

MCWP Supplement: Poverty

Family Work Support Benefits: An assessment of food and child care supports in the Austin, Texas metro area

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Abstract

This report provides an assessment of food and child care workforce support benefits available for families in one Central Texas community: Austin, Texas metro area. As communities design and implement plans to move families out of poverty through workforce training, a review of family supports and an awareness of the impact of income on these supports is central to understanding the experience of families pursuing economic stability. Using information gathered from relevant agency and program websites, this report identifies the available supports, estimates the impact of income increases on these supports, and the effect of tax credits on family income.

Keywords: Workforce development, family workforce support benefits, food insecurity, SNAP, NSLP, child care, CCDF.

Many communities across the country are creating and executing plans to close the skills gap identified in local job markets through training the unemployed and upskilling for incumbent workers. The stated goal for many communities is to raise families out of poverty through skills training and living wage employment. Family work support benefits are an integrated part of this process for many communities and families. Using the most recently available information, this brief report evaluates two important supports for Texas working families in the Austin metro area, food and child care supports, the estimated impact of income on the receipt of these supports, and the effect of tax credits on family income.

The impact of income upon benefits varies by program and by distinct family circumstances. This report first reviews the impact of income increases on the various food supports a family may rely upon: Supplemental Nutrition Assistance Program (SNAP) (the most

common support Texas low-income families receive); National School Breakfast and Lunch Program (NSLP); and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Each program has unique guidelines and income eligibility criteria that impact a family's food security. The discussion of food supports is followed by an examination of the availability and income guidelines for early childhood care and education services (ECCE). This report also reviews the potential of federal family income tax credits to recompense working families for the decrease and loss of benefits as family income increases.

Food Supports

SNAP provides eligible families with a monthly benefit amount deposited on a Lone Star Card that is used like a credit card at stores that accept SNAP. While families report changes to household and income circumstances that impacts their benefit amount, SNAP's benefit phase out structure incentivizes work, increasing hours worked, and wages. This structure reduces benefits gradually as income rises: Subtracting a percentage of every dollar earned from the benefit amount. A 2016 report by the Center on Budget and Policy Priorities identified that for most economically disadvantaged families, as family wage income increases, the earned income tax credit (EITC) and child tax credit rise more than SNAP benefits decline.¹

SNAP, an entitlement program, guarantees food assistance is available to all eligible applicants when they need it. If a SNAP recipient takes a new, higher-paying job, or temporary employment that raises their income above SNAP eligibility limits, they can still return to the program later if their income decreases. Although the SNAP program presents a modest benefit "cliff" participants are almost always better off taking a job, accepting more hours, or a higher wage.² Table 1 presents the maximum SNAP benefit amount by family size. Program income

eligibility limits are included in the broader discussion of food support benefits presented later in this section.

Table 1. Texas Maximum Monthly SNAP Amount: 2018

Family Size	Maximum Monthly SNAP Amount
1	\$192
2	\$353
3	\$505
4	\$642
5	\$762
For each additional person add this amount.	\$144

Source: <https://yourtexasbenefits.lhsc.texas.gov/programs/snap>

Families eligible for SNAP are also automatically eligible for the NSLP program. NSLP offers low-income families at or below 185% of the federal poverty guidelines (FPG) free or reduced rates for school breakfast and lunch. Most families apply at the beginning of each school year, but families can apply at any point throughout the year. A family determined to be eligible maintains their eligibility for the entire school year.³ The Community Eligibility Provision (CEP) allows schools in qualifying high-poverty areas to offer breakfast and lunch at no cost to all students without requiring families to complete an annual household meal benefits application.⁴ For example, Austin ISD identified for the 2018-2019 school year 39 Pre-K and elementary school campuses provided free breakfast and lunch to all students through CEP.⁵ Families receiving SNAP; Temporary Assistance for Needy Families (TANF); experiencing homelessness or are a migrant family; and children enrolled in Head Start or foster care are automatically income eligible for free breakfast and lunch.⁶

WIC is a nutrition program for pregnant, breastfeeding women and families with children younger than five. The program provides nutrition counseling and vouchers for the purchase of foods designed to meet the nutritional needs of low-income families (185% FPG). Families receiving Medicaid, TANF, or SNAP automatically meet income eligibility. Families recertify their eligibility every six months. Families making over 185% FPG are no longer be eligible for WIC services at the same time they are no longer eligible to recertify for free or reduced meals at schools not designated as a CEP school.⁷

Table 2 presents the most recently available Austin metro area regional food support programs income eligibility guidelines, followed by an example of one family’s circumstances and experience of income increasing and food benefits impact.

Table 2. Texas Maximum Monthly Income Allowed for Food Assistance Programs

Family Size	SNAP (Approx. 165% FPG)	Free Lunch (130% FPG)	Reduced Lunch (185% FPG)	WIC (185% FPG)
1	\$1,670	\$1,316	\$1,872	\$1,872
2	\$2,264	\$1,784	\$2,538	\$2,538
3	\$2,858	\$2,252	\$3,204	\$3,204
4	\$3,452	\$2,720	\$3,870	\$3,870
5	\$4,046	\$3,188	\$4,536	\$4,536

Sources: <https://yourtexasbenefits.hhsc.texas.gov/programs/snap>;
<http://www.squaremeals.org/Publications/IncomeEligibilityGuidelines.aspx#CACFP>;
<https://texaswic.org/apply>

Note: The SNAP income limit represents gross monthly income, however the benefit calculation uses net income which various dependent upon individual family circumstances.

Consider for example a family of three, a single parent with two children, one in elementary school and one in middle school. If this family has no income, they will receive the maximum SNAP benefit of \$505 per month. If the family increased their monthly net income by

\$500, the family would receive the maximum benefit (\$505) minus approximately 30 percent of their net income (30 percent of \$500 is \$150), or \$355. The benefit reduction phase out reduces SNAP benefits by subtracting 30 percentage of the net income gain until the family gross income exceeds the monthly income limit of approximately 165% FPG (\$2,858).⁸

This family, with an income level just above 165% FPG (\$2,857/monthly) will continue to be eligible for reduced priced school breakfast and lunch at a minimum cost: Reduced fee meals increase weekly school meal expenses by about \$7.00 or approximately \$252 for the school year. If the family monthly income increases by an additional \$347 they will be over the 185% FPG to requalify for reduced prices and the family will pay full price for breakfast and lunch for the two children: \$44.75 per week or \$1,575 for the school year. Table 3 presents the NSLP monthly income limits for a family of three and the Austin ISD price per meal.

Table 3. NSLP Monthly Income Limits for a Family of Three and Austin ISD Meal Prices

For a Family of Three	Monthly Income Limit	FPG %	Price per meal per child		
			Breakfast	Lunch	
			All Schools	Elementary	Middle and High
Full Price	>\$3,204	>185%	\$1.50	\$2.90	\$3.05
Reduced Price	\$3,204	185%	\$.30	\$.40	\$.40
No Cost	\$2,252	130%	0	0	0

Sources: <https://www.austinisd.org/nutrition-food-services/applications-payments>;
<http://www.squaremeals.org/Publications/IncomeEligibilityGuidelines.aspx#CACFP>

If this family’s elementary student is a four-year-old Pre-K student receiving WIC, when income increases to 185% FPG, the family will also be ineligible to recertify to receive a monthly estimated \$50 in WIC food vouchers: an annual benefit loss of \$600.⁹

Dependent upon the amount and type of food supports a family receives, EITC and the child tax credit may offset the loss of supports as the family income increases. Table 4 presents FPG gross family income level limits, the estimated food support benefits for a single parent with two children at the various levels of FPG, and the families estimated EITC and child tax credit. The table identifies a steady increase in overall economic stability until the family exceed 186% FPG.

Table 4. FPG, Food Support Benefits, and EITC for a Single Parent with Two Children

Maximum Gross Income Level (2018)	100% FPG	130% FPG	165% FPG	185% FPG	\$57 over 185% FPG
Annual	\$20,780	\$27,014	\$34,287	\$38,443	\$38,500
Monthly	\$1,731	\$2,251	\$2,857	\$3,204	\$2,308
Hourly (40 HPW)	\$9.99	\$12.99	\$16.48	\$18.48	\$18.50
Annual Food Support Benefits					
Estimated SNAP	\$3,624	\$2,100	\$0	\$0	\$0
NSLP	\$1,574	\$1,574	\$1,143	\$1,143	\$0
WIC	\$600	\$600	\$600	\$600	\$0
Estimated Total Annual Food Support Benefits	\$5,798	\$4,274	\$1,743	\$1,743	\$0
Estimated EITC	\$5,271	\$3,954	\$2,427	\$1,553	\$1,532
Estimated Child Tax Credit	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Total Annual Income, Estimated Benefit, EITC, and Child Tax Credit	\$33,349	\$36,742	\$39,957	\$43,239	\$41,532

Sources: <https://aspe.hhs.gov/prior-hhs-poverty-guidelines-and-federal-register-references>;
<https://fscalc.dhs.illinois.gov/FSCalc/calculateFS.do> (calculates SNAP benefit estimates at 165% FPG);
<http://www.squaremeals.org/Publications/IncomeEligibilityGuidelines.aspx#CACFP>;
<https://www.fns.usda.gov/wic/women-infants-and-children-wic>;
https://apps.irs.gov/app/eitc2018/Forward_Filing_Status.do

Early Childhood Care and Education Services (ECCE)

Low-income families may qualify for the limited number of quality ECCE slots available at no cost or reduced rates. Services available include Early Head Start and Head Start (EHS/HS), the Austin ISD Pre-K program, and the Child Care Development Fund (CCDF).

EHS/HS are federal funded programs that promote the school readiness of children from birth to age five at no cost to eligible families. Income eligibility is 100% of FPG for most families. Once families qualify the family maintains enrollment throughout the following program year.¹⁰ In 2017, across the state of Texas only 26 percent of HS eligible children and four percent of eligible EHS children receive services.¹¹ In the Austin metro area, the local HS/EHS grantee Child, Inc., maintains 1,672 HS and 203 EHS enrollment slots for children and pregnant women, providing center- and home-based services.¹²

The Austin ISD Pre-K program family income eligibility is 185% of FPG, children in families with identified risk factors that may impact the child's education, such as limited English speakers and children in foster care, and other identified eligibility criteria are automatically eligible for Pre-K services.¹³ Families maintain their eligibility for the entire school year and public school Pre-K programs serve all eligible children who apply. However, HS/EHS and Pre-K programs typically offer less than the full-day, full-year services needed by working parents.

Furthermore, few families eligible for CCDF assistance receive services. In FY 2017, 5,797 children ages 0-12 in the Austin-Round Rock MSA received CCDF services.¹⁴ Services are prioritized for TANF recipients entering employment or training; children in need of care related to their health and safety; and lastly, other eligible families. In 2018, 65,400 children in

Texas were on the waitlist for services.¹⁵ Table 5 presents the income limits for family eligibility in the Austin-Round Rock MSA.

Table 5. Austin-Round Rock MSA CCDF Family Income Limits

Family Size	Maximum Monthly	Maximum Yearly
2	\$ 3,607	\$ 43,290
3	\$ 4,456	\$ 53,476
4	\$ 5,305	\$ 63,662
5	\$ 6,154	\$ 73,847
6	\$ 7,003	\$ 84,033

Source: <http://www.wfscapitalarea.com/ChildCareServices/ForParents>

Note: CCDF income limits are nearly 250% FPG; 85% of the State Median Income (SMI)

Families may be responsible for paying a portion of the child-care fee. The parent-share of the child care cost will increase as family income increases. Table 6 presents an example of parent-share cost for a family of three with two children in care at the income level of 51-60% Texas State Median Income (SMI).¹⁶

Table 6. Austin-Round Rock MSA CCDF Family of Three Monthly Income Limits and

Parent-Share Cost at 51-60% SMI

Income Range as % of Texas SMI	51% - 60%	
Range of Monthly Income Amount	\$2,539-\$3,046	
Parent-Share Cost		
First Child in Care	\$160	
Each Additional Child	\$80	
Total for 2 Children	\$240	
Parent-Share Cost Percent of Income	9.5%	7.9%

Source: <https://twc.texas.gov/files/partners/board-parent-share-of-cost-charts-10-01-2017-state-plan-twc.xlsx>

This family with two children in care will be responsible for the entire fee when income reaches \$53,476: an estimated annual cost of \$16,553 (31% of the family income). As children enter public school child-care costs lower to after school care rates. The Austin metro area average part-time school age child care rate of \$20.45 per day: \$3,599 per child for the 179 days school is in session.¹⁷

The economic benefits to families accessing CCDF and other ECCE supports are substantial. Families accessing ECCE programs with a *quality* designation receive the considerable benefit of consistently available, continuity of care that will promote their children’s physical, social, emotional and intellectual development while encouraging the entire family’s economic and social-emotional wellbeing.

For low income families, the effect of refundable EITC and child tax credits do not provide the needed support for a family to purchase quality ECCE services for their children. Families may also be eligible for a child care tax credit. This credit can lower the families overall tax amount but is not refundable. The credit may represent 20 and 35 percent of allowable child care expenses dependent upon the family income. Allowable expenses are limited to \$3,000 for one child and \$6,000 for the care of two or more children.¹⁸

Conclusion

This brief report evaluated family work support benefits in the Austin, Texas metro area including the impact of family income on the ability to access food and child care supports, and the effect of tax credits on family income. As community policy makers across the county implement plans to meet the skills gap identified in local labor markets by training the unemployed and upskilling incumbent workers, the availability of family work supports and the impact of increased family income on the available support benefits must also be evaluated to gain a true picture of the experience of families working to obtain and maintain economic stability and self-sufficiency. Job training resulting in living wage employment, and the expansion of child care supports for families to access during training and job search activities, are key elements as communities work together to improve the economic wellbeing of families.

¹ Shapiro, I., Greenstein, R., Trisis, D., and DaSilva, B. (2016, March 3). *It Pays to Work: Work Incentives and the Safety Net*. Center for Budget and Policy Priorities. Retrieved from: <https://www.cbpp.org/research/federal-tax/it-pays-to-work-work-incentives-and-the-safety-net>

² For additional information see: Center for Budget and Policy Priorities. (2018). *A Quick Guide to SNAP Eligibility and Benefits*. Retrieved from: <https://www.cbpp.org/research/food-assistance/a-quick-guide-to-snap-eligibility-and-benefits>

³ United States Department of Agriculture. Food and Nutrition Services. School Meals. *Verification Tool Kit*. Retrieved from: <https://www.fns.usda.gov/school-meals/verification-toolkit>

⁴ CEP can be implemented for a single school, a group of schools, or districtwide as long as the total identified eligibility student rate for the group is 40 percent or higher. For additional information see: Center for Public Policy Priorities. (2015). *Community Eligibility: Feeding All Your Students for Free*. Retrieved from the Texas Homeless Education Office website, hosted through the University of Texas at Austin, Charles A. Dana Center: http://www.theotx.org/wp-content/uploads/2017/02/FN_2015_07_ComEligibility_Factsheet.pdf

⁵ Austin Independent School District. (2018). *Nutrition and Food Services, Meal Programs: Community Eligibility Provision*. Retrieved from: <https://www.austinisd.org/nutrition-food-services/meal-programs>

⁶ Austin Independent School District. (2018). *Nutrition and Food Services, Application and Payments: Meal Prices*. Retrieved from: <https://www.austinisd.org/nutrition-food-services/applications-payments>

⁷ United States Department of Agriculture. Food and Nutrition Services. *Women, Infants and Children (WIC)*. Retrieved from: <https://www.fns.usda.gov/wic/women-infants-and-children-wic>

⁸ For additional information see: Every CSR report: *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*. Retrieved from: <https://fas.org/sgp/crs/misc/R42054.pdf>

⁹ United States Department of Agriculture. Food and Nutrition Services. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Food Package Cost Report, Fiscal Year 2010*. Retrieved from: <https://www.fns.usda.gov/wic/special-supplemental-nutrition-program-women-infants-and-children-wic-food-package-cost-report>

¹⁰ U.S. Department of Health and Human Services. The Administration for Children and Families. *Head Start Program Policy & Regulation, Program Operation, 1302.15 Enrollment*. Retrieved from the Early Childhood Learning & Knowledge Center: <https://eclkc.ohs.acf.hhs.gov/policy/45-cfr-chap-xiii/1302-15-enrollment>

¹¹ National Head Start Association. *Texas State Profile 2017*. Retrieved from: https://www.nhsa.org/files/resources/2017-fact-sheet_texas.pdf

¹² Department of Health and Human Services. The Administration for Children and Families. *Grantee Details for Child Inc*. Retrieved from: <https://eclkc.ohs.acf.hhs.gov/grantee-profiles/child-inc-tx>

¹³ Texas Education Agency. (2018). *Eligibility for Prekindergarten*. Retrieved from: <https://tea.texas.gov/ece/eligibility.aspx>

¹⁴ Workforce Solutions Capital Area FY 2017 Annual Report. Retrieved from: <http://www.wfscapitalarea.com/Portals/0/all-content/News-Resources/Reports%20%26%20Publications/WFSCAFiscalYear2017AnnualReport.pdf>

¹⁵ National Women's Law Center. (2019). *Child Care is Fundamental to America's Children, Families and Economy Fact Sheet*. Retrieved from: <https://nwlc.org/resources/child-care-is-fundamental-to-americas-children-families-and-economy/>

¹⁶ State Median Income is used to calculate family eligibility for CCDF subsidies. For further information on family eligibility see: Office of Child Care, Administration for Children and Families, Department of Health and Human Service. (2016). *Child Care and Development Fund (CCDF) Program: Subpart C – Eligibility for Services* (Document No. 2016-229863). Retrieved from: <https://www.federalregister.gov/documents/2016/09/30/2016-22986/child-care-and-development-fund-ccdf-program#p-19>

¹⁷ Schroeder, D., Faulkner, M., and Marra, L. (2017). *2017 Texas Child Care Market Rate Survey*. Retrieved from: https://txicfw.socialwork.utexas.edu/wp-content/uploads/2017/07/FinalReport_2017_Market_Rate_7.10.17_Publish.pdf

¹⁸ IRS Tax Tips. *Understanding the Child and Dependent Care Tax Credit*. Retrieved from: <https://www.irs.gov/newsroom/understanding-the-child-and-dependent-care-tax-credit>