copayments

Today’s focus: simulating eligibility
Eligibility Modeling, Key Points

• Month-by-month eligibility determination
  – Possible because TRIM3 divides annual incomes in the CPS over the months of the calendar year

• Detailed modeling of state-specific rules
  – Minimum hours rules
  – Income disregards
  – Eligibility thresholds—initial and continuing
Eligibility Modeling Steps

• Consider each “narrowly-defined” family separately

• For each family in each month
  – Are the parents working (minimum hours) or in school?
  – Is there a child <13 or disabled and < state’s age limit?
  – Is the family income-eligible according to state’s rules?
Types of eligibility estimates that can be produced

- National level estimates, overall or by characteristics
- State-specific estimates (requires averaging results across 2 or 3 years of data)
- “What if” estimates, for example:
  - Children who would be eligible if all states set thresholds to the same % of poverty
## TRIM3 CCDF Eligibility Estimates

<table>
<thead>
<tr>
<th>Rules as of...</th>
<th>Data from CPS years...</th>
<th>Avg. monthly # eligible children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 2003</td>
<td>2002 and 2003</td>
<td>8.6 million</td>
</tr>
</tbody>
</table>
Some state-level Oct. 2003 estimates

<table>
<thead>
<tr>
<th>State</th>
<th>Number</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>From…</td>
</tr>
<tr>
<td>Alabama</td>
<td>118,100</td>
<td>91,100</td>
</tr>
<tr>
<td>Alaska</td>
<td>34,700</td>
<td>29,300</td>
</tr>
<tr>
<td>Arizona</td>
<td>169,400</td>
<td>131,700</td>
</tr>
<tr>
<td>Arkansas</td>
<td>75,000</td>
<td>57,100</td>
</tr>
<tr>
<td>California</td>
<td>1,493,600</td>
<td>1,364,500</td>
</tr>
<tr>
<td>Colorado</td>
<td>167,300</td>
<td>139,200</td>
</tr>
<tr>
<td>U.S. Total</td>
<td>8,578,000</td>
<td>8,338,600</td>
</tr>
</tbody>
</table>
Eligibility vs. “need”

• Some eligible families may not feel that they need/want subsidies
• Some families that need/want subsidies may not be technically eligible
How eligibility estimates are used

• Coverage rates:
  Children served by CCDF divided by children eligible for CCDF

• As input to other analyses
Ongoing work

- Continued improvement of the eligibility modeling methods
- Finalizing a new set of state-specific eligibility estimates