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## Chapter 5: Work Activities and Labor Market Barriers

A major goal of the TANF program is to promote self-sufficiency through sustained labor market participation. To this end, TANF requires participation in work activities while at the same time defining these broadly to include training and education. Colorado Works allows counties the flexibility to further broaden the definition of work activities to include activities that are less directly focused on work. These activities are intended to allow Colorado Works participants who are not job-ready the option of meeting their 24-month work participation time limit by engaging in activities intended to help them address barriers to self-sufficiency, such as mental health or domestic violence issues.

In this chapter we examine participation in work activities using CACTIS administrative data. The extent to which Colorado Works recipients face barriers to employment because of poor work histories, lack of education, and limited basic skills is examined using data from the 1999 Colorado Works Participant Survey. Participation in work activities that address these barriers is highlighted, and opportunities to increase participation in such activities are discussed.

Key findings for this chapter are cited below:

- **The percentage of the adult caseload engaged in a work activity peaked at 77 percent in June 1999 and stood at 63 percent in May 2000.** Peak participation coincided with a focus by program staff on meeting the federal work participation rate requirement and enrolling all recipients facing the 24-month time limit in work activities.
- **Participation in county-defined work activities has increased over time.** Participation in these activities increased from only 1 percent in June 1998 to 18 percent in May 2000. In many cases, recipients are enrolled in a county-defined activity on the basis of a condition they are experiencing, such as a health problem or pregnancy/maternity.

- **Colorado met its required work participation rate for all families in Federal Fiscal Year (FFY) 1999 but did not meet its required two-parent work participation rate.** Colorado Department of Human Services staff report that adults in two-parent families may face significant barriers to self-sufficiency, some of which cannot be addressed by participation in countable work activities. Pending appeal, Colorado faces a penalty of \$19,078 for failing to meet the required two-parent work participation rate.
- **Lack of education is associated with lower employment rates for current and former Colorado Works recipients.** Nearly one-third of 1999 Colorado Works Participant Survey respondents had less than a high school education. The employment rate for these individuals was 43 percent, compared to 59 percent for those with a high school diploma or GED. Because education is correlated with employment, counties should focus on moving recipients with low educational attainment into work activities that address the work-related barriers such recipients face.
- **Lack of labor market skills was cited by 31 percent of 1999 Colorado Works Participant Survey respondents as a barrier to employment.** In May 2000, however, only 11 percent of Colorado Works recipients were engaged in activities to address this barrier. Colorado has room to expand participation in these activities without affecting its federal work participation rate.
- **The Welfare-to-Work (WtW) program provides post-employment services to Colorado Works recipients.** However, spending to date in this program has been low, and few adults have been served. Modifications to program rules to be implemented in mid-to-late 2000 will broaden eligibility criteria, allowing more Colorado Works recipients to be served. We recommend that the Department of Human Services and the Department of Labor and Employment jointly assemble various stakeholders—including County Departments of Human Services, regional Workforce Development Boards, local community colleges, and local

employment and training service providers—to develop strategies to use available WtW funds to provide additional employment-related services to long-term Colorado Works recipients.

## **Work Activity Participation**

Participation in work activities is the primary means by which Colorado Works participants acquire the work experience and job-related skills that enable them to successfully transition to employment and self-sufficiency. States must have a specified percentage of their caseload engaged in federally approved work activities in order to receive their full TANF grants from the U.S. Department of Health and Human Services. Colorado requires recipients to be engaged in a work activity within 24 months from the start of assistance or when deemed work-ready by a case manager, whichever comes first.<sup>1</sup>

Counties have the flexibility to define additional work activities that will satisfy Colorado Works recipients' compliance with the 24-month work participation time limit. Although not countable toward the federal work participation rate, these county-defined activities are intended to contribute to long-term self-sufficiency and address barriers to employment. They include activities such as mental health counseling, services to address domestic violence or substance abuse, participation in Children's Protective Services (CPS), Vocational Rehabilitation services, and medical care. Some counties include pregnancy or the first 12 postpartum weeks among their defined work activities as well.

### **Participation in Federally Approved Work Activities Has Declined, and County-Defined Work Activities Have Become More Prevalent**

Two significant trends are evident in the work activity participation of adults during the first three years of the Colorado Works program. First, there was an

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<sup>1</sup>PRWORA required that states impose a "work-trigger" time limit. Colorado chose the maximum allowable limit of 24 months.

increase in the share of adults participating in a work activity in the months leading up to and including June 1999, the first month in which the 24-month time limit for work participation would affect recipients who had been receiving cash assistance since program inception in July 1997. In interviews with program managers and case managers during our field study in spring 1999, it was evident that staff was focused on two goals: meeting the overall federal work participation rate requirement and trying to enroll into work activities all recipients facing the 24-month time limit. As a result, the percentage of adult recipients participating in unsubsidized employment increased from 26 percent in June 1998 to 32 percent in July 1999. An even larger increase in county-defined work activity participation occurred during this period, growing from 1 percent in June 1998 to 24 percent in July 1999.

After July 1999, a decline in work activity participation occurred in most activities, as shown in Figure 5.1. Overall participation in work activities declined from 77 percent of adult recipients in June 1999 to 63 percent in May 2000, driven mainly by a drop in participation in federally approved work activities.<sup>2</sup> About half (49 percent) of adult Colorado Works recipients in May 2000 were engaged in activities that would qualify as work for the purposes of the federal work participation rate, down from 61 percent in June 1999.<sup>3</sup>

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<sup>2</sup>Over the June 1999 to May 2000 period, participation declined in both of the two largest work activity categories—unsubsidized employment and county-defined activities. The third largest category (job search and readiness activities) saw a decline between June 1999 and January 2000, but has increased to its June 1999 level since then.

<sup>3</sup>This rate will be different than the work participation rate reported to the federal government. In order to be counted in the federal work participation rate in FFY 2000, recipients must be engaged in the activity for an average of at least 30 hours per week. The percentages reported in Figure 5.1 include any adult Colorado Works recipient engaged in a work activity, regardless of hours of participation.

**Figure 5.1**  
**Participation in Work Activities**  
Adult Colorado Works Recipients  
June 1998, June 1999, May 2000

	Percent of Caseload		
	June 1998	June 1999	May 2000
<b>Summary of Work Activity Participation</b>			
Adult Recipients Engaged in a Work Activity	50.0%	76.8%	62.5%
Adult Recipients Not Engaged in a Work Activity	50.0%	23.2%	37.5%
Adults in Federally Approved Work Activities	49.3%	60.6%	49.1%
Adults in County-Defined Work Activities	1.3%	21.7%	17.6%
Number of Adults	15,101	9,310	7,336
<b>Federally Approved Employment-Related Work Activities</b>			
Unsubsidized Employment	26.2%	32.6%	24.4%
Job Search and Job Readiness Activities	9.9%	12.4%	12.5%
Work Experience	4.9%	5.6%	4.6%
Community Service Programs	2.3%	6.0%	4.9%
Subsidized Private Sector Employment	0.2%	0.2%	0.1%
On-the-Job Training	0.1%	0.2%	0.1%
Provision of Child Care to Recipients in Community Service	0.1%	0.2%	0.1%
Subsidized Public Sector Employment	0.1%	0.3%	0.2%
<b>Federally Approved Educational Work Activities</b>			
Job Skills Training Directly Related to Employment	9.0%	11.6%	7.4%
GED Preparation Classes	4.1%	5.3%	4.9%
Vocational Education/Post-Secondary Education	3.7%	4.4%	3.2%
High School	0.5%	0.7%	0.7%
English as a Second Language Classes	0.7%	1.0%	0.5%
Basic Education	0.4%	0.3%	0.3%

Note: Because adult recipients may be engaged in more than one activity in a month, the total percentage of adults engaged in a federal or county-defined work activity will not equal the percentage of adults engaged in a work activity, as reported in row 1.

Source: BPA calculations using CACTIS administrative records, Colorado Department of Human Services.

The drop in participation in federally approved work activities since July 1999 does not threaten Colorado's ability to meet the federal work participation rate requirement (discussed in more detail below) and may reflect increasing attempts by case managers to place recipients in activities that address barriers. As it became clear that the state would not have difficulty meeting the federal work participation rate requirement—and as the challenge to enroll the first generation of recipients into work activities by the 24-month mark was met, at least in part by taking advantage of the flexibility offered by county-defined activities—program managers and case managers felt less pressure to enroll recipients in a work activity (in particular, unsubsidized employment) as soon as possible.<sup>4</sup>

A second trend in work activity participation of adult recipients is the large increase in the use of county-defined activities over the past two years. In June 1998, only 1 percent of Colorado Works participants were engaged in county-defined activities. By June 1999, 22 percent of participants were engaged in a county-defined activity. However, as of May 2000, this had decreased somewhat, to 18 percent of the adult caseload (see Figure 5.1). This increase in county-defined work activities is potentially beneficial to recipients if case managers feel they have more flexibility to provide recipients who are not job-ready with needed services to address the barriers they face. Most adults (75 percent) who participated in a county-defined activity in a given month were not simultaneously participating in other work activities, such as job search assistance or training.

As noted earlier, county-defined work activities are used to address barriers to employment. These activities include such services as mental health counseling, domestic violence services, substance abuse services, Vocational Rehabilitation services, Child Protective Services, and medical care. They are also a mechanism by which recipients can address a personal condition that may make participation in other work activities difficult. Such conditions include medical problems, pregnancy or maternity, homelessness, and unavailability of child care for young

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<sup>4</sup>As noted in Chapter 2, the number of new cases entering Colorado Works each month has remained stable. Accordingly, given the overall decline in the caseload, new cases have accounted for a growing proportion of the overall caseload in a given month. This is likely to be another factor contributing to the decline in overall levels of work activity participation, assuming that enrollment in a work activity does not occur immediately upon entry to the program.

children. Figure 5.2 reports the use of various types of county-defined work activities in June 1999, when the proportion of the caseload enrolled in county-defined activities was at a peak, and May 2000. County-defined activities are used most frequently for health-related issues. Medical and pregnancy/maternity (28 and 25 percent, respectively, in May 2000) are by far the most common categories, with the next most common category (after “Other”) being mental health (8 percent).

**Figure 5.2**  
**Participation in County-Defined Work Activities**  
Adult Colorado Works Recipients  
June 1999, May 2000

	June 1999	May 2000
Number of Adult Recipients Engaged in a County-Defined Activity	2,020	1,288
Percent of Adult Recipients Engaged in a County-Defined Activity	21.7%	17.6%
Categories of County-Defined Work Activities	Percent of County-Defined Work Activities	
Medical	27.3%	28.0%
Maternity/Baby	16.3%	25.1%
Other Reasons	22.1%	18.0%
Mental Health	8.5%	8.3%
Homeless	1.9%	4.0%
Vocational Rehabilitation	6.8%	3.9%
SSI Referral	10.0%	2.9%
Court-Related/Child Protection	2.5%	2.8%
Child Care Unavailable/Age of Child Below 6	1.8%	2.8%
Domestic Violence	2.1%	2.0%
Caring for Severely Disabled Child	0.0%	1.5%
Transportation	0.5%	0.6%
Non-Cooperation	0.0%	0.1%
Appeal 24-Month Clock	0.0%	0.1%

Source: BPA tabulations using CACTIS administrative records, Colorado Department of Human Services.



### Colorado Met the Federal Work Participation Rate Requirement for All Families

Colorado was able to meet its FFY 1999 work participation rate requirement for all families,<sup>5</sup> which was substantially decreased due to the state's sizable caseload reduction credit. This credit, which allows states to reduce the effective work participation rate needed to avoid financial penalties, is based on the decline in the previous fiscal year's caseload relative to the FFY 1995 caseload.<sup>6</sup> Colorado's FFY 1999 credit (that is, the decline in its FFY 1998 caseload compared to FFY 1995) was 45 percent. Since this credit was larger than the federal work participation rate required for all families in FFY 1999 (35 percent), the Colorado's adjusted work participation rate requirement for all families was zero. (Even without the caseload reduction credit, Colorado would have met the required 35 percent work participation rate for all families in FFY 1999. During this year, 36 percent of adults receiving Colorado Works met the hours and activity requirements for work participation.)<sup>7</sup>

Given the slowing of the rate of decline in the caseload during the past year, Colorado's caseload reduction credit is unlikely to grow substantially in subsequent years.<sup>8</sup> However, Colorado should not have difficulty meeting the federal work participation requirement for all families during the next two years, even though the required work participation rate will increase to 45 percent for all families in FFY 2001.

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<sup>5</sup>All states met the all-family work participation rate requirement for 1999.

<sup>6</sup>The proportion of a state's caseload decline that is due to eligibility restrictions or changes in federal regulations will not count toward the caseload reduction credit.

<sup>7</sup>U.S. Department of Health and Human Services, *Temporary Assistance for Needy Families (TANF) Program: Third Annual Report to Congress*. Washington, D.C., August 2000.

<sup>8</sup>Because the caseload reduction credit is based on the decline relative to FFY 1995, the amount of the credit should not drop below 45 percent, unless the Colorado Works caseload begins to increase. The required work participation rate will rise to 45 percent in FFY 2001 and 50 percent in FFY 2002, so Colorado may begin to face single-digit work participation rate requirements by 2002.



### **Colorado Did Not Meet the Work Participation Rate Requirement for Two-Parent Families**

Of the 36 states that have two-parent family TANF programs,<sup>9</sup> Colorado was one of eight states that did not meet the work participation rate requirement for these families. For FFY 1999, the required work participation rate was 90 percent for two-parent families, with an hours requirement of at least 35 hours per week (or 55 hours per week if the family is receiving federally funded child care). After the application of Colorado's 45.1 percentage-point caseload reduction credit, the state's adjusted work participation rate requirement for two-parent families was 44.9 percent. For FFY 1999, the actual work participation rate for two-parent families in Colorado was 41.2 percent. Pending appeal, the state faces a penalty of \$19,078 for not meeting the required rate.

Anticipating that it might be difficult for the state to meet the required two-parent work participation rate, the Colorado Department of Human Services promoted five strategies that counties could use to meet the two-parent rate: (1) appropriate and early coding of disabled parents; (2) utilization of diversion; (3) immediate assignment to work experience activities at application for two-parent households; (4) targeting of resources to these families, including a reduced caseload for case managers specializing in serving two-parent families (to allow for increased time to find appropriate work activities for these families); and (5) involvement of both parents in work activities.<sup>10</sup>

Although only a small part of the Colorado Works caseload (383 cases, or about 3 percent of the ongoing assistance caseload, in June 2000), two-parent families are generally considered to be among the most disadvantaged cases, given their need for assistance despite having two potential wage earners in the household. In particular, Colorado Department of Human Services staff report that a number of

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<sup>9</sup>The remaining states aid two-parent families in separate state programs that are not subject to federal work participation requirements or are operating their TANF programs under waivers.

<sup>10</sup>See Colorado Department of Human Services, Agency Letter TCW-99-22-A, July 19, 1999.

two-parent families include a disabled adult, who may face serious employment challenges. Some parents in these families may have SSI applications pending. Further, some proportion of these two-parent families are refugees, who require English as a Second Language (ESL) classes. In general, most of these services do not count toward the federal work participation rate.

### **Lack of Labor Market Skills and Experience**

To assess the adequacy of work activity participation in preparing Colorado Works recipients for employment, in this section we look at two measures of labor market readiness: previous work experience and education.

Not surprisingly, a significant proportion of Colorado Works recipients lack recent work histories. For example, data from Unemployment Insurance (UI) wage records indicate that 27 percent of adult recipients on the January 2000 caseload had not worked in the previous 30 months.<sup>11</sup> An additional 27 percent of recipients had limited work experience of between one and three quarters of employment during the previous 30 months.

In addition to lacking work experience, many Colorado Works recipients lack basic education. Data from the 1999 Colorado Works Participant Survey indicate that nearly one-third of Colorado Works recipients (31 percent) had less than a high school education, suggesting that many recipients lack basic skills required by employers. While sizeable, the proportion of Colorado Works recipients with less than a high school education is actually below the national average for TANF recipients. Nationwide, 43 percent of adult TANF recipients had fewer than 12 years of education in FFY 1999.<sup>12</sup> Among 1999 Colorado Works Participant Survey respondents, 22 percent had completed a GED and another 21 percent had earned a high school diploma. Although 26 percent of respondents had attended some college classes, only 6 percent had earned a college degree (two-year, four-year, or graduate).

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<sup>11</sup>UI wage records are available through 1999.

<sup>12</sup>U.S. Department of Health and Human Services, *Temporary Assistance for Needy Families (TANF) Program: Third Annual Report to Congress*. Washington, D.C., August 2000.

Colorado counties have made progress in providing educational services to those with less than a high school degree. In fact, 48 percent of the 1999 Colorado Works Participant Survey respondents with less than a high school degree had participated in educational activities through Colorado Works. Specifically, 41 percent of this group had taken a GED class, and 13 percent had participated in Adult Basic Education or high school classes.<sup>13</sup> Given the positive relationship between increased education and employment (discussed in more detail below), counties should continue to encourage education-related services among participants with low education levels.

### **Lack of Education Is Associated with Lower Employment Rates**

Colorado Works recipients and former recipients with low education levels are less likely to be employed than those with more education. Data from the 1999 Colorado Works Participant Survey indicate that the employment rate for those without a high school diploma or GED was 43 percent, whereas those with a high school diploma or GED were employed at a rate of 59 percent. Among those with a college degree (two-year, four-year, or graduate), 71 percent of current and former Colorado Works recipients were employed.

It is not easy to determine if low educational attainment actually results in low employment rates or if *both* low education attainment and lack of success in the labor market reflect more significant individual barriers (for example, learning disabilities). Nevertheless, because we report a strong correlation between low education and both a lower probability of employment and significantly lower earnings, low educational attainment should be used to identify recipients who may require more intensive assessment and targeted services to address work-related barriers.

By more intensively assessing recipients with low educational attainment, counties can ensure that these recipients are directed toward appropriate work activities that

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<sup>13</sup>Participants may have participated in both GED and Adult Education or high school classes, hence the proportion of participants in each of these activities sums to more than the overall proportion who participated in at least one education activity.

address the labor market barriers such recipients face. Such activities could include the opportunity to obtain a high school diploma or GED, but might also include enrollment in certificate programs that provide job skills and post-employment supportive services, or counseling that addresses barriers such as learning disabilities.

### **Lack of Job Skills Is Associated with Lower Employment Rates**

Respondents to the 1999 Colorado Works Participant Survey who reported they had a job skills barrier were employed at a lower rate than those who did not report a job skills barrier. Among survey respondents, nearly one-third (31 percent) reported that a lack of education or training had been a problem in getting or keeping a job. Among current and former recipients combined, 39 percent of those who reported a lack of job skills were employed, compared to 55 percent of those without job skills barriers. Even after leaving aid, lack of job skills continues to be a barrier. Among survey respondents who were no longer receiving Colorado Works, those with job skills barriers were employed at a rate of 53 percent, compared to an employment rate of 70 percent for those without these barriers.

The 1999 Colorado Works Participant Survey included questions related to participation in activities designed to help participants prepare for and find employment. Activities included English as a Second Language classes, GED classes, Adult Basic Education or high school classes, vocational education or college classes, job skills training or on-the-job training; and participation in an unpaid work experience or community work experience. Among Colorado Works survey respondents who indicated that inadequate education or training was a barrier to employment, 66 percent participated in one of these activities while on Colorado Works. Although we cannot ascertain the intensity or duration of services received, this suggests that many recipients are indeed receiving at least some services to address this barrier. Since participation in work-related activities can lead to increased employment and earnings, counties should continue to match participants' labor market barriers with appropriate services.

### TANF Provides Opportunities to Offer Education and Training

TANF gives states some flexibility to provide education and training to welfare recipients and low-income families. To be counted toward the State's required work participation rate in FFY 2000 and after, an adult must be participating in a federally approved work activity for an average of 30 hours per week.<sup>14</sup> However, the rules for counting education and training activities toward the work participation rate are very specific:

- Job skills training directly related to employment can only be counted above the first 20 hours of participation in another work activity.
- Education directly related to employment for those without a high school diploma or equivalent can only be counted above the first 20 hours of participation in another work activity.<sup>15</sup>
- Vocational education can count toward the first 20 hours of an individual's work activity participation for up to 12 months. However, vocational education can comprise no more than 30 percent of the caseload's countable work activities statewide. Effective in FFY 2000, the 30 percent cap on countable vocational education activities will include participation in school completion and education directly related to employment for teen parents without a high school diploma.<sup>16</sup>

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<sup>14</sup>Single-parents with children under age six are required to participate in a work activity for 20 hours per week. Two-parent families must engage in a work activity for a total of 35 hours per week, or 55 hours per week if they receive federally funded child care.

<sup>15</sup>In addition, attendance at secondary school or a GED preparation program for those without a high school diploma or equivalent can only be counted above the first 20 hours of participation in another work activity.

<sup>16</sup>States can allow people to participate in these activities beyond 12 months or above the 30 percent cap, but they will not count toward the state's work participation rates. This might be an option for states that will be getting large caseload reductions, and therefore low adjusted participation rates, or who are otherwise confident of meeting their work participation rates.

- Post-secondary education, although not one of the 12 federally approved work activities, can count toward the work participation rate under either the job skills training or vocational education categories. In Colorado, counties decide whether post-secondary education will count as an allowable work activity.

Many states allow participation in post-secondary education that does not count toward federal work participation rates. As of October 1999, 22 states had TANF policies that allow participation in post-secondary education beyond the 12 months that can count toward the federal work participation requirement.<sup>17</sup> For example, Illinois has chosen to aid families enrolled full-time in post-secondary education and maintaining at least a 2.5 grade-point average with segregated state funds (for a maximum of 36 months), so they do not accumulate months toward the federal time limit.<sup>18</sup>

Colorado has room to expand participation in vocational and post-secondary education without affecting its federal work participation rate requirements. In May 2000, only 3 percent of adult Colorado Works recipients were participating in vocational or post-secondary education.<sup>19</sup> In addition, as discussed previously, because the State is not likely to have difficulty meeting the all family work participation rate, program staff have some flexibility to place recipients in activities that provide more intensive job preparation and skills training even if they are not completely countable activities.

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<sup>17</sup>See State Policy Documentation Project website: <http://www.spdp.org>.

<sup>18</sup>Mark Greenberg, Julie Strawn, and Lisa Plimpton, *State Opportunities to Provide Access to Postsecondary Education Under TANF*. Washington, DC: Center for Law and Social Policy, Revised February 2000. Illinois also pays for months of assistance for families employed for at least 25 hours per week with segregated state funds. Only months paid for solely or in part with TANF funds count toward the 60-month lifetime limit.

<sup>19</sup>As noted, effective FFY 2000, school completion by teen parents will be included in the 30 percent cap. Including all those participating in high school (1 percent) brings the total to 4 percent, still well below the 30 percent limit.

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***Recommendation 2:***

*The Department of Human Services should provide additional technical assistance to the counties on ways to continue their efforts to meet federally required work participation rates while simultaneously enrolling Colorado Works recipients, as appropriate, in federal work activities that focus on job skills training, basic or vocational education, or more intensive job preparation programs, such as certificate programs which combine skills training with on-the-job training or work experience.*

***Department of Human Services Response:***

*Agree. In conjunction with other technical assistance monitoring and training efforts, the Department will target counties whose performance data (participation rate as well as other performance indicators) indicate need for improvement. Colorado Works staff will approach this recommendation in an integrated fashion with its other current QA efforts to help counties improve their assessment and case management as we find that individualized work activities are an essential part of an effective Individual Responsibility Contract. Technical assistance and monitoring will be ongoing, and training on best practices will be included in our teleconferencing calls, the annual training conference, and the regional Welfare-to-Work meetings described in Recommendation 3.*

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**Past Research and Lessons from Other States Show the Effectiveness of Combining Job Search and Education/Training with Work Experience**

Existing research on effective strategies for moving recipients from welfare to work suggests ways of providing education and training services in a work-first environment. Programs that have focused on job search or education have had mixed results, while welfare-to-work programs that offer some combination of job search, education, training, and work experience have been more effective than

programs that emphasize job search or education alone.<sup>20</sup> States have opportunities to offer these types of mixed-strategy programs because TANF rules for counting education and training as work participation activities actually encourage or require combining education and training with other activities.

### **Colorado Works Recipients Find Some Work Activities Helpful in Preparing for or Obtaining Employment**

Respondents to the 1999 Colorado Works Participant survey who received employment-related services while on aid were asked to rate how helpful these services had been in preparing for or obtaining a job. Their responses are shown in Figure 5.3. Responses are presented separately for those receiving Colorado Works at the time of the survey and for those who were not receiving Colorado Works at the time of the survey.

The vast majority of current and former Colorado Works recipients who had participated in employment services found them to be somewhat or very useful. Of particular merit were job readiness activities (classes on day-to-day skills needed in the workplace), job skills training or on-the-job training (OJT), and vocational education or college. These three work activities were viewed as somewhat or very helpful by nearly 90 percent of those who participated in them.

Job search assistance, one of the most common services provided by Colorado Works, was rated less favorably by survey respondents. One-quarter of those who participated in job search activities found them to be not at all helpful in securing employment. This was particularly true among those who already had exited Colorado Works at the time of the survey interview: 30 percent of former recipients who had participated in job search activities found them to be not helpful. The less favorable rating of job search assistance may be due to the fact that it tends to be a relatively unstructured activity and one in which recipients are

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<sup>20</sup>Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*. New York: MDRC, June 2000. For example, in a national evaluation, a Portland, Oregon program offering welfare recipients a mix of job search, skills upgrading, life skills, occupational training, and work-focused basic education had a larger and more lasting impact on earnings and employment compared to several other programs with less broad strategies.



on their own with little additional support through the program. In many cases, recipients are simply required to make contact with an agreed-upon number of employers each week and to then report the results to their case manager.

**Figure 5.3**  
**Helpfulness of Work Activities in Gaining Employment**  
1999 Colorado Works Participant Survey Respondents

Service	Among those receiving Colorado Works at the time of the survey: How helpful was the service?				Among those <i>not</i> receiving Colorado Works at the time of the survey: How helpful was the service?			
	Very	Somewhat	Not at all	#	Very	Somewhat	Not at all	#
Job Search	29.6%	53.1%	17.3%	98	30.1%	39.7%	30.1%	136
Job Readiness Activities	43.0%	48.1%	8.9%	79	50.0%	36.0%	14.0%	114
GED classes	64.5%	21.0%	14.5%	62	47.7%	29.2%	23.1%	65
Job Skills Training or OJT	65.6%	26.2%	8.2%	61	60.9%	32.8%	6.3%	64
Vocational Education or College	67.2%	25.9%	6.9%	58	59.7%	22.6%	17.7%	62
Unpaid Work Experience	54.2%	28.8%	16.9%	59	38.0%	36.0%	26.0%	50
Adult Basic Education or High School	43.8%	46.9%	9.4%	32	50.0%	26.7%	23.3%	30
ESL	50.0%	50.0%	0%	4	66.7%	33.3%	0%	3

Notes:

- (1) Questions were only asked of respondents who had received these services while they were on Colorado Works.
- (2) Only respondents who reported that English was a second language, and who had received ESL services were asked how helpful services were.

Source: BPA tabulations from the 1999 Colorado Works participant survey.



## Welfare-to-Work Program Services

In addition to Colorado Works, low-income Colorado families can access the federal Welfare-to-Work (WtW) program for job-related services. WtW was created to provide targeted services for the hardest-to-employ welfare recipients: long-term recipients with barriers to employment, and non-custodial parents of children receiving TANF.<sup>21</sup> The WtW program is administered by regional Workforce Development Boards (WDBs) through the Colorado Department of Labor and Employment (CDLE). WtW funds can be used for a variety of work, training, and supportive services to promote the entry of these groups into the workforce.

Like TANF, WtW is a “work first” program. However, WtW also focuses on making services available after the individual begins work. Post-employment and job retention services offered by WtW include education and training (basic education, ESL, occupational skills), short-term housing assistance, child care, and transportation. WtW funds can also be used for job readiness and job placement activities and other specified work activities (community service, work experience, job creation through wage subsidies, OJT).

Post-employment supportive services are available with WtW funds to the extent that they are not otherwise available to a recipient.<sup>22</sup> WtW funds can also be used for non-medical substance abuse treatment and supportive services, in conjunction with participation in a work activity. Examples of supportive services provided in field study counties using WtW funds include gas vouchers, car repairs, and clothing allowances.

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<sup>21</sup>See Appendix D for a complete description of the Welfare-to-Work Program.

<sup>22</sup>According to the U.S. Department of Labor’s Welfare-to-Work website (<http://wtw.doleta.gov/q&a/allowable.htm>) the determination of whether services are available or not rests with the service provider or grantee, and must be documented in the participant’s files.

### Welfare-to-Work Spending to Date Has Been Low

In FFY 1998 and FFY 1999, the Colorado Department of Labor and Employment received a total of \$19 million in federal WtW funds which were matched with \$10 million in cash and in-kind services.<sup>23</sup> According to the CDLE, just over 800 participants had been served by WtW funds statewide as of August 2000. Only 24 percent of FFY 1998 federal funds, or 12 percent of total available federal WtW funds, had been spent as of August 2000.<sup>24</sup> Awardees have three years from the date of award to spend WtW funds. Colorado must spend the remaining 76 percent of FFY 1998 federal funds (\$7.5 million) by July 31, 2001 or face forfeiture. FFY 1999 WtW funds must be spent by September 28, 2002.

Colorado is not alone in its underuse of the WtW program. Nationally, enrollments in WtW have been lower than predicted. A lack of referrals from TANF case managers, administrative hurdles, and restrictive eligibility criteria have been blamed for low participation in WtW.<sup>25</sup> Some of these barriers to program usage have been addressed by state efforts and changes in eligibility rules.

The eligibility criteria for WtW were substantially broadened by the Welfare-to-Work Amendments of 1999, which make many more Colorado Works participants

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<sup>23</sup>After set-asides, 75 percent of the \$3 billion WtW funds were awarded as formula grants to the states, and 25 percent was awarded competitively to PICs/WDBs, local governments, and private entities. There were also four competitive grants awarded in Colorado, totaling close to \$9 million. For the formula grants, states are required to provide matching funds for federal WtW money, at the rate of \$1 for every \$2 of federal money. Up to 50 percent of that match can be provided through in-kind services, and at least 50 percent must be provided as cash. The Colorado Legislature did not award any cash matching funds for WtW. Instead, spending in other programs on individuals who are WtW-eligible is counted toward the state cash match. Sources for all of the state matching funds have been identified, and as of October 18, 2000, roughly one-third (\$3.2 million) of the estimated total of \$10.3 million in state matching funds had been spent.

<sup>24</sup>Welfare-to-Work spending to date varied by Workforce Development Board. See Appendix D for spending by Workforce Development Board.

<sup>25</sup>Irma Perez-Johnson, Alan Hershey, and Jeanne Belotti. *Further Progress, Persistent Constraints: Findings from a Second Survey of the Welfare-to-Work Grants Program*. Princeton, NJ: Mathematica Policy Research, Inc., May 2000.

and low-income parents eligible for WtW funds. Under the original WtW program, at least 70 percent of WtW funds had to be spent on the hard-to-employ, defined as long-term recipients or non-custodial parents of recipient children with specified barriers to employment. The new criteria (1) remove the requirement that long-term recipients have specified barriers to employment and (2) allow non-custodial parents of children in certain government assistance programs, including TANF, Food Stamps, Supplemental Security Income, Medicaid, and the Children's Health Insurance Program, to be served under this category.<sup>26</sup> Up to 30 percent of WtW funds could originally be spent on recipients and non-custodial parents who had the characteristics of long-term recipients. The new criteria add several additional eligibility categories, including youth formerly in foster care, and custodial parents with incomes below the poverty level.

The 1999 Amendments also made changes to WtW allowable activities that make it easier for these funds to be used to support skills training. Previously, vocational education and job skills training could only be provided in conjunction with employment. Under the amendments, vocational education and job skills training are now allowable "stand-alone" uses of WtW funds for up to six months.

At the state level, CDLE and the Department of Human Services have worked together to address coordination and referral issues through cross-education of Colorado Works and WtW case managers. CDLE has conducted workshops at the annual Colorado Works conference, and is developing a guide to linkages between TANF, Workforce Investment Act (WIA) programs, and WtW.

Given the new, more flexible program rules and the relatively high incidence of labor-market-related barriers among Colorado Works recipients, we believe it would be appropriate for policymakers in the State to develop a set of strategies to use WtW funds to provide additional intensive education, training, and post-employment supportive services to Colorado Works recipients. The need for a focused set of strategies is all the more urgent given the time-limited availability of WtW funds.

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<sup>26</sup>These new criteria became effective for competitive grantees on January 1, 2000. Formula grantees could spend state matching funds under the new criteria as of July 1, 2000, but could not use federal funds until October 1, 2000.

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**Recommendation 3:**

*The Department of Human Services and the Department of Labor and Employment should work with Workforce Development Boards in regions in the State where strategies to use Welfare-to-Work funds to provide services have not succeeded. The Departments should involve appropriate stakeholders such as Colorado Works program staff from County Departments of Human Services, local community colleges, local employment and training service providers, and employer representatives, to develop strategies for providing WtW-funded services to current and former Colorado Works recipients and others eligible for such services.*

**Department of Human Services and Department of Labor and Employment Response:**

*Agree. Staff in the respective state departments that are responsible for coordination and collaboration between Colorado Works and Welfare-to-Work will identify regions that may benefit from additional or revised strategies to increase welfare-to-work spending. Joint meetings in those areas identified will be convened by June 2001.*

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## Chapter 6: Barriers to Employment Among Colorado Works Participants

### Introduction

Many Colorado Works participants face barriers that may make it difficult for them to find and maintain employment. As was discussed in the previous chapter, low education and lack of labor market skills are key employment barriers for Colorado Works recipients. Other barriers that recipients may face include mental health problems, inadequate housing, unreliable means of transportation, child care issues, and domestic violence. Eighty-five percent of respondents to the 1999 Colorado Works Participant Survey reported that one or more of these issues was a barrier to securing and retaining employment.

The prevalence of barriers to employment among Colorado Works recipients highlights the importance of adequate assessment of recipients when they enter the program and targeted delivery of appropriate supportive services that help recipients address their particular barriers. Counties have developed a number of innovative practices in the areas of assessment and service delivery. However, in some areas we find that the services provided to many current and former recipients have not been sufficient to help them adequately address their barriers. We recommend that the Department of Human Services encourage additional improvement by counties in barrier identification and service provision through the awarding of bonuses and other incentives that improve counties' performance in these areas.

This chapter provides a discussion of the incidence of these barriers in the Colorado Works caseload, the relationship between these barriers and participant employment, and the strategies that Colorado field study counties have initiated to help families overcome these obstacles. We draw on two primary data sources to investigate the barriers to employment faced by Colorado Works participants: (1) the 1999 Colorado Works Participant Survey; and (2) findings from our field study of 15 Colorado counties.

Key findings from this chapter include:

- **Eighty-five percent of Colorado Works recipients face one or more barriers to employment.** Multiple barriers were common, with nearly three-fourths of respondents reporting two or more of the following barriers: transportation, housing, substance abuse, domestic violence, mental health or emotional problems, physical disabilities, lack of education or training, and child care
- **Those who reported barriers were less likely to be employed than those who did not report barriers.** Seventy-three percent of respondents with no reported barriers were employed at the time of the survey, compared to 56 percent of those with one reported barrier and 38 percent of those with four or more barriers.
- **Mental health problems are the most common barrier to employment faced by Colorado Works recipients.** Although almost half (47 percent) of survey respondents reported facing mental health problems, only 39 percent of those recipients received services to address these problems. We recommend that Colorado's nine Mental Health Assessment and Service Agencies (MHASAs), funded by Medicaid, provide support to county Colorado Works programs in assessing and providing mental health services to Colorado Works recipients.
- **Nearly one-quarter of Colorado Works participants face domestic violence barriers, but only 15 percent of these recipients received domestic violence services.** We recommend that the Department of Human Services improve the identification of, and service provision for, domestic violence through increased training. We further recommend that the Department encourage the placement of on-site domestic violence specialists in county offices.



- **Although County staff reported substantial substance abuse problems in the Colorado Works caseload, substance abuse treatment is largely unavailable.** We recommend that the Departments of Health Care Policy and Financing and Human Services analyze the costs and benefits of expanding Medicaid-covered substance abuse treatment services to include those in the Colorado Works caseload.
- **Housing, transportation, and child care barriers are faced by a significant proportion of the Colorado Works caseload.** Approximately 44 percent of the caseload reported housing barriers, and 40 percent reported transportation and child care barriers. (Child care barriers are discussed at length in Chapter 7.)

### **Prevalence of Barriers Among Colorado Works Recipients**

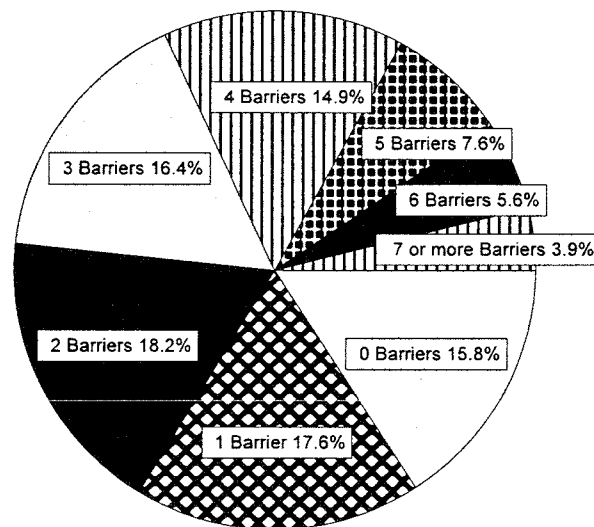
In order to set the context for our detailed discussion of specific barriers to employment—mental health issues, domestic violence, and others—and their impact on the Colorado Works program, this section presents some of the broader data trends related to barriers. We report on the significant number of Colorado Works recipients who face barriers and also discuss the prevalence of specific barriers among the Colorado Works population. We then examine the relationship between number of barriers faced and rates of employment. (The relationship between individual barriers and participant employment is discussed in later sections of this chapter.)

#### **Nearly All Colorado Works Recipients Face at Least One Barrier to Employment**

As shown in Figure 6.1, about 85 percent of 1999 Colorado Works Participant Survey respondents reported facing one or more of the following barriers to employment: transportation, housing, substance abuse, domestic violence, mental health or emotional problems, physical disabilities, lack of education or training, and child care. To identify the prevalence of barriers in the Colorado Works caseload, survey respondents were asked to indicate whether a particular barrier

had impeded their ability to obtain or retain employment during the prior year. For example, to identify the prevalence of transportation barriers, we asked the following question: "In the past year, has not having transportation to and from work been a problem for you in getting or keeping a job?" To calculate the proportion of families that face housing barriers, respondents were asked to indicate whether or not they had been evicted due to inability to pay rent, had needed to move in with friends or family to cut down on costs, or had visited a homeless shelter over the prior year. If respondents indicated any of these hardships, they were considered to have faced a housing barrier. Nearly three-fourths of respondents reported two or more of these barriers, and approximately one-third reported four or more barriers.

**Figure 6.1**  
**Number of Barriers to Employment**  
1999 Colorado Works Participant Survey Respondents



Source: BPA tabulations from the 1999 Colorado Works Participant Survey.

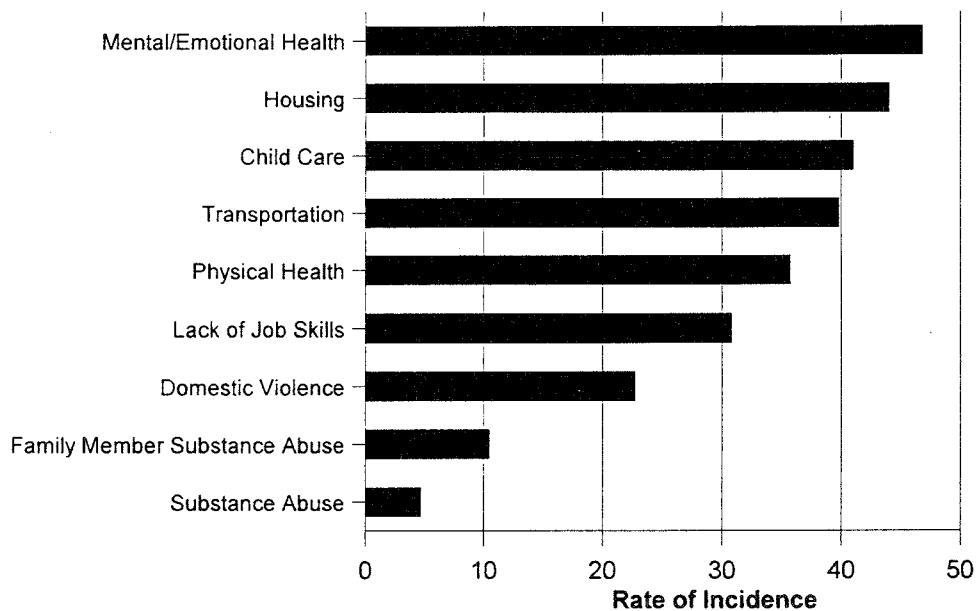
Mental health and emotional problems are the most frequently reported barriers to employment among Colorado Works recipients (Figure 6.2) with nearly half of survey respondents reporting this problem as a barrier to employment. Housing, child care, and transportation problems are also prevalent among this population, with 40 or more percent of survey respondents reporting having difficulty securing or maintaining a job because of each issue. Physical disabilities, lack of job skills, and domestic violence issues pose problems for more than one-quarter of Colorado Works recipients.<sup>1</sup>

Although multiple barriers are common among the Colorado Works population, most needs are handled separately through services provided by various state, county or community agencies. The programs designed to assist each of these barriers are discussed in detail, by barrier, in the following sections. We discuss the extent to which each barrier is related to employment and the services counties have initiated to address problems related to these barriers for Colorado Works participants. We focus our discussion on: mental and physical disabilities, housing, transportation, domestic violence, and substance abuse. Obstacles to employment that are a result of low educational achievement or limited job skills were discussed earlier, in Chapter 5. Barriers related to child care are discussed in Chapter 7.

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<sup>1</sup>National surveys during the early 1990s found that the percentage of welfare recipients with functional disabilities was between 17 and 20 percent, and that about 10 percent of recipients were unable to work because of disabilities. See M. Adler. "Disability Among Women on AFDC: An Issue Revisited." *Proceedings of the American Statistical Association: Government Statistics Section*, 1993; P. Loprest and G. Acs. "Profile of Disability Among Families on AFDC." Report submitted to the Henry J. Kaiser Family Foundation. Washington, DC: Urban Institute, 1996; and K. Olson and L. Pavetti. "Personal and Family Challenges to the Successful Transition from Welfare to Work." Washington, DC: Urban Institute, 1996.

**Figure 6.2**  
**Incidence of Barriers to Employment**  
1999 Colorado Works Participant Survey Respondents

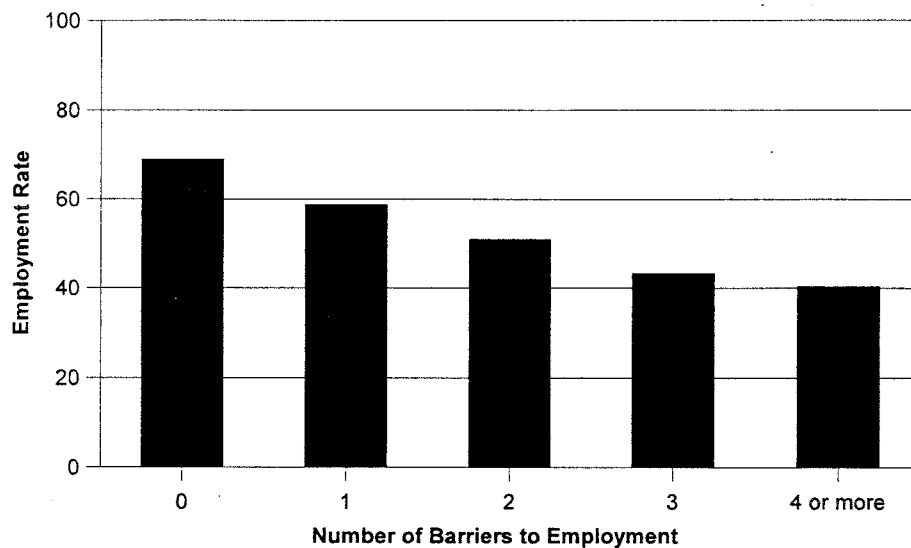


Source: BPA tabulations from the 1999 Colorado Works Participant Survey.

### **Recipients with Multiple Barriers Have Lower Rates of Employment**

As shown in Figure 6.3, the vast majority of Colorado Works participants who reported no barriers to employment were indeed employed (73 percent). As one would expect, those facing one or more barriers report employment at a lower rate. For instance, 56 percent of those with only one reported barrier were employed at the time of the survey, and 38 percent of those with four or more barriers reported employment.

**Figure 6.3**  
**Employment Rates According to Number of Barriers**  
1999 Colorado Works Participant Survey Respondents



Source: BPA tabulations from the 1999 Colorado Works Participant Survey.

Certain barriers pose more of a threat to employment than others. For instance, as shown in Figure 6.4, those facing physical disabilities are about half as likely to be employed as those who do not face these disabilities. The incidence of transportation, mental health, and substance abuse barriers are also related to lower rates of employment. Domestic violence<sup>2</sup> and housing barriers,<sup>3</sup> however, do not appear to decrease participants' ability to work.

<sup>2</sup>In the case of domestic violence, respondents reporting this barrier indicated it had been a problem in securing or maintaining employment over the past year. As discussed later in the chapter, it is possible that domestic violence issues affect participants' abilities to keep, rather than secure, a job.

<sup>3</sup>Survey data do not include a measure of the degree or duration of housing barriers. We would expect those with more acute housing issues, such as homelessness or near-homelessness, would have lower employment rates than those who reported doubling up with friends or family to save on housing costs.

**Figure 6.4**  
**Employment Rate According to Incidence of Barriers**  
1999 Colorado Works Participant Survey Respondents



Source: BPA tabulations from the 1999 Colorado Works Participant Survey.

### Mental and Physical Health

Overall, more than half (61 percent) of respondents to the 1999 Colorado Works Participant Survey reported that their mental or physical health had posed a problem in getting or keeping a job. Those reporting that mental or physical health had been a barrier were much less likely to be employed than those who did not report the barrier. Respondents reporting physical health barriers were almost twice as likely to be unemployed compared to those without the barrier. Respondents reporting a mental health barrier had an employment rate of 44 percent, compared to an employment rate of 56 percent among those without a mental health barrier.

There is an existing network of programs and services in Colorado intended to serve low-income families with mental and physical health problems. As Medicaid enrollees, Colorado Works participants have access to this network of services and should be able to obtain services readily, once the relevant needs are identified. For instance, Medicaid funds a variety of medical services for physical health problems and also funds mental health services through Colorado's nine Mental Health Assessment and Service Agencies (MHASAs). Vocational Rehabilitation funds services that help individuals with disabilities move toward employment. Supplemental Security Income (SSI) also provides income support to low-income elderly and disabled people. The eligibility requirements are stringent, but some Colorado Works participants may be sufficiently disabled to qualify for SSI, rather than receive Colorado Works. The relationship between Colorado Works recipients and both SSI and Vocational Rehabilitation is discussed in greater detail later in this section.

#### **Less than Half of Those with Mental Health Barriers Receive Treatment**

Although those with mental health barriers had lower employment rates than those without the barrier, less than half of the Colorado Works recipients who report mental health barriers are receiving treatment. Among 1999 Colorado Works Participant Survey respondents who reported mental or emotional health problems, 39 percent reported that they received services from a counselor, social worker, therapist, psychiatrist, or doctor through the Colorado Works program. These results suggest that there is a substantial unmet need for mental health services among the Colorado Works population, despite an entitlement to medically necessary services through Medicaid funding.

As Medicaid enrollees, Colorado Works recipients are eligible to receive a broad range of mental health services offered through MHASAs, which function as managed care "gatekeepers" and either directly provide or refer participants to appropriate services. All MHASAs have entered into Memoranda of Understanding with each of the counties in their service areas to govern mental health referrals from Colorado Works. Currently, State Medicaid Rules require County Department of Social Services to provide written materials on mental health benefits to all applicants and new Medicaid recipients, including all individuals who

are eligible for Medicaid through the TANF program. These written materials are produced by the MHASAs and approved by the State, and include information on the availability of mental health services, ways to access routine and emergency services, and how to obtain additional information on mental health benefits. MHASAs are required to contact county staff at least every six months to ensure the counties have the written material they need for new applicants and recipients. State contracts with MHASAs require MHASAs to review State-provided enrollment files monthly to identify new Capitation Program enrollees, and to mail written materials on mental health benefits to all new enrollees. In addition, Medicaid recipients who are enrolled in the Capitation Program receive a Medicaid Card every month, which includes the phone number of the MHASA on the front of the card.

#### **Colorado Works Staff Have Found Mental Health Issues Difficult to Assess**

Findings from the field study indicate that a major reason why participants with mental health problems are not receiving services is that county Colorado Works programs have had difficulty identifying individuals with mental health needs. Staff in many counties named mental health as one of the most difficult barriers to identify, along with substance abuse and domestic violence.

Most counties, however, did not make intensive efforts to assess mental health problems. All 11 of the county Colorado Works assessment forms we reviewed asked participants if they had physical disabilities or medical problems, but only 5 specifically inquired about mental health and only 1 about learning disabilities. Counties rely primarily on recipient self-reporting and interactions with case managers to identify problems. Only participants who are identified in this manner are referred for separate mental health or learning disability assessments.

Interviewees in seven counties believed that the capacity of county Colorado Works programs to identify mental health problems among participants needs to be improved. Across counties, training was the most frequently suggested approach to improving mental health assessment capabilities, followed by increased support from outside experts. Two counties have placed mental health counselors on site at Colorado Works offices, and staff in both counties reported that the on-site counselors enabled them to provide assessment and treatment services that were more intensive and more easily accessible than they otherwise could have.



MHASAs are a potentially important source of assistance in identifying participants with mental health problems. The Medicaid funding for MHASAs can be used to screen or assess Colorado Works participants, provide on-site staff at Colorado Works agencies, and train Colorado Works staff to better recognize the symptoms of mental health problems. Staff at the Colorado Department of Health Care Policy and Financing indicate that some MHASAs have developed close relationships with county Departments of Human Services and have provided these types of assistance, but that in other areas of the state the relationships are much weaker and less assistance is provided. Our findings suggest that at least some counties are finding it difficult to identify and assess the need for mental health services and may need further assistance from the mental health system in this area.

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**Recommendation 4:**

*The Mental Health Assessment and Service Agencies (MHASAs) under the Department of Human Services should continue to strengthen their outreach to and working relationships with county Colorado Works programs to ensure that recipients' mental health needs are identified and treated. Issues that should be raised regarding services provided by the MHASAs include: 1) training county case managers in mental health assessment; 2) placing MHASA staff on-site in counties with large caseloads to facilitate the assessment and referral process for Colorado Works participants with mental health barriers; and 3) working with Colorado Works program staff in counties with small caseloads to establish assessment, referral, and service provision procedures which adequately address the needs of participants.*

**The Department of Human Services Response:**

*Agree. The Department will raise these issues and negotiate for specific actions when we finalize our upcoming contracts with MHASAs. Those contracts will be finalized approximately January, 2001, and will become effective April, 2001.*

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### **Some Counties Facilitate Participants' Access to the Federal Supplemental Security Income Program**

The federal Supplemental Security Income (SSI) program provides income support to low-income individuals who have disabilities that prevent them from working and that are expected to last at least 12 months or result in death. Qualified individuals can receive a steady source of income that, unlike Colorado Works, is not time-limited. In the context of Colorado Works, therefore, it is important to ensure that all individuals eligible to receive SSI have access to the program.

Staff in 6 of the 15 field study counties raised concerns that there was a substantial number of Colorado Works recipients with disabilities that prevented them from working who had been unable to obtain benefits from SSI. This group included those who had been mistakenly denied SSI, those who had disabilities that prevented them from working but did not meet SSI's strict eligibility requirements, and those who were engaged in SSI's lengthy application and appeals process. SSI staff reported that the initial application process for SSI typically takes about four months, but appeals of application denials can last as long as three years.

Because SSI is administered directly by the federal government, responsibility for any reform of the program rests at the federal level. However, several Colorado counties have provided assistance to participants in handling the complexities of the SSI application and appeals process; staff in these counties believe that their efforts helped additional Colorado Works participants to obtain SSI benefits and move off welfare.

- El Paso and Arapahoe Counties have each assigned a single Colorado Works case manager to specialize in serving participants with disabilities, including assisting potentially eligible participants with their applications for SSI.
- Mesa County has contracted with Colorado Legal Services to assist clients in appealing denials of SSI benefits.

- Adams County provides Goodwill Industries with a financial bonus for each Colorado Works participant who becomes an SSI client within six months of application.

These initiatives do seem to help make sure that people with disabilities who cannot work are transferred from Colorado Works to a program that more appropriately addresses their needs. Other counties that have a significant number of recipients with disabilities that could potentially qualify for SSI may want to consider similar strategies. Ensuring that counties are serving only intended populations is a key to the long-term success of TANF in Colorado.

#### **The Colorado Division of Vocational Rehabilitation Provides Employment-Related Services to Some Participants with Disabilities**

Interviewees in 11 of the 15 field study counties reported that the Department of Human Services' Division of Vocational Rehabilitation was utilized to provide services to Colorado Works recipients facing physical or mental disabilities.<sup>4</sup> Vocational Rehabilitation counselors help participants develop an individual plan for employment, refer participants to appropriate service providers, and use Vocational Rehabilitation funds to pay for services that participants need to move toward employment. In most counties, Vocational Rehabilitation staff reported that services for Colorado Works recipients who were referred to Vocational Rehabilitation were typically funded with a combination of Vocational Rehabilitation, Colorado Works, and Medicaid funds. Because Colorado Works funds have more restrictions than Vocational Rehabilitation funds, Vocational Rehabilitation often pays for services for which Colorado Works cannot be used. For example, staff reported that Vocational Rehabilitation funds were sometimes used to pay for medical services and devices, or for lengthy education and training programs. In short, Vocational Rehabilitation programs can assist counties in providing specialized services to people with disabilities.

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<sup>4</sup>During the transition from AFDC to Colorado Works, eight full-time AFDC program staff were transferred to Vocational Rehabilitation specifically to focus on providing vocational rehabilitation services to Colorado Works participants.

## Domestic Violence

Nearly one-quarter of respondents to the 1999 Colorado Works Participant Survey reported that domestic violence barriers hindered their ability to obtain employment. Furthermore, staff from 12 of the 15 field study counties identified domestic violence as a primary impediment to work. However, survey results indicate that Colorado Works recipients who reported facing domestic violence barriers were no less likely to be employed than those who did not report facing the barrier.

### **Difficulty in Assessing Domestic Violence Issues May Affect Participants' Access to Needed Services**

In 1999, Colorado adopted the Family Violence Option. A state that adopts this option must certify in its State TANF Plan that it has established and is enforcing procedures to: (1) screen and identify individuals with a history of domestic violence; (2) refer such individuals for counseling and supportive services; and (3) waive program requirements, as appropriate, based on safety and fairness concerns.<sup>5</sup> Domestic violence service plans must be developed by domestic violence specialists and must be reassessed at six-month intervals.<sup>6</sup>

Despite the increased awareness among case managers and other Colorado Works staff, only 15 percent of survey respondents who reported that domestic violence had interfered with their getting or keeping a job over the past year received counseling and supportive services to address the issue.

Although all of the field study counties that provided assessment forms included domestic violence issues in the assessment process, Colorado Works staff from 10 of the 15 field study counties noted that domestic violence remained one of the most difficult barriers to identify and address. The difficulty in assessing domestic

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<sup>5</sup>See *Temporary Assistance for Needy Families (TANF) Program: Third Annual Report to Congress*, U.S. Department of Health and Human Services, August 2000, Table 10.7.

<sup>6</sup>Greenberg, M., and Savner, S., *The Final TANF Regulations: A Preliminary Analysis*; The Center for Law and Social Policy. May 1999.

violence is the likely cause of the low rate of services provided to address related needs.

### **Counties Have Developed Strategies for Improving the Availability of Mental Health Services**

To better help Colorado Works staff address domestic violence barriers, seven field study counties had offered or were planning to offer domestic violence training to county case managers, typically in the form of presentations by local domestic violence advocates. However, staff in eight counties, including four of those that had offered training, indicated a need for further training on how to identify and respond to domestic violence issues and how to access appropriate community resources.

Other counties have brought domestic violence specialists on site to facilitate an effective response to domestic violence as a barrier. A number of counties are implementing such strategies with a particular focus on enhanced case management and service coordination with community agencies. For instance, Denver, El Paso, Weld, and Arapahoe Counties have positioned domestic violence specialists from community domestic violence service providers on site at the county social services office to provide assistance to both participants and county staff. In some cases the domestic violence specialist becomes the participant's case manager. In others, the specialist refers or provides services to those identified with domestic violence problems.

Some counties have also developed referral relationships with domestic violence service providers. The Adams County Department of Social Services developed a memorandum of understanding with the community-based Alternatives to Family Violence program, which receives TANF funds to provide a variety of domestic-violence-related services, including shelter services for domestic violence victims and their children, therapy for children in domestic violence situations, and a 24-hour crisis line.

**Domestic Violence Services Prove Helpful to Participants in Preparing for or Obtaining Employment**

Among the 40 survey respondents who participated in domestic violence services, 78 percent felt such services were very helpful or somewhat helpful in preparing for or obtaining a job. Given this finding, it is particularly critical that counties ensure that all participants in need of such services receive them. However, very few (15 percent) Colorado Works recipients who identified domestic violence problems in our survey were provided with services by Colorado Works. By opting for the Family Violence Option, the Department of Human Services agreed to ensure that all Colorado Works participants receive appropriate domestic violence screening and assessment, services, and accommodation to their work requirements. The Department therefore has an obligation to improve its rate of referrals and service provision to these families.

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**Recommendation 5:**

*The Department of Human Services should continue to work with county Colorado Works program staff, service providers, and advocates to improve assessment of domestic violence and service provision to Colorado Works participants who experience domestic violence. Efforts should focus on: 1) providing additional training in domestic violence assessment and case management to Colorado Works case managers; and 2) ensuring that case managers have access to professionals in the domestic violence field who can provide additional support in the areas of assessment and case management; and 3) ensuring that all Colorado Works participants have access to services targeted to address domestic violence barriers.*

**The Department of Human Services Response:**

*Agree. We agree that there is a need to identify domestic violence and to provide necessary services to the domestic violence victims. To this extent the Department has already taken a course of action that is complementary to this recommendation.*

*In order to detect domestic violence barriers and provide necessary services, the Department has formed two domestic violence task forces. These taskforces consist of state staff (Colorado Works, Child Welfare, and Child Support), domestic violence*

*advocates, and county staff. One taskforce focuses on training and best practices and the other will concentrate on policy development and coordination. In collaboration with regional domestic violence advocates, the Department will be facilitating the design and implementation of statewide service models and training curriculum.*

*We will also continue to encourage counties to have on-site specialists wherever caseload justifies this need. However staffing pattern is county's discretion.*

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## Substance Abuse

Substance abuse is perceived to be a significant barrier to employment among 12 of 15 field study counties, with county staff often ranking it among the most important barriers. However, only five percent of the survey respondents in the 1999 Colorado Works Participant Survey reported that substance abuse impeded their ability to obtain or retain a job. There are, however, two reasons to suspect that the actual rate of substance abuse among current and former recipients is higher than the survey findings indicate. First, staff in 12 of the 15 field study counties reported that substance abuse was a major barrier to employment among Colorado Works participants, often ranking it among the two or three most significant barriers. Second, two separate national surveys conducted during the early 1990s found substance abuse rates among welfare recipients to be 11 and 26 percent.<sup>7</sup> Furthermore, surveys often underestimate the frequency of behaviors that, like substance abuse, are illegal or socially stigmatized.

Identifying substance abuse problems among the Colorado Works population is similarly difficult for these reasons. However, providing services to these recipients is particularly important given that substance abuse is a barrier

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<sup>7</sup>J.C. Merrill. "Substance Abuse and Women on Welfare." New York: Center on Addiction and Substance Abuse at Columbia University, 1999. (Using data from the 1992 National Longitudinal Survey of Youth.) U.S. Department of Health and Human Services. "Substance Abuse Among Women and Parents." Washington, DC: Office of the Assistant Secretary for Planning and Evaluation and the Public Health Service, National Institute on Drug Abuse, 1994b. (Using data from the 1991 National Household Survey on Drug Abuse.)

correlated with higher unemployment. Survey respondents without a substance abuse barrier were 32 percent more likely to be employed than those reporting the barrier. Further, research has shown that spending on substance abuse treatment services can actually save governments money by reducing expenditures on criminal justice, child welfare, health care, and public assistance. For example, a study in California found that every dollar spent on substance abuse treatment saved the government \$7, and a study in Oregon found \$5.60 in savings for each dollar spent.<sup>8</sup>

#### **Few Colorado Works Participants Receive Substance Abuse Services**

Survey respondents were less likely to report receiving substance abuse services than any other service. Only three percent (19 of 552) of 1999 Colorado Works Participant Survey respondents said that they had participated in substance abuse services while receiving cash assistance. Even among survey respondents who reported that substance abuse had been a barrier to work, just 27 percent (7 of 26) said that they had received substance abuse services. While the small number of respondents on this issue makes it impossible to determine with precision how many participants are failing to receive necessary services, the survey responses suggest that only a small number of recipients are receiving assistance with what program staff believe is an important barrier to employment.

An important reason for the lack of substance abuse service provision to Colorado Works recipients is the difficulty of identifying recipients with substance abuse problems. Seven of the 11 county assessment forms that we reviewed specifically asked whether the individual had a substance abuse problem. However, county staff indicated that few participants voluntarily reported substance abuse during the initial assessment process. In addition, a lack of knowledge among case managers about the symptoms of substance abuse was cited as an obstacle to assessing substance abuse problems in some counties. Training, expert support, and

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<sup>8</sup>Finigan, Michael. "Societal Outcomes and Cost Savings of Drug and Alcohol Treatment in the State of Oregon." Salem, OR: Department of Human Resources and Governor's Council on Alcohol and Drug Abuse Programs, 1996. Gerstein, D., et. al. "Alcohol and Other Drug Treatment for Parents and Welfare Recipients: Outcomes, Costs, and Benefits." Washington, DC: U.S. Department of Health and Human Services, January 1997.



improved assessment techniques were mentioned as possible strategies for expanding the capability of counties to identify substance abuse problems.

#### **Limited Funds Are Available for Substance Abuse Treatment**

While the above-mentioned steps to improve screening and assessment are important, our findings indicate that there would be little funding or services available to support treatment even if individuals in need could be identified. The Medicaid program allows states to select various types of substance abuse services it will fund, and Colorado has opted to cover only a very narrow range of services, excluding nearly all outpatient treatment.

Colorado funds a network of Managed Service Organizations to provide substance abuse treatment to low-income individuals using \$28 million in state and federal funds in State Fiscal Year 2000, but this amount is inadequate to meet the need for treatment. The shortage of treatment for TANF recipients is particularly severe because federal substance abuse funds must first be used for a series of prioritized groups, none of which explicitly includes TANF recipients, and because much of the state's treatment programs are not designed for women with children. There are currently only 25 publicly funded residential treatment beds for women with children and pregnant women available in Colorado, and the minimum waiting list for these beds is three months.

Many counties supplement the funds described above by paying for substance abuse treatment through their social service departments. Much of this funding, however, is provided through the child welfare system and is not available to all Colorado Works recipients. A few counties, including Denver, Adams, Arapahoe, and Las Animas, have contracted with substance abuse providers using Colorado Works funds, but most have not.

A higher priority in addressing the substance abuse problems of Colorado Works recipients is identifying resources to support treatment. Devoting additional funds from Colorado Works for substance abuse would increase the availability of services for participants.

Another way of increasing resources available to Colorado Works recipients would be to direct spending toward building treatment capacity for women with children. More significantly, both the needs of the Colorado Works population and the larger treatment shortage could be addressed by expanding the types of substance abuse services covered by Medicaid.

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**Recommendation 6:**

*The Department of Health Care Policy and Financing and the Department of Human Services should analyze the costs and benefits of expanding coverage under Medicaid to include providing substance abuse treatment services to Colorado Works participants. Based on this analysis, an appropriate recommendation should be made to the Joint Budget Committee of the Colorado General Assembly.*

**The Department of Human Services Response:**

*Partially agree. The Department of Human Services agrees with the need for substance abuse treatment services for the Colorado works recipients. It is to be noted that the Department in conjunction with Child Welfare and ADAD conducted regional training during the period of November 1999 through April 2000 on using TANF and Child Welfare funds to provide services to participating TANF families and treatments to children. However, the policy decision to pursue Medicaid funding for substance abuse resides with the Department of Health Care Policy and Financing and ultimately the Joint Budget Committee.*

*The Department of Health Care Policy and Financing agrees to analyze the costs and benefits of a substance abuse program, using the fiscal note process, should a bill be introduced on this topic. If not, the Department of Health Care Policy and Financing will consider this recommendation during Budget development time in the spring of next year. The Substance Abuse in Colorado Study Group has been meeting at the capitol through out the summer and fall of 2000. It is probable that this group will find a sponsor to support legislation to expand substance abuse services.*

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## Housing Barriers

Respondents in 12 out of the 15 field study counties noted that lack of affordable housing is one of the main barriers to self-sufficiency that participants face. This claim is supported by the fact that 44 percent of respondents to the 1999 Colorado Works Participant Survey indicated housing instability over the year prior to their interview.<sup>9</sup> According to the National Low Income Housing Coalition, a three-person household receiving the maximum TANF grant in Colorado can afford monthly rent of no more than \$107, based on the U.S. Housing and Urban Development Department's standard of allocating 30 percent of income to housing costs.<sup>10</sup> Yet the fair-market rent for a two-bedroom unit in the state is \$642 per month. Low-income families would need to earn almost \$500 per week, or \$12.50 per hour full-time, to afford this rent (using the 30 percent criterion). The median weekly earnings among employed Colorado Works survey respondents was \$266 or \$6.65 per hour full-time.

After rental or mortgage payments, families must also pay for utilities, telephone, or other housing-related necessities. Our findings indicate that this, too, has been challenging for Colorado Works recipients. Seventeen percent of survey respondents indicated that their utilities had been cut off, and 28 percent noted that their telephone had been disconnected because they were unable to pay their bill while on cash assistance.

### **Field Study Counties Have Increased Collaboration Among Local Agencies to Better Meet Participants' Housing Needs**

A variety of federal, state, and local programs together provide subsidies, transitional housing, or other housing assistance to families in need. To take advantage of these programs, county social services offices need to collaborate

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<sup>9</sup>Respondents who indicated that they had been evicted due to inability to pay rent, gone to a homeless shelter, or moved in with family or friends over the past year were considered to have experienced housing instability for the purposes of this calculation.

<sup>10</sup>See *Out of Reach*, National Low Income Housing Coalition, September 1999, <http://www.nlihc.org/oor99/index.htm>

with a variety of agencies, some with which they have existing relationships and others that require new coordination efforts.

The social services agencies in 10 of the 15 field study counties have developed collaborations with local housing agencies to provide services to Colorado Works participants. Housing assistance and cash assistance have historically been provided independent of one another, and the collaboration between agencies to address this barrier is relatively new. Collaborative strategies include the creation of on-site housing specialists and joint case planning between housing and welfare case managers. The following examples highlight promising practices in field study counties:

- In Denver County, a staff person from the non-profit agency Community Housing Services (CHS) is stationed at the Denver Department of Human Services agency half-time to assess and refer Colorado Works participants to appropriate housing services.
- El Paso County is in the process of planning a One-Stop Center for the Homeless scheduled to open in 2002. The Center will provide comprehensive services for homeless individuals and families including a transitional shelter, soup kitchen, case management, employment services, and Red Cross relief.

Counties have also developed their own means of addressing housing barriers through Colorado Works, including: (1) providing resources to cover security deposits or first month's rents; (2) negotiating with landlords to pro-rate the security deposit over several months; and (3) helping clients apply for and access Earned Income Tax Credit (EITC) funds to finance security deposits. Furthermore, both Denver County and Adams County developed tenant training programs that review housing issues such as how to obtain a credit report, how to consolidate debt, how to most effectively communicate with property owners, and how to conduct a thorough housing search.

### Availability of Housing Subsidies Is Limited

Many Colorado Works families are eligible to receive subsidized housing, which is generally provided through local housing authorities. Findings indicate that the overall demand for housing subsidies far outstrips the available supply. Six field study counties specifically noted waiting lists for housing vouchers that ranged from 61 to 2,400 families.

In October 1999, the Department, through a collaborative effort between the Colorado Works Program and the Supportive Housing and Homeless Program (SHHP), was selected by the U.S. Department of Housing and Urban Development (HUD) to receive 160 housing vouchers through the HUD/Welfare-to-Work Notice of Funding Authority.<sup>11</sup> These 160 vouchers were made available to 17 participating counties. County departments of social services and local housing providers have coordinated to provide services. To date, 136 of the vouchers have been utilized, with the remaining 24 in the process of being leased up.<sup>12</sup>

Housing subsidies can improve the outcomes of families transitioning from welfare to work. Recent national findings indicate that participants who received housing subsidies increased their employment and employment-related earnings substantially more than did low-income families not receiving such assistance. Research suggests two key factors that may explain why the receipt of housing assistance can lead to increased family earnings and employment rates: (1) by making housing more affordable, housing subsidies may help to stabilize the lives

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<sup>11</sup>For families that receive a housing voucher, the local Public Housing Authority pays the rental costs that exceed 30 percent of the household's adjusted income.

<sup>12</sup>To be eligible for the voucher, families must be eligible to receive, must be currently receiving, or must have been a recipient within the past two years of state or federal welfare assistance. Additionally, families must meet the eligibility requirements established by the local Public Housing Authority to ensure that the Welfare-to-Work housing voucher is critical to the success of the families' transition from welfare to work. Each local PHA establishes these eligibility requirements based on the housing needs and characteristics specific to their community. See U.S. Department of Housing and Urban Development, *Welfare-to-Work Vouchers: FAQs for family eligibility and determination*; <http://www.hud.gov:80/pih/programs/ph/wtw/3LL.html#anchor86349>

of low-income families and thereby improve their ability to obtain and retain jobs; and (2) by reducing housing costs, housing subsidies enable families to allocate more money toward work-related expenses like clothing, transportation, and child care.<sup>13</sup>

## Transportation

As reported previously, 40 percent of survey respondents who were receiving aid during the last calendar quarter of 1999 indicated that transportation barriers impeded their ability to secure and retain employment. Such transportation barriers include inadequate public transportation services, unreliable personal vehicles, or a significant distance between employment opportunities and recipients' residences. Survey respondents without a transportation barrier were 25 percent more likely to be employed than those reporting the barrier, indicating that transportation barriers can significantly impede a recipient's ability to secure and retain employment.

Transportation is a statewide issue that affects not just Colorado Works recipients, but other low-income families throughout the state as well. It is, however, a necessary barrier to overcome in helping families obtain and maintain employment. Although all counties provide transportation assistance in the form of vouchers or subsidies for gas and public transportation, at the time of our visits in early 2000 fewer than half of the 15 field study counties had developed transportation services to increase access to personal vehicles or improve public transportation systems. Even among those with enhanced transportation services, some of the most promising programs, such as the automobile acquisition programs, serve very few individuals.

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<sup>13</sup>See Sard, B. and Lubell, J., *The Value of Housing Subsidies to Welfare Reform Efforts*, Center on Budget and Policy Priorities, February 24, 2000; [www.cbpp.org/2-24-00hous.htm](http://www.cbpp.org/2-24-00hous.htm)

### **Transportation Assistance Is the Most Widely Provided Supportive Service**

As discussed in Chapter 1, 39 percent of other assistance payments were made for transportation needs in June 2000. This amounted to \$186,574, or an average payment of \$80 per recipient who received transportation assistance. Field study findings indicate that transportation assistance is most often in the form of bus tokens or gas vouchers, which are typically provided by allocating additional money onto a client's Quest card (also used to provide participants with their Food Stamp funds and their basic cash assistance payment). Although very important, these payments provide assistance to people who already have transportation available to them. They do not address the barrier faced by those without access to a vehicle or public transportation.

In addition to funding Colorado Works participants' transportation services through other assistance funds, four field study counties specifically indicated that they used diversion payments to assist clients in meeting transportation needs. For example, in Denver County the Department of Social Services found that 18 percent of diversion payments between January and April 2000 were used to address transportation barriers.

### **Some Counties Provide Services to Assist Participants in Purchasing Personal Vehicles**

Among respondents to the 1999 Colorado Works Participant Survey, those who owned vehicles reported substantially fewer transportation barriers than those who relied on other forms of transportation. Far fewer respondents who owned a car identified transportation as a barrier to employment than did respondents who did not own a car. Twenty-eight percent of respondents who owned vehicles indicated barriers to employment related to transportation.<sup>14</sup> In contrast, half of respondents without their own vehicles indicated that not having transportation to get to and from work had limited their ability to obtain employment.

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<sup>14</sup>Even participants who own a car may still face difficulty in affording car repair or automobile insurance, or may share the car with family members who have conflicting transportation needs.

Although vehicle ownership may be financially difficult for many Colorado Works participants, access to personal vehicles may improve participants' abilities to meet their employment responsibilities. The Colorado Department of Human Services is currently working with eight counties that have expressed interest in collaborating with an auto broker to help Colorado Works participants acquire vehicles. In addition, some counties are providing services targeted to increasing access to private vehicles:

- Larimer County's car donation program is a collaborative effort between the Larimer County Workforce Center (LCWC) and a local community based-organization, Project Self-Sufficiency (PSS). The program accepts cars donated from private individuals, car dealerships, and businesses, and provides these vehicles to Colorado Works participants who need transportation to obtain employment. Colorado Works funds can be used to make necessary repairs to the donated cars. In the two years the program has operated, 96 cars have been given out.
- The non-profit Family Center in La Plata County recently initiated the Community Cars and Trucks program, which provides Colorado Works recipients with cars donated by members of the community.
- Five field study counties specifically allow transportation assistance to be used for the purchase of an automobile, 6 counties provide assistance in paying for automobile insurance, and 10 counties provide resources for car repair.

#### **Field Study Counties Have Initiated New Services that Increase the Supply of Public Transportation**

Although public transportation may be the most cost-effective way to help current and former Colorado Works recipients travel to and from work, it is not widely available outside urban areas. Public transportation systems in suburban areas may support only limited routes, while rural areas may not support a public



transportation system at all.<sup>15</sup> To address these problems, several counties have initiated system-wide service strategies that increase the supply of transportation available to Colorado Works participants as well as to other low-income families.

- Archuleta County implemented the Mountain Express bus system to connect low-income families with employers, medical offices, child care facilities, grocery stores, and service providers.
- In Mesa County, Grand Valley Transit provides free public transportation to Colorado Works recipients during standard service hours. During non-service hours, Grand Valley Transit provides free door-to-door bus service for Colorado Works participants.
- Denver County provides a shuttle service for Colorado Works recipients without cars, establishing contracts with private transportation vendors for this purpose.

Outside of Colorado, some states and localities have used the flexibility provided under TANF to develop other innovative collaborations and programs related to transportation issues:

- Ventura County, California, and the Hartford, New Haven and Stamford metropolitan areas in Connecticut have developed targeted “Guaranteed Ride Home” programs. These programs guarantee a ride home to participants who use public transportation, vanpool, or carpool options and face an emergency, child care problem, or unanticipated overtime.

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<sup>15</sup>A 1994 study by the Community Transportation Association of America found that 40 percent of rural U.S. counties had no public transportation system. When such systems do exist in rural counties, the routes are rarely direct and often time-consuming, and the schedule is often infrequent and limited to peak hours. Consequently, rural welfare recipients tend to rely more on personal vehicles as their primary mode of transportation. A 1995 study by the U.S. Department of the Census and the U.S. Department of Housing and Urban Development found that 43 percent of urban welfare recipients owned cars, compared to 67 percent of suburban welfare households and 72 percent of rural welfare households.

- Santa Cruz, California, and Winston-Salem, North Carolina, have developed programs that not only provide transportation services to welfare participants, but also paid work experience for welfare participants to become shuttle van drivers, supervisors, or dispatchers.

Although Colorado counties have developed several innovative programs to address participants' transportation barriers, by combining various funding streams, including TANF, Welfare-to-Work, and Federal Transit Administration, counties may be able to increase the level of services to reach a greater proportion of recipients. Successful strategies employed by other states and localities, such as those highlighted above, may prove effective in addressing the transportation needs of Colorado Works participants.

### **The Need for Continued Innovation in County-Level Assessment and Service Provision**

Although barriers to employment are prevalent among the Colorado Works population, we find that assessing barriers to employment and linking recipients to available services continues to prove challenging for county programs. We also find that the services provided to current and former Colorado Works recipients are generally not sufficient to address these barriers. New and innovative practices have been developed by many counties to address these problems, but some counties still have not developed ways to identify barriers and ensure subsequent service receipt. The Department of Human Services can encourage innovation in barrier identification and service provision by establishing performance measures related to improvements in program operations in these areas.

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**Recommendation 7:**

*The Department of Human Services, in consultation with policymakers, the counties, and advocates, should consider developing additional performance measures for the Colorado Works program. These measures should encourage counties to focus on and improve their outcomes in the provision of job preparation activities such as education, job skills training, and counseling for current recipients, the delivery of post-program supportive services to former recipients, and in employment retention for current and former recipients.*

**The Department of Human Services Response:**

*Agree. Recently a recommendation was made to the Welfare Oversight Committee to request the Department to convene a task force with representatives from the department, State Auditor's Office, counties, advocacy organizations, and participants to develop outcome measures that would be reported on a quarterly basis. The committee determined that developing outcome measures other than the current work participation rates and changes in caseloads measures would better assist the department, counties, participants, advocacy organizations and policy makers in evaluating the success of the Colorado Works Program. The outcome measures might include: (1) the types of jobs Colorado Works participants are obtaining and the kinds of benefits accompanying these jobs; (2) whether participants obtaining jobs need further income supports; (3) whether participants are retaining jobs and are finding jobs with the potential for career advancement; and 4) whether participants are involved in the child welfare system. The Department will follow the directions of the Welfare Oversight Committee if the recommendation to this Committee is finalized.*

*In addition, the Department is developing the data analysis capacity to provide counties with data regarding their performance, including participation rates and high performance measures, return rates, and 24 and 60-month time limits information.*

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## Chapter 7: Child Care Barriers

### Introduction

As has been demonstrated in previous chapters of this report, ongoing self-sufficiency for Colorado Works recipients is tied to steady employment. In order to maintain employment, most parents must obtain child care for their children. Our research suggests that this poses a challenge to many current and former Colorado Works recipients for a number of reasons, including lack of quality providers, high cost of care, and even parental attitudes toward out-of-home care.

To assist low-income families with the cost of child care, the Colorado Department of Human Services' Division of Child Care administers the Colorado Child Care Assistance Program (CCCAP). This statewide program provides child care subsidies to low-income parents who are working or engaged in training activities. CCCAP includes a specific program for Colorado Works recipients (Colorado Works Child Care) and one for other low-income families (Low-Income Child Care), which covers eligible former Colorado Works recipients as well as other low-income families. In State Fiscal Year (SFY) 2000, Colorado spent a total of \$82.5 million on the CCCAP program. This includes \$64.1 million in subsidies for Low-Income Child Care, \$15 million in subsidies for Colorado Works Child Care, and \$3.4 million for program administration.

Families that are eligible for both these programs can choose their preferred child care provider from among numerous types of child care, ranging from large day care facilities that accommodate many children of all ages to home-based care provided by a friend or relative. Employed parents are required to pay a portion of the cost of care based on a sliding scale of their income, and CCCAP pays the remaining cost of care to the child care provider.

Our analysis of child care utilization among the Colorado Works population identifies two key issues for the State to consider in delivering its child care services. First, for many families lack of available and affordable child care is a barrier to employment. This is a pressing issue because families reporting child

care barriers were less likely to be working full-time than those without. Indeed, those with higher earnings are less likely to report child care barriers. Evidence suggests that strategies to promote the availability and affordability of child care will be helpful to Colorado Works recipients in maintaining long-term self-sufficiency.

Second, we find that Colorado Works recipients who are enrolled in Colorado Works Child Care are more likely to enroll in Low-Income Child Care after leaving aid. However, participation in both these programs is somewhat low. One-third of eligible Colorado Works recipients used CCCAP subsidies, and 20 percent of those exiting Colorado Works for employment were enrolled in CCCAP within three months of their exit. Because CCCAP participation has the potential to increase recipients' ability to work, increasing enrollment in both programs is of primary importance.

To study these issues, we draw on data from the following four sources: (1) the 1999 Colorado Works Participant Survey; (2) the field study of 15 counties; (3) interviews with Division of Child Care staff; and (4) administrative data from the Division of Child Care's Child Care Automated Tracking System (CHATS) covering the period July 1997 to June 2000.

Key findings in this chapter are cited below:

- **Child care is a barrier to employment for 41 percent of all Colorado Works survey respondents.** Lack of available care and affordability were cited by respondents as their major child care problems.
- **About one-third of eligible Colorado Works recipients utilize Colorado Works Child Care subsidies.** Field study research indicates that some families are not using subsidies due to the lack of information about Colorado Works Child Care and lack of need.
- **Approximately 20 percent of employed Colorado Works leavers access Low-Income Child Care subsidies within three months of exit.** Those

who received Colorado Works Child Care subsidies while on aid were more likely to continue to receive child care subsidies after exit.

- **The General Assembly, Department of Human Services, and counties have identified strategies to increase child care subsidy utilization.** These include increasing the eligibility limits, providing for a more automated transition between Colorado Works and Low-Income Child Care, and making the reimbursement rate categories more flexible to allow for more accuracy in reimbursing providers for care.

### **The Impact of Child Care Barriers on Employment**

Program staff in 14 of the 15 field study counties considered child care a major barrier to Colorado Works recipients' abilities to successfully find and keep a job. Corroborating this claim is the fact that 41 percent of respondents to the 1999 Colorado Works Participant Survey reported that child care problems had impeded their ability to get or keep a job during the previous year. Program staff and recipients cite a number of reasons for child care problems. As shown in Figure 7.1, an inability to locate a child care provider was the most common reason that survey respondents reported a child care barrier (32 percent). Field study respondents reported that this is especially a problem for those who need child care for infants or during non-traditional hours such as evenings or weekends. Another common problem was child care affordability, cited by 17 percent of all survey respondents. Affordability was of even greater concern to former Colorado Works recipients, 21 percent of whom reported that as their primary child care problem. As one might expect, higher-earning families reported fewer barriers to child care; 36 percent of employed parents with earnings that were greater or equal to median earnings reported child care barriers. In contrast, 44 percent of those with lower than median earnings reported having child care barriers. Field study respondents further noted that even when affordable providers can be found, they may not be of high quality.

**Figure 7.1**  
**Reasons that Child Care Is a Barrier to Employment**  
1999 Colorado Works Participant Survey Respondents

Reason	Survey Respondents Number	Survey Respondents Percent
Unable to find day care/few providers	69	31.9%
Affordability	37	17.1%
Other reasons	29	13.4%
Trust issue with providers	23	10.6%
Family unable/unwilling to help	19	8.8%
Children have health problems	18	8.3%
Children too young	8	3.7%
Difficulty with Department of Human Services	7	3.2%
Day care center is full	4	1.9%
Too many children	2	0.9%
<b>Total Number of Respondents</b>	<b>216</b>	<b>100%</b>

Source: BPA tabulations from the 1999 Colorado Works Participant Survey.



Despite the substantial barriers to employment reported by recipients, those with child care problems reported being employed at the same rate as those without child care barriers (50 percent). This implies that child care is not only a barrier to obtaining a job, but remains an issue for many families even after employment is found. Indeed, former Colorado Works recipients responding to the survey reported having more of a problem with child care (46 percent) than did current Colorado Works recipients (33 percent). Child care barriers are particularly acute among those families with more children. Thirty-four percent of families with only one child reported a barrier to child care, while 46 percent of those with four or more children had experienced child care barriers.

Among former Colorado Works recipients who were not employed at the time of the survey, child care was mentioned as a key reason for not participating in the workforce (i.e., not working and not seeking work). Twenty-one percent of unemployed respondents identified child care issues as the reason they were not working, and another 14 percent reported they were not seeking a job due to child care problems. Child care problems further limited some survey respondents' ability to work full-time. Among survey respondents who worked part-time, 12 percent (10 out of 82) reported that they were unable to work full-time due to a lack of available providers or an inability to afford care. Another 12 percent of those working part-time did so because they preferred to be at home to care for their children, which could imply a personal preference to remain at home with their children rather than a lack of child care.

#### **Lack of Availability of Special Needs Care and Non-Traditional-Hours Care Are Obstacles for Some Colorado Families**

Child care for infants, children with special needs, and sick children was mentioned in 12 of the 15 field study counties as being in short supply for low-income families, particularly Colorado Works recipients. Many child care providers will not accept these children, and if they do, there are often different standards of care required, which tend to lead to increased costs. For instance, licensing standards require a much lower staff-to-child ratio for infants than for older children, which raises the cost of providing care to infants. The child care

reimbursement rates for children under the age of two are usually higher than for older children, but field study respondents often indicated that these higher reimbursement rates were still not enough to cover the costs of such care.

In contrast to the field study findings, respondents to the 1999 Colorado Works Participant Survey did not specifically indicate that finding child care for young or special needs children was a key barrier. Among survey respondents who reported child care barriers, only 4 percent attributed this difficulty to their children being too young to put in care (see Figure 7.1). These respondents may have been referring to the lack of available care for very young children or to their own attitudes toward out-of-home. In addition, 8 percent of survey respondents reported that their children had too many health problems to be in child care.<sup>1</sup>

Child care during non-traditional hours, such as evenings and weekends, was also mentioned by field study respondents as being unavailable for parents who are looking for work or trying to maintain stable employment. Many of the entry-level jobs that current and former Colorado Works participants find require evening and weekend hours, and locating child care providers, particularly those offering licensed care, was reportedly very difficult. Additionally, care during non-traditional hours is often more expensive.

Administrative data indicate that CCCAP provides relatively few subsidies for child care during non-traditional hours, although such subsidies have increased over time. In October 1997, less than 1 percent of all child care arrangements subsidized by CCCAP were considered alternative care, a category that predominantly consists of non-traditional-hours care.<sup>2</sup> By April 2000, this proportion had increased to 6 percent. This lends support to the finding that care during non-traditional hours is less available and hence not being utilized by

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<sup>1</sup>To the extent that survey respondents who were having difficulty finding special needs care reported the problem as an availability or affordability issue when interviewed, the incidence of special needs care barriers may underestimate these barriers.

<sup>2</sup>Alternative care includes both non-traditional-hours child care and care for sick children. However, field study counties staff noted that since most providers do not offer sick care, non-traditional hours care accounts for the majority of alternative care.

CCCAP recipients. However, it also suggests that some families may rely on family or friends to provide non-traditional hour care without utilizing subsidies for payment. In fact, families receiving CCCAP subsidies are much more likely to use a legally exempt child care provider (e.g., a family member or friend) when alternative care is needed. Legally exempt care is being used by 50 percent of those requiring alternative care, while less than one-quarter of care arrangements during traditional hours are legally exempt.

Colorado families use child care subsidies for non-traditional-hours care much less than national estimates would suggest they might. Nationwide, 52 percent of mothers of preschool-aged children who have incomes below 200 percent of federal poverty level (FPL) work during non-traditional hours.<sup>3</sup> The relatively low utilization of child care subsidies during non-traditional hours in Colorado suggests that Colorado Works recipients may in fact need but not be accessing child care subsidies for this purpose.

#### **Attitudes About Out-of-Home Care May Affect Employment**

Certain attitudes towards child care expressed by Colorado Works recipients may also act as barriers to employment. Survey respondents were asked their opinions about two specific statements concerning their attitudes toward out-of-home care: (1) when children are young, mothers should not work outside the home; and (2) placing a child in a child care center will be harmful to the child's development. The majority of respondents (59 percent) agreed or strongly agreed that the mothers of young children should not work outside the home, and 32 percent agreed or strongly agreed that placing a child in a child care center is harmful to child development (see Figure 7.2). Eleven percent of Colorado Works recipients cited trust issues as being the primary child care obstacle in getting a job (see Figure 7.1 above). Furthermore, unemployed parents were more likely to believe that mothers should stay at home with young children (54 percent) than were employed parents (46 percent). These findings suggest that attitudes about out-of-

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<sup>3</sup>See *Access to Child Care for Low-Income Working Families*, U.S. Department of Health and Human Services, 1999.

home care may in fact keep some parents out of the labor market. They also indicate that some Colorado Works recipients have a strong preference for in-home care or care by members of their extended family over center-based care.

### Utilization of CCCAP Subsidies

To address the challenges that child care poses for Colorado Works recipients, the CCCAP program is available to subsidize child care for those who are employed or in training activities. Relative to other states, Colorado has made significant progress in providing child care subsidies to its TANF recipients. During Federal Fiscal Year 1999, Colorado provided child care subsidies to a higher proportion of TANF families than 38 other states (data was available for 40 states).<sup>4</sup> At the same time, our findings suggest that Colorado can take additional steps to improve the utilization rate of CCCAP subsidies for Colorado Works recipients as well as for those who have exited the program.

**Figure 7.2**  
**Attitudes Toward Child Care**  
1999 Colorado Works Participant Survey Respondents

	Strongly Agree		Agree		Disagree		Strongly Disagree	
	#	%	#	%	#	%	#	%
Mothers of young children should not work outside of home	132	24.1%	193	35.2%	171	31.2%	52	9.5%
Child care centers are harmful to child development	57	10.6%	117	21.7%	259	48.0%	107	19.8%

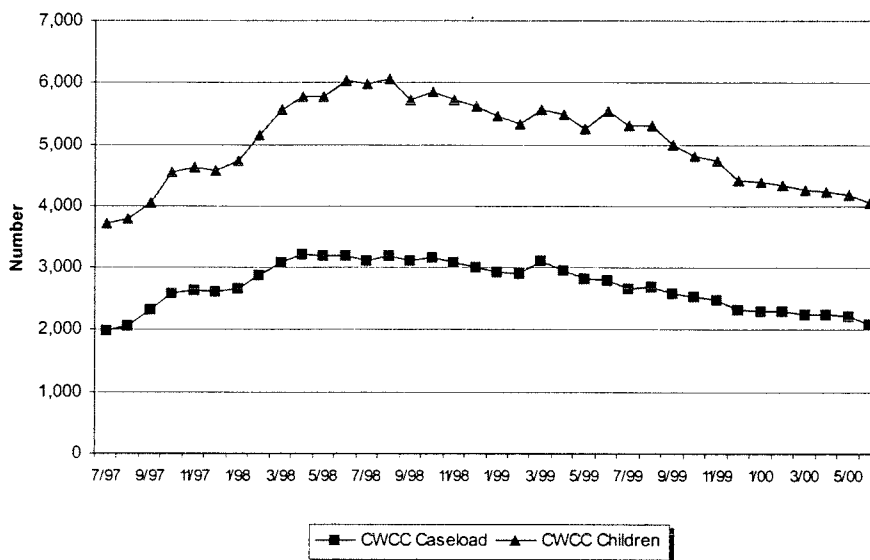
Source: BPA tabulations from the 1999 Colorado Works Participants Survey.

<sup>4</sup>See *Temporary Assistance to Needy Families, Third Annual Report to Congress*. U.S. Department of Health and Human Services, Washington, D.C., August 2000.

**One-Third of Eligible Colorado Works Cases Utilize Child Care Subsidies**

The Colorado Works Child Care program provided subsidized child care for nearly 6,000 children in July 1998, growing rapidly since the beginning of the program in July 1997 (see Figure 7.3). Since then, the Colorado Works Child Care participation has declined to 4,000 children in June 2000, following the decline of the Colorado Works adult-headed caseload. The number of Colorado Works cases receiving CCCAP subsidies has been between 2,000 and 3,200 cases, growing in the first year, but declining to 2,089 cases in June 2000.

**Figure 7.3**  
**Colorado Works Child Care (CWCC) Caseload**  
 July 1997 to June 2000



Source: BPA tabulations using CHATS administrative data, Colorado Department of Human Services.

Between September 1998 and June 2000, the proportion of the Colorado Works adult-headed caseload receiving Colorado Works Child Care subsidies remained stable at between 17 and 20 percent of all cases. However, only parents who are in an approved work activity, have a child under the age of 13, and have a need for child care assistance as determined by the Colorado Works case manager are eligible for Colorado Works Child Care. Among Colorado Works recipients who were eligible, utilization rates were much higher and have remained at between 32 and 37 percent of eligible cases since November 1997 (see Figure 7.4).<sup>5</sup>

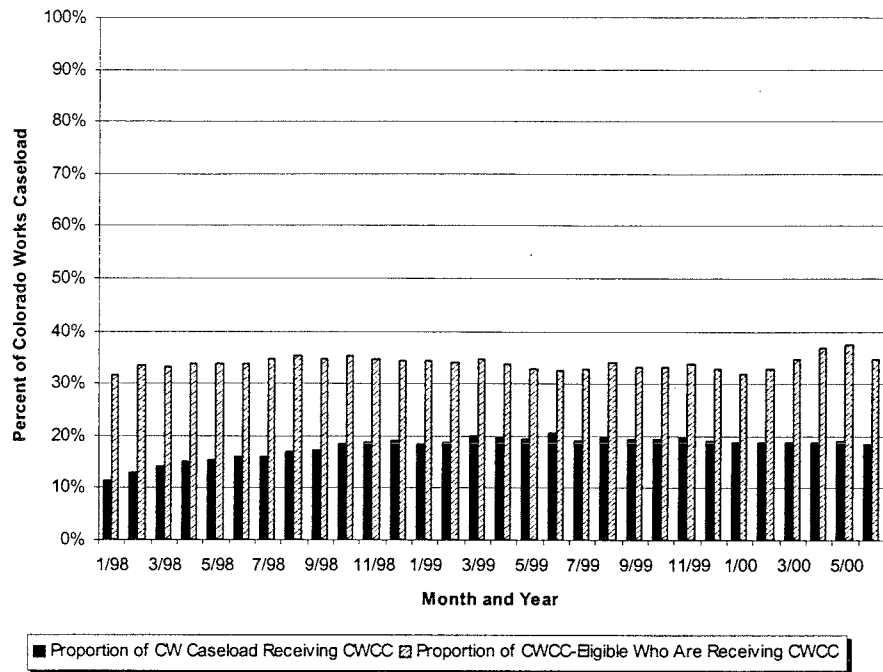
Although Colorado's CCCAP subsidy utilization rate for TANF families ranks high when benchmarked against other states, 33 percent of current Colorado Works recipients in the 1999 Colorado Works Participant Survey reported child care as an employment barrier. Findings from the field study identified two factors that limit utilization of Colorado Works Child Care subsidies. First, field study respondents indicated that many Colorado Works recipients did not need a subsidy because a family member, neighbor, or other community resource was available to provide care. That care was often free or affordable to the family without the use of a subsidy. Additionally, Colorado Works recipients who work part-time may be able to more flexibly manage child care needs than those who work full-time, and recipients with school age children with access to after-school programs may be less reliant on child care subsidies to meet their child care needs.

Second, field study respondents indicated that Colorado Works recipients are often unaware of the availability of CCCAP subsidies. In some counties, information about CCCAP is not automatically provided to recipients and is only provided when the recipient directly requests help with child care costs. Colorado Works recipients who identify that a grandparent or neighbor is caring for their children, for instance, might not be given information about the program, even if that caregiver could receive CCCAP subsidies.

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<sup>5</sup>We limited eligibility to those cases that met three CCCAP eligibility criteria in any given month: (1) adult-headed cases with a child under the age of 13; (2) adults who were in an approved work activity; and (3) cases that received basic cash assistance.

**Figure 7.4**  
**Colorado Works Child Care (CWCC) Caseload: Rates of Receipt**  
 January 1998 to June 2000



Source: BPA tabulations using CHATS administrative data, Colorado Department of Human Services.



In order to make informed decisions about employment options, Colorado Works recipients should be made aware of the full range of benefits afforded by program participation, including Colorado Works Child Care subsidies.

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***Recommendation 8:***

*The Department of Human Services should develop a rule requiring that all Colorado Works recipients be informed of the availability of and eligibility requirements for child care subsidies through the Colorado Child Care Assistance Program (CCCAP). This rule should be submitted to the State Board of Human Services for its consideration.*

***Department of Human Services Response:***

*Agree. The dissemination of information about the CCCAP program to Colorado Works recipients needs to be the responsibility of individual county departments of social services. The Department does agree to introduce regulations to the State Board of Human Services that require county departments to disseminate information on CCCAP to newly enrolled Colorado Works families. We anticipate to introduce regulations to the State Board of Human Services by June 2001.*

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**Utilization of Low-Income Child Care Is Increasing**

The CCCAP Low-Income Child Care program provides subsidies to low-income families, including former Colorado Works recipients. Eligibility for Low-Income Child Care subsidies is limited to those who are employed or pursuing education or training activities and have incomes within established guidelines.

The Low-Income Child Care program has grown steadily since the inception of Colorado Works (see Figure 7.5). Between July 1997 and June 2000, the caseload increased by 108 percent, from 5,708 to 11,865 cases.<sup>6</sup> In June 2000, subsidies were provided for 21,756 children. At that point in time, former Colorado Works

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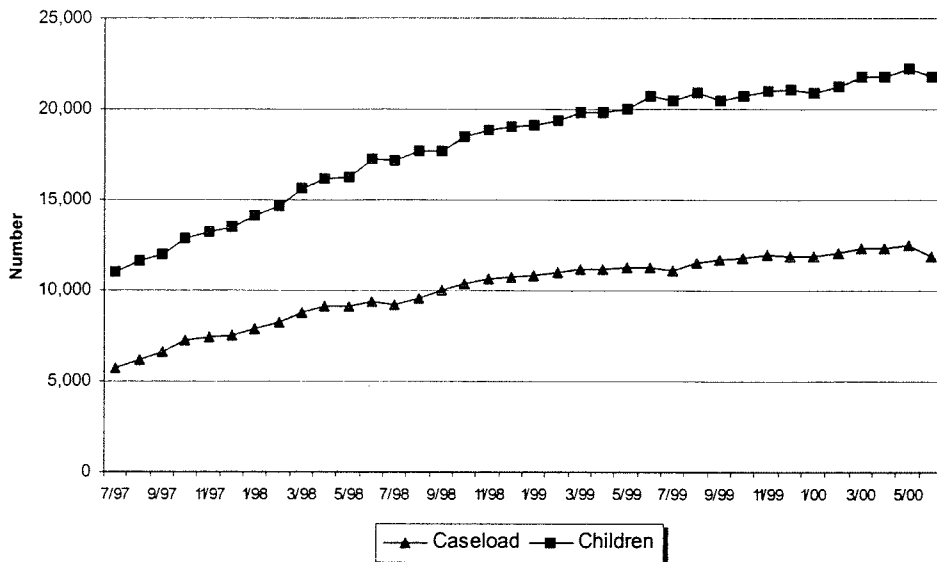
<sup>6</sup>A case represents a family and can include several children.



recipients comprised over half of the monthly Low-Income Child Care program caseload.

Most families receiving a Low-Income Child Care subsidy pay a parental fee. In April 2000, 91 percent of families paid an average fee of \$118 per family.<sup>7</sup>

**Figure 7.5**  
**Low-Income Child Care Caseload**  
**Number of Cases and Children**  
July 1997 to June 2000



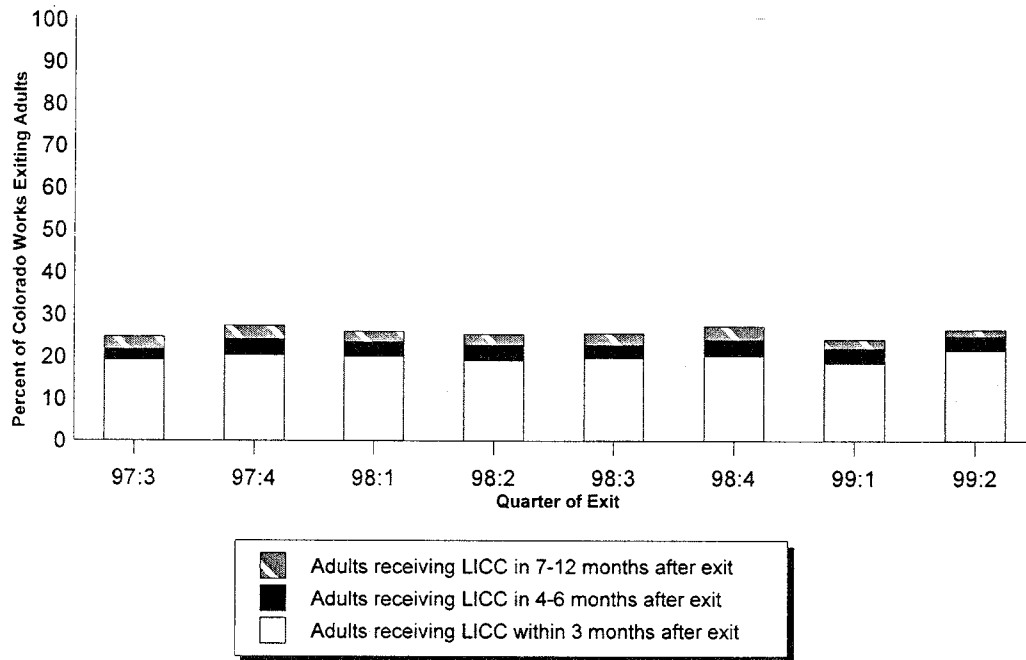
Source: BPA tabulations using CHATS administrative data, Colorado Department of Human Services.

<sup>7</sup>Families receiving Low-Income CCCAP subsidies can request a partial exemption from paying the parental fees for up to six months due to financial hardship.

### CCCAP Subsidies Are Used by Less Than 30 Percent of Employed Colorado Works Leavers

Among all Colorado Works recipients who exited the program and began working, approximately 20 percent accessed CCCAP subsidies within three months of their exit, and an additional 6 percent received a subsidy between 4 and 12 months after exit (Figure 7.6). These proportions have remained relatively constant since the inception of CCCAP. Given the importance of adequate child care as Colorado Works recipients begin working full-time—and the extent to which respondents in the 1999 Colorado Works Participant Survey reported child care issues as an employment barrier—this transition rate appears low.

**Figure 7.6**  
**Employed Colorado Works Leavers Receipt of**  
**Low-Income Child Care (LICC) Assistance**  
**By Quarter of Exit**

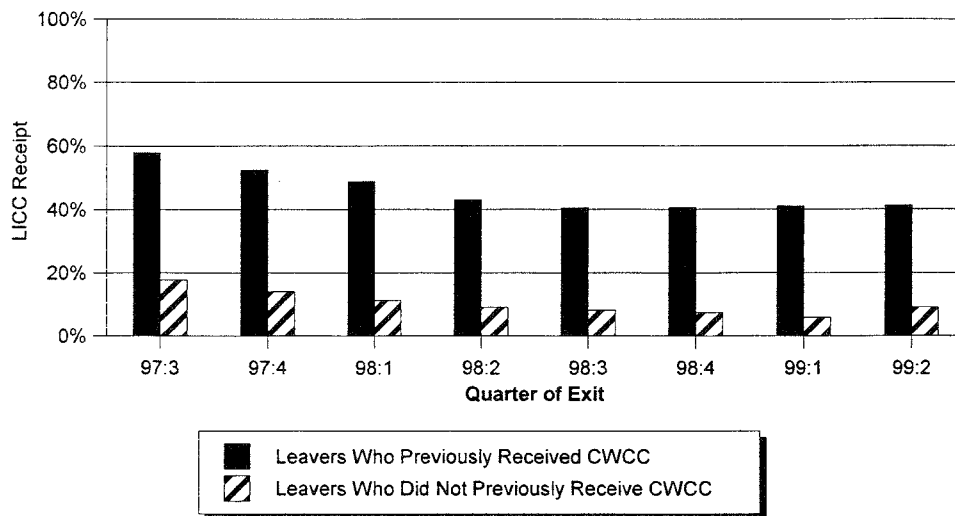


Note: Limited to Colorado Works leavers who were employed in the first quarter after exit.

Source: BPA tabulations from CHATS administrative data, Colorado Department of Human Services.

Lack of awareness among Colorado Works recipients about the availability of child care subsidies is likely to be contributing to this low transition rate into Low-Income Child Care assistance. Families who participated in the Colorado Works Child Care program were much more likely to go on to utilize Low-Income Child Care subsidies after exiting Colorado Works than Colorado Works families who did not receive subsidies while on aid. Figure 7.7 shows post-Colorado Works CCCAP usage for parents who did and did not use CCCAP while on aid. Among those who left Colorado Works for employment in the second quarter of 1999, 41 percent of recipients who received CCCAP subsidies while on Colorado Works went on to use subsidies after exit. In contrast, 9 percent of those who did not use CCCAP subsidies while receiving cash assistance participated in the Low-Income Child Care program after exiting Colorado Works. In both cases, the majority of former recipients do not use Low-Income Child Care. However, the probability of using the Low-Income Child Care program is much greater if one participated in Colorado Works Child Care. This finding lends further support to the recommendation that families should be better informed about the availability of child care assistance and the application process. By accessing these subsidies while on aid, families may be better able to apply for and receive subsidies after leaving aid.

**Figure 7.7**  
**Receipt of Low-Income Child Care Assistance: Comparison of Leavers**  
**Leavers Who Received Colorado Works Child Care and**  
**Leavers Who Did Not Receive Colorado Works Child Care**  
**By Quarter of Exit**



Note: Limited to Colorado Works leavers who were employed in the first quarter after exit.

Source: BPA tabulations from COIN-MMIS and CHATS administrative data, Colorado Department of Human Services.

## **Actions to Improve CCCAP Utilization**

During the past year, the General Assembly, the Division of Child Care and individual counties have undertaken initiatives to improve enrollment in CCCAP, including both Colorado Works Child Care and Low-Income Child Care. These changes have occurred in three main areas, each of which is discussed in more detail below: (1) expanding eligibility for child care assistance, (2) improvements in county processes for transitioning cases between Colorado Works and Low-Income Child Care, and (3) changes in administrative processes for enrolling families in CCCAP.

These initiatives have occurred in the context of a tight fiscal environment for child care funding. In both SFY 1999 and SFY 2000, Colorado spent all of its annual federal child care block grant (CCDF) allocations. The SFY 2000 block grant totaled \$60 million, and 23 counties spent \$20 million more than their initial CCCAP allocation. A smaller overrun occurred in SFY 1999, with 24 counties spending a total of \$10.5 million more on CCCAP than originally allocated. In both cases, the shortfalls were covered by transferring federal TANF grant funds into CCCAP. This is contributing to a situation in which at least some counties are hesitant to widely publicize the Low-Income Child Care program, because they worry that demand for subsidies will exceed funding. This problem is not unique to Colorado. In fact, a number of states have already experienced long waiting lists for their subsidy programs.<sup>8</sup>

### **Income Limits for Low-Income Child Care Eligibility Have Expanded**

During the 2000 session, the Colorado General Assembly passed legislation that allows counties to raise the income eligibility ceiling for Low-Income Child Care subsidies from 185 percent to 225 percent of FPL.<sup>9</sup> As a result, counties can now set the income eligibility ceiling for CCCAP assistance at anywhere from 130 to

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<sup>8</sup>See *Temporary Assistance to Needy Families, Third Annual Report to Congress*. U.S. Department of Health and Human Services, Washington, D.C., August 2000.

<sup>9</sup>House Bill 00-1029. Changes went into effect September 1, 2000.

225 percent of FPL. This would allow counties to serve a greater number of low-income families, including former Colorado Works recipients. However, given the tight fiscal context discussed previously, we expect that counties will take a cautious approach to using this new flexibility to expand eligibility for CCCAP. During the past year, 33 counties increased their income ceilings for CCCAP assistance (even prior to the new legislation). Currently, five counties have CCCAP eligibility caps above 185 percent of FPL.<sup>10</sup>

The legislation also encouraged counties to continue serving families for a six-month transitional period when their income rises above CCCAP eligibility ceilings. Counties may provide this transitional child care assistance as long as a family's income does not exceed 85 percent of the median state income, which is the federally allowed limit for subsidized child care.<sup>11</sup> In order to use this option, a county must submit a written plan to the Division of Child Care outlining its transition plans for ineligible families.<sup>12</sup> The plan must contain a description of how counties will work with families to prepare them for eventual ineligibility for child care subsidies. Given the additional administrative responsibilities, as well as the fiscal ramifications, associated with providing transitional child care assistance, it is not clear how widely used the assistance will be.

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<sup>10</sup>A statewide initiative, the Community Consolidated Child Care Service Pilot Program, was established by the Colorado General Assembly in 1997 to help local communities address their need for full-day, full-year child care services in conjunction with welfare reform. To implement these changes, pilot sites are allowed to apply for waivers to existing rules and regulations. This allowed four of the five counties to raise their eligibility ceilings above 185 percent of the FPL before the new legislation authorized this. The counties with higher eligibility ceilings for CCCAP are Mesa (225 percent), Otero (225 percent), Prowers (200 percent), Routt (300 percent), and San Miguel (200 percent).

<sup>11</sup>States' median income figures are published annually by the U.S. Department of Health and Human Services, Administration for Children and Families, and these figures are used to calculate eligibility.

<sup>12</sup>See Rules and Regulations, Colorado Department of Human Services, (CCR 9-2503-1).



### **Counties Take Different Approaches to Transitioning Colorado Works Child Care Cases to Low-Income Child Care**

Each county Department of Human Services designs its own enrollment system for the Low-Income Child Care program. Some systems require the recipient to take responsibility for applying for a Low-Income Child Care subsidy, while others automate the transition process between Colorado Works and Low-Income Child Care assistance.

In the *First Annual Report*, we raised concerns about the transition process from Colorado Works Child Care to Low-Income Child Care. We recommended that counties provide information to Colorado Works recipients about Low-Income Child Care. During this year's field study, we found that all 15 field study counties provided exiting Colorado Works recipients with information about their potential eligibility for Low-Income Child Care. For example, in nine field study counties, the Colorado Works case manager sends a letter to individuals one month prior to case closure informing them that their Colorado Works case is going to close and explaining the application process for Low-Income Child Care assistance. Eight of these counties also include an application form with the letter.

Other counties take a more active approach to facilitating the transition process for exiting Colorado Works recipients. For example, in El Paso County, Colorado Works case managers can simply change the CCCAP eligibility code in the CHATS system from Colorado Works Child Care to transitional Low-Income Child Care. Recipients must still submit an application to the CCCAP unit for ongoing eligibility but are not required to go to the Department of Human Services for an interview. In addition, in both El Paso and Mesa Counties, the Colorado Works case manager can enroll the recipient in CCCAP instead of having her meet with a separate worker or complete a separate application.

Although promising, these strategies are not widespread enough to ensure a smooth transition for all Colorado Works recipients. The Division of Child Care also initiated several strategies to help counties with this issue, as described in the following section.

### **The Division of Child Care Implemented Strategies to Improve the Transition from Colorado Works Child Care to Low-Income Child Care**

During the past year, the Division of Child Care developed three strategies to help counties improve the Low-Income Child Care enrollment process.

- The Low-Income CCCAP application was remodeled, shortening it from fourteen pages to four pages. The shorter form was developed in response to criticisms by child care advocates that the long form was complex, burdensome to complete, and redundant.
- Counties have the authority to use information pulled directly from a family's Colorado Works file for eligibility determination, thus avoiding the application form altogether. Counties using this method will require families to have eligibility redetermined after 90 days instead of after six months.
- The post-TANF category in the CHATS data system was changed to allow families exiting Colorado Works Child Care up to 90 days, instead of only 30 days, to submit their Low-Income Child Care application to the county. This allows families an extra two months in which to submit its Low-Income CCCAP application without a break in assistance.

These strategies were introduced in May 2000, and it is yet too early to assess the extent to which counties have implemented any of these changes. However, we view these strategies as promising ways to improve the transition from Colorado Works Child Care to Low-Income Child Care. Counties should be encouraged to make use of these strategies and monitor their progress toward transitioning eligible Colorado Works leavers to Low-Income Child Care.



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***Recommendation 9:***

*The Department of Human Services, in consultation with policymakers, the counties, and advocates, should consider developing performance measures focused on the delivery of Low Income Child Care subsidies to eligible former Colorado Works recipients in need of such subsidies.*

***Department of Human Services Response:***

*Agree. The Department will initiate discussion with policy makers, counties, and advocates on developing standards and methods to increase Low Income child care assistance utilization for former Colorado Works families. These discussions are anticipated to be completed by June 2002.*

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**Greater Flexibility in Reimbursement Rates Should Increase the Availability of Subsidized Child Care**

Even if all low-income families know about their eligibility for CCCAP and apply for the program, there may not be child care providers available to them. Field study respondents indicate that low provider reimbursement rates reduce the availability of child care slots for low-income families. As noted earlier, reimbursement rates paid to providers for serving CCCAP children are usually lower than market rate, resulting in an unwillingness on the part of many providers to serve subsidized children. In Arapahoe County, for instance, field study respondents reported that 30 to 40 percent of licensed care providers will not accept children receiving CCCAP subsidies because of the low reimbursement rates, limiting the number of providers available to Colorado Works and other low-income families.

In response to this problem, the Division of Child Care has given counties greater flexibility to set reimbursement rates. The Division also is incorporating changes into the CHATS data system that provide counties with automated support for the change. The current reimbursement rate structure limits the categories for which

reimbursement rates may be designated. As of January 2001, counties can establish additional categories for reimbursement rates.

The Division of Child Care anticipates that counties will modify rate structures primarily in three areas. First, under the old system there were two age categories (under age two, or age two and higher). The new system allows counties to include multiple age groupings, such as infant, toddler, preschool, and school-aged child care, in order to provide a reimbursement schedule that more accurately reflects current licensing standards and rates for such care.

Second, counties can also incorporate an "out-of-county" rate that allows parents who work in a county where they do not live to place their children in care close to work. Prior to this change, parents were only eligible for CCCAP rates established by their county of residence. This was a particular problem for parents who worked in resort areas with high child care costs, but whose county of residence do not have reimbursement rates that can match the cost of care in the resort area. The increased flexibility will allow counties to pay a higher rate for care in the county in which a parent works.

Third, counties may also choose to differentiate between various categories of alternative care. Currently, there is only one rate ceiling in each county that can be used for alternative care, and it must cover evenings, weekends, and nights. Counties will now be able to set a multiple rates for alternative care, and the Division of Child Care believes this will increase the availability of this type of care for Colorado families.

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## Chapter 8: Diversion: Up-Front Diversion and Post-Program Transitional Services

### Introduction

Under the final TANF regulations (discussed in Chapter 1), states have increased flexibility to serve a broader range of low-income families, with the overall goal of helping families achieve and maintain self-sufficiency. Colorado has responded to this increased flexibility by making Colorado Works a more seamless program. Colorado works provides a continuum of services from up-front diversion assistance (a lump-sum cash payment to avoid a spell on basic cash assistance) to transitional services (providing former basic cash assistance recipients with post-program support). In Colorado, both up-front diversion and post-program transitional services are offered through the State's broadly defined diversion programs.<sup>1</sup>

Colorado has two diversion programs: state and county diversion. State diversion is available to families who are eligible for basic cash assistance and county diversion is available to low-income families who do not meet the eligibility limits for basic cash assistance but qualify for county diversion assistance.<sup>2</sup> In both cases, the diversion recipient must indicate a short-term need for payment or services that will assist them in securing or maintaining employment.

Diversion offers some specific benefits over basic cash assistance when targeted to recipients with a specific short-term financial need. First, because diversion is provided as short-term assistance, receipt of diversion does not count toward a

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<sup>1</sup>The Colorado General Assembly has not specifically prescribed the provision of transitional services to exiting Colorado Works recipients who are ineligible for the basic cash assistance program, such as those families leaving due to increased employment earnings. However, short-term transitional services and post-program assistance are allowable uses of state and county diversion under Colorado statutes.

<sup>2</sup>The eligibility limits for county diversion are set individually by counties, and most set it at 185 percent of the Federal Poverty Level.

recipient's five-year lifetime limit on cash aid. Secondly, a short-term diversion payment may be more useful for a family with a specific short-term need than ongoing basic cash assistance. For example, a low-income parent whose car breaks down may risk losing her job unless she can pay for the necessary car repairs. In such a case, the individual may not need ongoing monthly basic cash assistance but instead may benefit from a diversion payment that covers the cost of the repair. Finally, county diversion allows Colorado to offer preventative assistance to low-income families who otherwise would not qualify for assistance, but who may be at-risk of needing basic cash assistance without short-term support.

In this chapter, we provide information about the utilization of diversion, a description of the how diversion is being used in 15 field study counties, and analyze diversion recipients' outcomes.

We rely on data from two sources: (1) information collected from the field study visits to 15 counties; and (2) administrative data from the Client Oriented Information Network (COIN), maintained by the Colorado Department of Human Services.

Key findings from this chapter are cited below:

- **Diversion has grown significantly in recent years.** Between State Fiscal Years (SFYs) 1998 and 2000, spending on diversion more than tripled and the number of diversion payments grew from 1,801 in SFY 1998 to 5,597 in SFY 2000.
- **State diversion and county diversion are used to provide up-front and post-program assistance.** State diversion is primarily being used to provide up-front diversion assistance for new welfare recipients, with 60 percent of state diversions used to help recipients avoid a spell of basic cash assistance in SFY 2000. County diversion is being used to provide up-front assistance and post-program assistance, with 57 percent receiving a diversion payment after a spell of basic cash assistance in SFY 2000. In

these instances, diversion is being used to provide incentives, services, and assistance to families who have left basic cash assistance, and to thereby prevent re-entry to Colorado Works.

- **Among field study counties, cash incentives and services for employment retention is the most common post-program support provided.** Six of the 15 field study counties offer cash incentives to former Colorado Works recipients who obtain or retain employment. In addition to cash incentives, common retention-focused services include transportation assistance, post-program case management, and employment counseling.

### **Increased Utilization of State and County Diversion**

As discussed in Chapter 1 and summarized here, use of diversion has increased since the onset of Colorado Works. However, diversion remains a relatively small proportion of spending on assistance. Combined state and county diversion represent approximately nine percent of the \$55.7 million in total assistance payments made under the Colorado Works program in SFY 2000, including \$2.2 million for state diversion and \$2.9 million for county diversion.<sup>3</sup> In June 2000, fewer than 5 percent of those who received Colorado Works payments did so through state or county diversion.

Though still relatively small, both state and county diversion have increased over the three years of Colorado Works' operation, in terms of both the number of diversion payments made and the average amount of the diversion payments. The number of county diversion payments increased by 385 percent over the three years of Colorado Works operation, while the number of state diversion payments doubled. In SFY 2000, 3,167 county diversion payments and 2,430 state diversion payments were made.

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<sup>3</sup>Assistance payments include basic cash assistance, other assistance, and state and county diversion.

The average amount of diversion payments has also increased, particularly for county diversion. In SFY 2000, the average county diversion payment was \$822, an increase of 35 percent from SFY 1998. In contrast, the average state diversion payment was \$657 in SFY 2000 and has increased very little since SFY 1998. Diversion payments generally correspond to the equivalent of two to three months worth of basic cash assistance payments, which averaged \$363 in SFY 1999.<sup>4</sup>

### County Uses of Diversion Funds

Colorado counties have the flexibility to offer either state or county diversion and can choose to offer none, one, or both. During SFY 2000, 42 counties provided county diversion payments, and 47 counties provided state diversion payments.

Colorado's diversion program is used for two distinct purposes. First, diversion is used to help families who have a short-term financial need avoid entering ongoing cash assistance. These short-term needs may include rental housing deposits, car repairs, or utility bills. This is typically referred to as up-front diversion. Second, diversion is used to provide employment retention or other supportive services for Colorado Works recipients who have left the program. These post-program transitional services may include cash incentive payments for ongoing employment, transportation assistance, child care assistance, case management, or counseling for employment retention and progression. Both up-front diversion and post-program supports can be offered through state and county diversion to families who are either eligible or ineligible for Colorado Works. However, state diversion is more likely to be used for up-front assistance (60 percent of payments), while county diversion is more likely to be used for post-program services (57 percent of payments).<sup>5</sup>

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<sup>4</sup>The maximum basic cash assistance grant for a family of three was \$356.

<sup>5</sup>Administrative data do not code whether diversion payments were up front or post-Colorado Works. Payments made to individuals with no history of Colorado Works assistance receipt were coded as up-front diversions. Payment to those with a history of Colorado Works receipt were coded as post-program services.

With the current focus on evaluating the effectiveness of up-front diversion and post-program supports in Colorado and nationwide, it is important to be able to track and evaluate the types and effectiveness of services offered. In the *First Annual Report*, we recommended that greater specificity be added to the coding of diversion payments in the Colorado Benefits Management System (CBMS) currently under development, and the Department of Human Services agreed. Department staff met with CBMS staff and with county staff in order to determine the appropriate categories for coding diversion payments. These new categories have been added to the CBMS system design. Appendix F provides additional details on the implementation process.

#### **Diversion Is Used to Provide Cash Incentives and Services to Promote Employment Retention**

Based on information collected during visits to 15 field study counties, we are able to provide examples of how various counties report using county and state diversion payments. Cash incentives for obtaining and retaining employment are the most common use of diversion among the field study counties. Six of the 15 field study counties use diversion payments to offer such incentives to former Colorado Works recipients. Cash incentives are one means of encouraging job retention to help Colorado Works leavers avoid returning to aid.

Incentive payment amounts vary by county. In Denver County, for instance, recipients receive \$100 for keeping a job for one month, \$200 for three months, and \$400 for six months, while El Paso County provides one incentive payment of \$500 for Colorado Works recipients who retain their job for two months. In Adams County, cash incentive payments are offered to the providers of post-program employment retention services to reward them for positive employment outcomes for the former recipients they serve. These providers receive financial incentives if the former recipients with whom they work receive a pay raise, secure a better job, or receive better benefits.

In addition to cash incentives, 4 of the 15 field study counties are offering post-program case management services for Colorado Works leavers to assist with job

retention. This post-program case management helps leavers obtain services they may need to maintain employment and self-sufficiency. In some counties, there is continuity in case management both during and after Colorado Works, with the same agency providing services. In Mesa County, leavers can work with their Colorado Works case worker for up to six months after case closure. In Weld County, former basic cash assistance recipients are assigned a specialized case manager who provides post-program case management. Adams County, which outsources Colorado Works case management to two agencies, uses vendor payments to provide post-program case management.

Employment counseling services—which address how to handle a dispute with a coworker, how to manage work stress, and other issues that could result in job loss if left unaddressed—are offered to former Colorado Works recipients by 3 of the 15 field study counties. In Adams County, former recipients that are case managed by the Center for Women’s Employment and Education clients can access an employment counselor by phone through a hotline number that has evening and weekend hours. In Arapahoe County, employment counseling is provided to exiting basic cash assistance recipients by the county’s employment center, Arapahoe/Douglas Works. Both Adams and Arapahoe Counties also have career workshops that assist former recipients with skills development and career progression.

#### **Counties Use Diversion to Fund Post-Program Transportation Assistance**

Transportation barriers such as cost, lack of availability, or specific car repair needs can affect a former cash aid recipient’s ability to work. Denver County tracked the reasons recipients cited for requesting diversion assistance from January to April 2000 and found that transportation needs accounted for 18 percent of the requests for diversion.<sup>6</sup> In recognition of these barriers and to promote job retention, 5 of the 15 field study counties use diversion to offer former recipients some form of transportation assistance. For example, Mesa County provides

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<sup>6</sup>Data include both state and county diversion payments, as well as up-front and post-program payments.



leavers with discounted bus passes, money for gas, or funds for car repair needs for up to 12 months after exit. La Plata County also allows 12 months of post-program transportation assistance in the form of a cash payment.

### **County Diversion Is Being Used to Fund Services for Other Low-Income Populations**

Low-income families whose incomes slightly exceed eligibility limits for basic cash assistance but who are Colorado Works-eligible may risk needing basic cash assistance if they do not receive short-term support. For this reason, 4 of the 15 field study counties indicated that they are using county diversion vendor payments to fund services to low-income families who are not Colorado Works leavers. For instance, Mesa County uses county diversion vendor payments to provide eligible families with discounted transportation on buses run by the Grand Valley Transit System. (This is discussed in more detail in Chapter 6). Mesa County also uses diversion to provide dropout-prevention coaches in area high schools, home visits by nurses to basic cash assistance recipients with newborns, and a mentoring program for in-school youth. Denver County is using its county diversion program to expand provision of child care services to low-income families that do not qualify for the Colorado Child Care Assistance Program's (CCCAP's) Low-Income Child Care subsidies. County diversion vendor payments are used to provide child care to those with incomes above 185 percent of the Federal Poverty Level (FPL), but below 225 percent of the FPL.

Several field study counties use county diversion to provide assistance to families with children at-risk of out-of-home placement. El Paso County uses TANF funds to integrate and coordinate Colorado Works and child welfare services in order to prevent family crisis, move children out of the child welfare system into a supportive extended family placement, and prevent entrance into the child welfare system altogether. Denver County and Conejos County offer county diversion payments to kinship foster care cases (child-only Colorado Works basic cash assistance cases). The goal is to preserve the kinship foster care situation if the placement is at-risk.

### Up-Front Diversion Helps Recipients Remain off of Basic Cash Assistance

The various uses of diversion outlined above are promising models of how Colorado Works can help ensure that diversion recipients have the supports needed to remain off of aid. The effectiveness of these programs is difficult to ascertain due to the data-recording limitations discussed previously. However, we are able to analyze the overall effectiveness of up-front diversion payments in keeping recipients off of basic cash assistance.<sup>7</sup>

Figure 8.1 shows that just 13 percent of up-front state diversion recipients and 9 percent of up-front county diversion recipients return to Colorado Works for basic cash assistance within one year of receiving diversion.<sup>8</sup> In comparison, among first-time basic cash assistance recipients, we find that 19 percent return to basic cash assistance within one year of leaving assistance.

**Figure 8.1**  
**Return to Aid For Up-Front Diversion and Basic Cash Assistance Recipients**  
State Fiscal Year 1999

	Number	Number Returning for Basic Cash Assistance within 12 Months	Rate
Up-Front State Diversion Recipients	828	106	12.8%
Up-Front County Diversion Recipients	471	43	9.1%
Leavers from Up-Front Basic Cash Assistance	12,965	2,480	19.1%

Source: BPA tabulations using COIN administrative records, Colorado Department of Human Services.

<sup>7</sup>By up-front assistance we mean recipients with no prior history of diversion or basic cash assistance receipt.

<sup>8</sup>We examined diversion recipients in Fiscal Year 1998-1999 to allow for at least a full year of data post-diversion receipt to report on later receipt of Basic cash assistance.

Recipients of state diversion funds have lower rates of return to basic cash assistance than do former basic cash assistance recipients. This suggests that state diversion is being targeted appropriately to those who can remain self-sufficient with short-term assistance. We would expect up-front county diversion recipients to have the lowest rates of return to basic cash assistance, because by definition these diversion recipients had incomes above eligibility limits for basic cash assistance when they received their first diversion. State diversion recipients are by definition eligible for basic cash assistance but have opted not to go onto basic cash assistance in favor of short-term assistance that does not count toward their lifetime limit on aid.

It is more common for diversion recipients to receive a second diversion payment than to return to basic cash assistance. As shown in Figure 8.2, within one year after receiving a diversion payment, 22 percent of up-front state diversion recipients and 10 percent of up-front county diversion recipients had received another diversion payment. On average, up-front state diversion recipients received 1.3 diversion payments per year and county diversion recipients received 1.1 payments per year.

**Figure 8.2**  
**Repeat Diversions for Up-Front Diversion Recipients**  
State Fiscal Year 1999

	Number	Number Returning for Diversion within 12 Months	Rate
Up-Front State Diversion Recipients	828	178	21.5%
Up-Front County Diversion Recipients	471	47	10.0%

Source: BPA tabulations using COIN administrative records, Colorado Department of Human Services.



## Appendix A: Colorado Works Caseload Characteristics

Figure A.1  
Colorado Works Ongoing Assistance Caseload by Family Type  
July 1997 - June 2000

Basic Cash Assistance by Family Type				
Month and Year	Total CW Caseload	One-Parent	Two-Parent	Child Only
Jul 1997	27,991	21,053	740	6,105
Aug 1997	27,300	20,514	776	5,790
Sep 1997	26,310	19,807	808	5,418
Oct 1997	25,320	18,891	806	5,309
Nov 1997	24,410	18,197	807	5,179
Dec 1997	23,671	17,500	839	5,092
Jan 1998	23,312	17,078	905	5,093
Feb 1998	22,778	16,550	906	5,076
Mar 1998	22,177	15,909	924	5,037
Apr 1998	21,606	15,451	859	5,000
May 1998	20,852	14,839	823	4,932
Jun 1998	20,126	14,075	793	4,950
Jul 1998	19,591	13,611	731	4,929
Aug 1998	19,133	13,077	723	5,000
Sep 1998	18,391	12,264	676	5,135
Oct 1998	17,680	11,606	649	5,094
Nov 1998	16,977	10,958	670	4,975
Dec 1998	16,322	10,384	648	4,844
Jan 1999	16,339	10,347	665	4,904
Feb 1999	15,842	9,871	636	4,945
Mar 1999	15,823	9,792	647	4,994
Apr 1999	15,471	9,446	620	4,980
May 1999	14,841	8,961	578	4,941
Jun 1999	13,938	8,207	506	4,847
Jul 1999	14,340	8,317	507	5,031
Aug 1999	14,180	8,076	463	5,114

**Basic Cash Assistance by Family Type**

Month and Year	Total CW Caseload	One-Parent	Two-Parent	Child Only
Sep 1999	13,849	7,905	440	4,990
Oct 1999	13,438	7,563	433	4,986
Nov 1999	13,148	7,328	411	4,945
Dec 1999	12,615	6,896	397	4,825
Jan 2000	12,796	7,012	431	4,831
Feb 2000	12,650	6,924	444	4,840
Mar 2000	12,582	6,834	440	4,784
Apr 2000	12,446	6,765	437	4,725
May 2000	12,198	6,502	414	4,731
Jun 2000	11,930	6,270	383	4,700

Source: BPA tabulations using COIN administrative records, Colorado Department of Human Services.

Note: Total CW caseload includes all casetypes, including cases that receive county and state diversion payments and other payments besides basic cash assistance. Monthly caseload counts for family type do not include state and county diversion cases.



**Figure A.2**  
**Colorado Works Ongoing Assistance Caseload by Family Type**  
May 2000

County	Total CW Cases	Percent of Statewide CW Caseload	Basic Cash Assistance by Family Type		
			One-Parent	Two-Parent	Child Only
Adams	815	6.7%	314	1	456
Alamosa	125	1.0%	78	13	30
Arapahoe	943	7.7%	577	29	321
Archuleta	35	0.3%	21	0	14
Baca	16	0.1%	6	0	9
Bent	24	0.2%	7	0	15
Boulder	386	3.2%	247	22	112
Chaffee	33	0.3%	23	5	3
Cheyenne	2	0.0%	0	0	1
Clear Creek	8	0.1%	4	1	2
Conejos	111	0.9%	70	19	20
Costilla	45	0.4%	25	6	14
Crowley	47	0.4%	29	2	16
Custer	14	0.1%	11	1	2
Delta	101	0.8%	53	5	34
Denver	3082	25.3%	1467	42	1471
Dolores	8	0.1%	6	2	0
Douglas	33	0.3%	17	0	16
Eagle	9	0.1%	5	0	2
Elbert	13	0.1%	7	1	5
El Paso	2018	16.5%	1230	74	574
Fremont	209	1.7%	119	17	57
Garfield	102	0.8%	60	8	33
Gilpin	11	0.1%	4	1	4
Grand	17	0.1%	14	1	2
Gunnison	15	0.1%	12	2	1
Huerfano	60	0.5%	25	4	30

County	Total CW Cases	Percent of Statewide CW Caseload	Basic Cash Assistance by Family Type		
			One-Parent	Two-Parent	Child Only
Jackson	3	0.0%	3	0	0
Jefferson	806	6.6%	514	30	223
Kiowa	6	0.0%	3	0	3
Kit Carson	10	0.1%	4	2	4
Lake	6	0.0%	3	1	2
La Plata	76	0.6%	49	4	20
Larimer	432	3.5%	290	16	122
Las Animas	123	1.0%	65	7	51
Lincoln	8	0.1%	2	0	5
Logan	66	0.5%	26	1	29
Mesa	388	3.2%	225	13	133
Mineral	2	0.0%	0	0	2
Moffat	36	0.3%	17	1	13
Montezuma	112	0.9%	67	8	37
Montrose	122	1.0%	82	7	28
Morgan	145	1.2%	69	8	66
Otero	190	1.6%	93	17	74
Ouray	3	0.0%	2	0	1
Park	10	0.1%	1	0	9
Phillips	5	0.0%	3	0	1
Pitkin	2	0.0%	0	0	2
Prowers	95	0.8%	51	4	39
Pueblo	637	5.2%	228	9	328
Rio Blanco	10	0.1%	6	0	4
Rio Grande	105	0.9%	68	9	20
Routt	4	0.0%	3	0	1
Saguache	45	0.4%	25	4	16
San Juan	3	0.0%	3	0	0
San Miguel	3	0.0%	3	0	0
Sedgwick	2	0.0%	2	0	0



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County	Total CW Cases	Percent of Statewide CW Caseload	Basic Cash Assistance by Family Type		
			One-Parent	Two-Parent	Child Only
Summit	7	0.1%	4	0	3
Teller	47	0.4%	17	5	19
Washington	9	0.1%	3	1	5
Weld	366	3.0%	133	9	217
Yuma	20	0.2%	7	2	10

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Source: BPA tabulations using COIN administrative records, Colorado Department of Human Services.

Note: Total CW caseload includes all casetypes, including cases that receive county and state diversion payments and other payments besides basic cash assistance. Monthly caseload counts for family type do not include state and county diversion cases.

**Figure A.3**  
**Colorado Works Adult-Headed Caseload by Type of Assistance**  
July 1997 - June 2000

<b>Month and Year</b>	<b>Total Adult-Headed Cases</b>	<b>Basic Cash Assistance Only</b>	<b>Basic Cash Assistance and Other Assistance<sup>a</sup></b>	<b>State Diversion</b>	<b>County Diversion</b>	<b>Miscellaneous<sup>b</sup></b>
July 1997	21,847	20,760	1,025	50	4	8
August 1997	21,360	19,443	1,835	57	13	12
September	20,720	18,345	2,259	87	18	11
Oct 1997	19,833	17,089	2,583	99	37	25
Nov 1997	19,138	16,688	2,295	83	51	21
Dec 1997	18,484	16,000	2,324	87	58	15
Jan 1998	18,146	15,452	2,509	104	59	22
Feb 1998	17,627	14,861	2,582	97	74	13
Mar 1998	17,036	13,800	3,018	119	84	15
Apr 1998	16,534	13,065	3,226	131	93	19
May 1998	15,840	12,458	3,195	90	88	9
Jun 1998	15,104	11,653	3,199	155	81	16
July 1998	14,615	11,126	3,194	162	111	22
August 1998	14,068	10,561	3,205	151	117	34
September	13,211	9,709	3,218	159	112	13
Oct 1998	12,548	8,856	3,384	151	142	15
Nov 1998	11,966	8,481	3,131	150	188	16
Dec 1998	11,452	8,201	2,818	164	256	13
Jan 1999	11,409	7,909	3,089	184	213	14
Feb 1999	10,863	7,537	2,953	159	197	17
Mar 1999	10,804	7,235	3,190	192	173	14
Apr 1999	10,471	7,005	3,049	212	193	12
May 1999	9,891	6,699	2,836	183	169	4
Jun 1999	9,083	6,308	2,399	184	186	6
July 1999	9,293	6,165	2,649	229	240	10
August 1999	9,046	5,965	2,559	250	257	15
September	8,845	5,711	2,625	223	277	9

Month and Year	Total Adult-Headed Cases	Basic Cash Assistance Only	Basic Cash Assistance and Other Assistance <sup>a</sup>	State Diversion	County Diversion	Miscellaneous <sup>b</sup>
Oct 1999	8,432	5,378	2,615	195	241	3
Nov 1999	8,146	5,285	2,453	182	225	1
Dec 1999	7,754	5,022	2,270	182	279	1
Jan 2000	7,905	5,230	2,213	188	274	0
Feb 2000	7,773	4,858	2,508	173	232	2
Mar 2000	7,760	4,614	2,659	185	301	1
Apr 2000	7,692	4,708	2,494	221	269	0
May 2000	7,418	4,459	2,456	214	288	1
June 2000	7,183	4,357	2,296	213	317	0

Source: BPA tabulations using COIN administrative records, Colorado Department of Human Services.

Notes:

<sup>a</sup>These are cases that received both a basic cash and an other assistance payment in the same month. Only cases receiving basic cash assistance are eligible to receive other assistance payments

<sup>b</sup> Miscellaneous includes cases that received a retroactive cash assistance payment and a diversion payment in the same month.

**Figure A.4**  
**Colorado Works Adult-Headed Caseload by Type of Assistance**  
May 2000

<b>County</b>	<b>Total Adult-Headed Cases</b>	<b>Basic Cash Assistance Only</b>	<b>Basic Cash Assistance and Other Assistance<sup>a</sup></b>	<b>State Diversion</b>	<b>County Diversion</b>	<b>Miscellaneous<sup>b</sup></b>
Adams	359	175	140	1	43	0
Alamosa	95	79	12	4	0	0
Arapahoe	622	603	3	16	0	0
Archuleta	21	17	4	0	0	0
Baca	7	5	1	0	1	0
Bent	9	4	3	1	1	0
Boulder	274	218	51	5	0	0
Chaffee	30	21	7	2	0	0
Cheyenne	1	0	0	1	0	0
Clear Creek	6	3	2	0	1	0
Conejos	89	67	22	0	0	0
Costilla	31	20	11	0	0	0
Crowley	31	16	15	0	0	0
Custer	12	11	1	0	0	0
Delta	67	29	29	0	9	0
Denver	1610	761	748	14	87	0
Dolores	8	8	0	0	0	0
Douglas	17	17	0	0	0	0
Eagle	7	3	2	0	2	0
Elbert	8	7	1	0	0	0
El Paso	1444	790	514	118	22	0
Fremont	152	68	68	1	15	0
Garfield	69	30	38	0	1	0
Gilpin	7	5	0	1	1	0
Grand	15	15	0	0	0	0
Gunnison	14	10	4	0	0	0
Huerfano	30	25	4	1	0	0
Jackson	3	3	0	0	0	0
Jefferson	583	291	253	9	30	0
Kiowa	3	3	0	0	0	0
Kit Carson	6	4	2	0	0	0
Lake	4	4	0	0	0	0
La Plata	56	45	8	1	2	0

County	Total Adult-Headed Cases	Basic Cash Assistance Only	Basic Cash Assistance and Other Assistance <sup>a</sup>	State Diversion	County Diversion	Miscellaneous <sup>b</sup>
Larimer	310	179	127	0	4	0
Las Animas	72	56	16	0	0	0
Lincoln	3	2	0	1	0	0
Logan	37	8	18	4	6	1
Mesa	255	149	89	8	9	0
Moffat	23	9	9	2	3	0
Montezuma	75	67	8	0	0	0
Montrose	94	54	35	2	3	0
Morgan	79	50	27	0	2	0
Otero	116	102	8	0	6	0
Ouray	2	0	2	0	0	0
Park	1	1	0	0	0	0
Phillips	4	3	0	0	1	0
Prowers	56	54	1	1	0	0
Pueblo	275	172	65	9	29	0
Rio Blanco	6	5	1	0	0	0
Rio Grande	85	45	32	3	5	0
Routt	3	3	0	0	0	0
Saguache	29	19	10	0	0	0
San Juan	3	3	0	0	0	0
San Miguel	3	3	0	0	0	0
Sedgwick	2	1	1	0	0	0
Summit	4	3	1	0	0	0
Teller	28	11	11	3	3	0
Washington	4	2	2	0	0	0
Weld	149	92	50	5	2	0
Yuma	10	9	0	1	0	0

Source: BPA tabulations using COIN administrative records, Colorado Department of Human Services.

Notes: <sup>a</sup> These are cases that received both a basic cash and an other assistance payment in the same month. Only cases receiving basic cash assistance are eligible to receive other assistance payments.

<sup>b</sup> Miscellaneous includes cases that received a retroactive cash assistance payment and a diversion payment in the same month.

**Figure A.5**  
**Characteristics of Colorado Works Adult Recipients**  
 June 1998, June 2000

Characteristics	June 1998	June 2000
Age		
19 and younger	6.2%	8.2%
20 to 24	23.0%	24.6%
25 to 29	21.6%	21.6%
30 to 34	17.9%	16.5%
35 to 39	15.5%	14.4%
40 to 44	8.9%	8.9%
45 to 49	4.1%	3.8%
50 and older	2.8%	2.1%
Average Age	30.6	29.9
Female	91.3 %	90.5%
Male	8.7%	9.5%
Race/Ethnicity		
White	45.8%	50.0%
Hispanic	35.2%	30.8%
African American	15.4%	15.5%
American-Indian	1.0%	1.2%
Asian	1.3%	0.9%
Other	1.3%	1.5%
Marital Status		
Single	71.2%	73.8%
Married	15.5%	15.7%
Separated	13.1%	10.6%
Number of Children		
0	2.5%	3.8%
1 to 2	68.6%	67.2%
3 to 4	25.1%	24.8%
5 or more	3.8%	4.3%
Pregnant		
No	93.3%	90.1%
Yes	6.7%	9.9%

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Characteristics	June 1998	June 2000
Citizenship		
U. S. Citizen	94.6%	95.8%
Lawfully Admitted Resident	5.2%	3.9%
Alien	0.2%	0.3%
Alien with Sponsor	0.1%	0.1%
Number of Adults	15194	7171

Source: BPA Tabulations using COIN administrative data, Colorado Department of Human Services

**Figure A.6**  
**Characteristics of Colorado Works Child Recipients**  
June 1998, June 2000

Characteristics	Children in Adult-Headed Cases		Children in Child-Only Cases	
	June 1998	June 2000	June 1998	June 2000
Age				
Less than 1	8.2%	10.9%	3.6%	3.6%
1 to 3	21.7%	24.0%	14.1%	14.6%
4 to 6	21.4%	19.6%	18.9%	16.7%
7 to 9	18.4%	17.5%	19.6%	20.2%
10 to 12	14.2%	13.7%	18.4%	19.1%
13 to 15	10.5%	9.6%	16.1%	16.6%
16 and older	5.6%	4.6%	9.3%	9.3%
Average Age	6.9	6.4	8.6	8.7
Female	49.6%	49.8%	50.1%	50.3%
Male	50.4%	50.2%	49.9%	49.7%
Race/Ethnicity				
White	40.1%	43.3%	34.3%	32.0%
Hispanic	38.5%	34.8%	44.6%	45.4%
African American	17.7%	18.2%	17.0%	17.7%
American-Indian	1.2%	1.3%	1.1%	1.2%
Asian	1.4%	1.1%	2.0%	1.7%
Other	1.1%	1.3%	1.0%	2.0%
Citizenship				
U. S. Citizen	97.3%	98.2%	97.5%	97.3%
Lawfully Admitted Resident	2.5%	1.6%	2.2%	2.2%
Alien	0.1%	0.2%	0.2%	0.3%
Alien with Sponsor	0.1%	0.0%	0.1%	0.2%
Number of Children	28756	13257	8330	8312

Source: BPA tabulations using COIN administrative data, Colorado Department of Human Services.



## Appendix B: Employment and Re-Entry Rates for Former Recipients

Figure B.1  
Employment of Former Colorado Works Recipients

Quarter of Exit	No. of Exiting Adults	Percent Employed in Each Quarter after Program Exit									
		Qtr. of Exit	1 Qtr.	2 Qtrs.	3 Qtrs.	4 Qtrs.	5 Qtrs.	6 Qtrs.	7 Qtrs.	8 Qtrs.	9 Qtrs.
1997:3	6210	54.6%	52.4%	50.8%	52.0%	51.0%	51.5%	50.2%	51.5%	52.6%	52.1%
1997:4	5429	53.5%	54.7%	54.0%	52.4%	52.0%	49.8%	51.5%	52.2%	51.9%	
1998:1	5054	51.6%	53.2%	52.4%	52.1%	49.9%	51.1%	51.1%	50.8%		
1998:2	5227	53.6%	53.7%	50.1%	48.7%	50.4%	50.1%	50.4%			
1998:3	5206	52.9%	53.1%	49.7%	51.4%	52.0%	50.8%				
1998:4	4521	55.3%	52.3%	51.9%	52.6%	51.5%					
1999:1	3898	51.8%	53.8%	54.1%	53.2%						
1999:2	4013	54.8%	54.8%	53.0%							
1999:3	4029	55.8%	55.6%								

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment

Figure B.2  
Employment of Former Colorado Works Recipients

Quarter of Exit	No. of Exiting Adults	Total Quarters Employed After Quarter of Program Exit									
		0 Qtrs.	1 Qtr.	2 Qtrs.	3 Qtrs.	4 Qtrs.	5 Qtrs.	6 Qtrs.	7 Qtrs.	8 Qtrs.	9 Qtrs.
1997:3	6210	22.0%	5.5%	5.9%	6.3%	6.9%	7.1%	7.1%	9.3%	11.8%	18.1%
1997:4	5429	22.6%	6.1%	6.6%	6.7%	7.0%	8.0%	9.7%	12.7%	20.5%	
1998:1	5054	23.4%	7.6%	7.5%	7.7%	9.0%	10.3%	13.8%	20.7%		
1998:2	5227	24.8%	9.3%	9.3%	9.1%	11.3%	14.0%	22.2%			
1998:3	5206	27.6%	9.4%	9.6%	11.7%	15.1%	26.6%				
1998:4	4521	30.4%	9.7%	12.7%	15.8%	31.5%					
1999:1	3898	31.1%	13.7%	18.2%	37.0%						
1999:2	4013	36.3%	19.6%	44.1%							
1999:3	4029	44.4%	55.6%								

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment



**Figure B.3**  
**Return Rates for Adults by County**  
August 1997, June 1998, May 1999

County	Return Rates			Total Exits		
	August 1997	June 1998	May 1999	August 1997	June 1998	May 1999
Adams	9.0	16.6	28.8	207.7	114.0	70.7
Alamosa	17.5	28.2	18.3	34.3	19.7	14.7
Arapahoe	15.8	16.3	17.0	156.3	125.3	97.7
Archuleta	N/A	N/A	N/A	56.7	2.7	4.0
Baca	N/A	N/A	N/A	2.3	3.0	0
Bent	N/A	N/A	N/A	5.0	4.3	3.0
Boulder	18.5	20.9	18.3	77.3	54.7	44.7
Chaffee	31.1	N/A	N/A	4.3	7.7	5.0
Cheyenne	N/A	N/A	N/A	0	0	4.3
Clear Creek	N/A	N/A	N/A	2.0	3.0	2.3
Conejos	30.0	49.4	31.4	13.3	16.7	12.3
Costilla	55.6	N/A	N/A	8.7	8.7	5.3
Crowley	N/A	N/A	27.8	4.3	6.7	4.7
Custer	N/A	N/A	N/A	4.3	1.7	3.0
Delta	31.6	22.5	11.9	20.3	21.0	14.0
Denver	20.2	19.0	25.1	412.7	420.7	262.3
Dolores	N/A	72.7	N/A	139.3	142.7	0
Douglas	N/A	N/A	29.2	11.0	7.7	5.7
Eagle	N/A	N/A	40.3	4.0	0	4.3
Elbert	N/A	N/A	N/A	2.3	3.7	1.7
El Paso	17.5	20.7	18.2	213.3	238.3	227.0
Fremont	24.7	21.8	20.6	43.0	41.0	37.0
Garfield	14.9	24.4	29.3	14.0	10.0	10.3
Gilpin	N/A	N/A	N/A	5.3	3.0	0
Grand	N/A	N/A	N/A	2.7	3.3	0
Gunnison	22.4	N/A	N/A	6.0	5.3	0
Hinsdale	N/A	N/A	N/A	3.7	0	0

County	Return Rates			Total Exits		
	August 1997	June 1998	May 1999	August 1997	June 1998	May 1999
Huerfano	32.2	23.9	N/A	7.3	9.0	5.7
Jackson	60.0	N/A	N/A	4.3	0	1.0
Jefferson	11.6	12.3	13.4	116.3	91.0	76.7
Kiowa	54.3	N/A	42.2	47.0	0	45.3
Kit Carson	N/A	N/A	N/A	2.7	6.3	3.3
Lake	N/A	50.0	N/A	1.7	4.3	2.7
La Plata	22.2	29.4	N/A	12.0	10.7	11.3
Larimer	18.5	19.2	16.2	97.3	69.0	52.0
Las Animas	16.1	25.9	19.6	16.7	15.3	16.7
Lincoln	N/A	N/A	N/A	2.7	0	0
Logan	15.0	N/A	N/A	14.0	9.7	4.7
Mesa	15.1	16.8	15.3	89.7	69.3	67.3
Mineral	N/A	N/A	N/A	0	2.0	0
Moffat	23.9	N/A	18.3	13.0	10.3	8.3
Montezuma	23.5	26.7	15.1	17.7	19.3	20.3
Montrose	17.7	35.0	24.1	20.7	19.3	12.0
Morgan	18.0	28.7	35.5	28.3	15.3	10.3
Otero	20.0	20.1	20.9	20.7	23.0	16.0
Ouray	N/A	N/A	N/A	13.7	0	0
Park	N/A	N/A	N/A	4.0	2.0	0
Phillips	N/A	N/A	N/A	5.3	1.3	1.3
Pitkin	N/A	N/A	N/A	2.0	0	0
Prowers	27.3	N/A	43.5	20.3	13.0	9.0
Pueblo	13.3	16.6	10.0	155.7	134.7	76.7
Rio Blanco	N/A	N/A	N/A	56.0	0	0
Rio Grande	37.8	46.2	19.6	17.0	17.0	20.7
Routt	N/A	N/A	N/A	0	3.0	12.0
Saguache	N/A	27.9	N/A	8.3	8.3	10.7
San Juan	N/A	N/A	N/A	3.0	4.3	7.3
San Miguel	N/A	N/A	N/A	3.3	0	6.3

County	Return Rates			Total Exits		
	August 1997	June 1998	May 1999	August 1997	June 1998	May 1999
Summit	N/A	N/A	N/A	1.7	0	1.3
Teller	N/A	22.9	16.2	7.7	12.0	10.0
Washington	N/A	N/A	N/A	0	6.3	9.3
Weld	18.4	25.6	20.5	114.3	68.0	55.0
Yuma	N/A	N/A	32.9	0	3.0	4.7

Source: BPA tabulations using COIN-MMIS administrative records, Colorado Department of Human Services.

Notes: Return rates are based on three month average return rates. August 1997 return rates are based on rates from July, August, and September 1997. June 1998 return rates are based on rates from May, June and July 1998. May 1999 return rates are based on rates from April, May, and June 1999.

Figure B.4a  
Exit to Employment for First-Time Colorado Works Leavers

Characteristics	Coefficient	Standard Error
Intercept	-3.8050 *	0.1155
Age	0.0704 *	0.0075
Age squared	-0.0013 *	0.0001
Number of children	-0.0232 *	0.0076
No children under age 6	0.0408 **	0.0203
Regional unemployment	-0.0065	0.0061
Months on AFDC	-0.0042 *	0.0002
Length of spell (in months)	0.0246 *	0.0013
Hispanic	0.0352 +	0.0188
African American	-0.0303	0.0243
Native American	0.0605	0.0844
Asian	-0.3085 *	0.0863
Other	0.0435	0.0750
Male	0.2649 *	0.0295
Married	0.0238	0.0237
HS Diploma	0.1994 *	0.0199
GED	0.2380 *	0.0246
Some college	0.2386 *	0.0271
Certificate	0.3706 *	0.0391
BA or more	0.2889 *	0.1076

Number of person months = 307,907

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment.

Notes: First-Time Colorado Works Leavers are those who left in the period of July 1997 through December 1998 who have four quarters of earnings. For example, a recipient who left assistance in August 1997 would have annual earnings calculated from the fourth quarter of 1997 through the third quarter of 1998, reflecting earnings from October 1997 through September 1998. Unemployment rate reflects regional unemployment for the year of the first quarter of earnings. Omitted categories are: less than high school diploma (education), white (race), single (marital status), and with children under age 6.

\* = statistically significant at the 1 percent level;

\*\* = at the 5 percent level;

+ = at the 10 percent level.

**Figure B.4b**  
**Exit to Unemployment for First-Time Colorado Works Leavers**

Characteristics	Coefficient	Standard Error
Intercept	-3.6363 *	0.1150
Age	0.0458 *	0.0072
Age squared	-0.0006 *	0.0001
Number of children	-0.0389 *	0.0082
No children under age 6	0.0257	0.0222
Regional unemployment	0.0004	0.0067
Months on AFDC	-0.0067 *	0.0002
Length of spell (in months)	0.0269 *	0.0014
Hispanic	-0.1400 *	0.0209
African American	-0.2433 *	0.0286
Native American	0.3486 *	0.0777
Asian	-0.3986 *	0.0813
Other	-0.1671 **	0.0749
Male	0.1414 *	0.0302
Married	0.2853 *	0.0238
HS Diploma	-0.1583 *	0.0217
GED	-0.0551 **	0.0273
Some college	-0.1960 *	0.0305
Certificate	-0.3980 *	0.0544
BA or more	-0.2381 **	0.1225

Number of person months = 304,689

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment.

Notes: First-Time Colorado Works Leavers are those who left in the period of July 1997 through December 1998 who have four quarters of earnings. For example, a recipient who left assistance in August 1997 would have annual earnings calculated from the fourth quarter of 1997 through the third quarter of 1998, reflecting earnings from October 1997 through September 1998. Unemployment rate reflects regional unemployment for the year of the first quarter of earnings. Omitted categories are: less than high school diploma (education), white (race), single (marital status), and with children under age 6.

\* = statistically significant at the 1 percent level;

\*\* = at the 5 percent level;

+ = at the 10 percent level.



Figure B.4c  
Exit for First-Time Colorado Works Leavers (Regardless of Employment Status)

Characteristics	Coefficient	Standard Error
Intercept	-2.7935 *	0.0784
Age	0.0440 *	0.0050
Age squared	-0.0007 *	0.0001
Number of children	-0.0299 *	0.0054
No children under age 6	0.0354 **	0.0147
Regional unemployment	-0.0164 *	0.0045
Months on AFDC	-0.0052 *	0.0002
Length of spell (in months)	0.0309 *	0.0007
Hispanic	-0.0341 *	0.0136
African American	-0.1182 *	0.0179
Native American	0.1931 *	0.0565
Asian	-0.3170 *	0.0560
Other	-0.0477	0.0514
Male	0.1995 *	0.0209
Married	0.1578 *	0.0164
HS Diploma	0.0372 *	0.0142
GED	0.0963 *	0.0179
Some college	0.0356 +	0.0198
Certificate	0.0477	0.0311
BA or more	0.0269	0.0805

Number of person months = 394,466

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment.

Notes: First-Time Colorado Works Leavers are those who left in the period of July 1997 through December 1998 who have four quarters of earnings. For example, a recipient who left assistance in August 1997 would have annual earnings calculated from the fourth quarter of 1997 through the third quarter of 1998, reflecting earnings from October 1997 through September 1998. Unemployment rate reflects regional unemployment for the year of the first quarter of earnings. Omitted categories are: less than high school diploma (education), white (race), single (marital status), and with children under age 6.

\* = statistically significant at the 1 percent level;

\*\* = at the 5 percent level;

+ = at the 10 percent level.

## Appendix C: Earnings Correlates for Former Recipients

Figure C.1

### Annual Earnings Estimates for First-Time Colorado Works Leavers

Characteristics	Coefficient		Standard Error
Intercept	7.6584	*	0.1494
<i>Personal and Family Characteristics</i>			
Age	0.0537	*	0.0093
Age squared	-0.0007	*	0.0001
High school diploma	0.3087	*	0.0241
GED	0.1566	*	0.0294
Some college or more	0.4665	*	0.0283
Hispanic	0.0026		0.0224
Black	0.0558	+	0.0294
Native American	-0.1823	+	0.1065
Asian	0.3987	*	0.1052
Other Race	0.3514	*	0.0937
Married	-0.0995	*	0.0289
Male	0.1855	*	0.0377
Children under age 6	-0.0112		0.0247
Number of children	0.0284	**	0.0094
Months on AFDC	-0.0006	**	0.0003
Length of recent CW spell	0.0056	*	0.0022
<i>Economic characteristics</i>			
Regional unemployment rate	-0.0477	*	0.0071
<i>Industry of work</i>			
Agriculture	-0.1518	+	0.0915
Mining	0.4177		0.2729
Construction	0.0950		0.0597
Manufacturing	0.1378	*	0.0397
Transportation	0.2920	*	0.0525
Trade	-0.1567	*	0.0220
Finance, Insurance, and Real Estate	0.4823	*	0.0499
Public Administration	0.2632	*	0.0633
Number of individuals = 11620			

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment.

Notes: Annual earnings are four quarters of earnings, starting at the earliest quarter after a Colorado Works recipient has left. First-Time Colorado Works Leavers are those who left in the period of July 1997 through December 1998 who have four quarters of earnings. For example, a recipient who left assistance in August 1997 would have annual earnings calculated from the fourth quarter of 1997 through the third quarter of 1998, reflecting earnings from October 1997 through September 1998. Unemployment rate reflects regional unemployment for the year of the first quarter of earnings. Omitted categories are: less than high school diploma (education), white (race), single (marital status), female (gender), services (industry of work).

\* = statistically significant at the 1 percent level;

\*\* = at the 5 percent level;

+ = at the 10 percent level.



**Figure C.2**  
**Sample Means of Characteristics Related to**  
**Annual Earnings Estimates for First-Time Colorado Works Leavers**

Characteristics	Means
<i>Personal and Family Characteristics</i>	
Age	29.2773
Age squared	915.7200
High School degree	0.3195
GED	0.1540
Some college or more	0.1860
Hispanic	0.3466
Black	0.1444
Native American	0.0080
Asian	0.0084
Other Race	0.0106
Married	0.1523
Male	0.0948
Children under age 6	0.6511
Number of children	1.9583
Months on AFDC	42.0645
Length of CW spell	7.1105
<i>Economic characteristics</i>	
Regional unemployment rate	4.1250
<i>Industry of work</i>	
Agriculture	0.0110
Mining	0.0012
Construction	0.0290
Manufacturing	0.0664
Transportation	0.0349
Trade	0.3107
Finance	0.0386
Public Administration	0.0235

Number of individuals = 11620

Source: BPA tabulations using Unemployment Insurance records, Colorado Department of Labor and Employment.



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## **Appendix D: Welfare-to-Work Grant Program Overview**

The Welfare-to-Work (WtW) grant program administered by the U.S. Department of Labor made \$1.5 billion dollars available in each of Federal Fiscal Years (FFYs) 1998 and 1999 to assist hard-to-serve welfare recipients and noncustodial parents in finding and retaining employment. After required set-asides, 75 percent of WtW funds was awarded in formula grants to the states, and 25 percent was awarded competitively to PICs/WDBs, local governments, and private entities. Eighty-five percent of the federal formula grant must be allocated directly to regional Workforce Development Boards (WDBs; formerly known as Private Industry Councils, or PICs). The remaining 15 percent of the formula grant is for Governor's special projects. Significant changes were made to the program in 1999, affecting eligibility, service provision, and allowable activities.

### **Administration**

Even though the target populations overlap, Colorado Works and WtW differ in their administration. Colorado Works is administered at the county level under the Colorado Department of Human Services (CDHS) at the state level. WtW is administered by nine regional workforce development boards under the Colorado Department of Labor and Employment (CDLE). Because there are multiple counties in most of the WDBs, WtW programs may have to interact with multiple counties' Colorado Works programs.

WtW programs are mandatory partners with the Workforce Investment Act (WIA) One-Stops. Partnerships do not necessarily indicate co-location, but information and services or referrals to WtW will be available to One-Stop visitors. Colorado Works is an optional partner with the One-Stops; the decision to participate is made at the local level.

There is a formal coordination process outlined in Colorado's WtW plan. The Colorado Works agencies are responsible for referring eligible clients, coordinating expenditures, and tracking excess MOE spent on WtW eligible recipients (which can count toward WtW cash match). Specific procedures for

referral and eligibility are designed by an agreement between local PICs and Colorado Works agencies. CDLE, WDBs, and local Colorado Works agencies also work together to make sure that WtW allowable activities and TANF work activities match, to ensure that participation in WtW does not adversely affect a county's work participation rate.

WtW programs are mandatory partners with the decision to participate is made at the local level. Mesa County has both WtW and Colorado Works located at the local One-Stop, and is attempting to cross-train staff and emphasize cross-referrals and coordination.

#### **Coordination Between WtW and Colorado Works**

There is a formal coordination process between WDBs and local Colorado Works agencies outlined in Colorado's WtW plan. The Colorado Works agencies are responsible for referring eligible clients, coordinating expenditures, and tracking excess MOE spent on WtW eligible recipients (which can count toward WtW cash match). Specific procedures for referral and eligibility are designed by an agreement between local PICs and Colorado Works agencies.<sup>1</sup> CDLE, WDBs, and local Colorado Works agencies also work together to make sure that WtW allowable activities and TANF work activities match, to ensure that participation in WtW does not adversely affect a county's work participation rate.

#### **Eligibility**

Under the original WtW program, at least 70 percent of WtW funds had to be spent on the "hard-to-employ," defined as long-term recipients or noncustodial parents of recipient children with two of three specified barriers to employment; up

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<sup>1</sup>In order to ease referrals of non-custodial parents, the WtW and Child Support Amendments of 1999 permit child support enforcement (CSE) and TANF agencies to share information on non-custodial parents with local WtW agencies in order to establish eligibility for WtW.



to 30 percent of WtW funds could be spent on recipients and non-custodial parents who had characteristics of long-term recipients.<sup>2</sup>

The Welfare-to-Work and Child Support Amendments of 1999 broadened the eligibility for WtW by removing the barriers requirements and adding several new categories of eligibility effective in mid-to-late 2000.<sup>3</sup> Under the new rules, at least 70 percent of WtW funds must be spent on long-term welfare recipients or recipients who are within 12 months of reaching, or who have reached a state or federal time limit. Noncustodial parents of children receiving TANF (or who are eligible for TANF or who received TANF in the past year), Food Stamps, Medicaid, SSI, or CHIP who are unemployed, under-employed, or having difficulty paying child support can also be served under this category if they make a commitment to pay child support and participate in services to improve their ability to pay. Up to 30 percent of WtW funds may now be spent on TANF recipients with characteristics associated with long-term welfare receipt; youth aged 18-24 who aged-out of foster care; custodial parents with incomes below the poverty level; and TANF recipients who face barriers specified by the local Workforce Development Board.

#### **Allowable Activities**

WtW funds can be used to provide community service or work experience programs; job creation through public or private sector employment wage subsidies; on-the-job training (OJT); job readiness, job placement, and post-employment support; and job retention or support services, if not otherwise available to the participant. Originally, vocational education and job training were only allowed in conjunction with employment. Under the new rules, vocational

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<sup>2</sup> For the purposes of WtW, “long-term” recipients were defined as recipients with 30 or more months of assistance.

<sup>3</sup> The changes actually took effect January 1, 2000 for competitive grantees. The new rules took effect for formula grantees on July 1, 2000, but federal funds could not be spent until October 1, 2000.

education and job training are allowable pre-employment WtW activities for up to six months.<sup>4</sup>

WtW and TANF allow many of the same work activities. However, the rules for participation are different. WtW does not impose mandatory hours requirements, and WtW funds can be used to fund participation in job search, job readiness and vocational education beyond the limits on participation in these activities imposed by TANF. Participation in WtW work activities can count toward TANF work participation requirements if the TANF hours requirements are met.

Receipt of benefits under WtW that are considered “cash assistance” count against the five-year TANF time limit on assistance. “Cash assistance” under WtW is defined as benefits that can be legally converted to currency. Receipt of other benefits and services that do not meet the definition of cash assistance for WtW do not count against the time limit. In addition, WtW services may be provided to families who have reached the federal time limit. These families will not be counted under the 20 percent exemption category.

### **Administration**

Even though the target populations overlap, Colorado Works and WtW differ greatly in their administration. Colorado Works is administered at the county level under the Colorado Department of Human Services (CDHS) at the state level. WtW is administered by nine regional Workforce Development Boards (WDBs) under the Colorado Department of Labor and Employment (CDLE). Because there are multiple counties in most of the WDBs, WtW programs may have to interact with multiple counties' Colorado Works programs.

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<sup>4</sup>Another change in the Amendments involved provision of services. Under the new rules, grantees other than WDBs can now provide job readiness, placement, and post-employment services directly to WtW participants. Originally, all grantees had to contract out for these services.



WtW programs are mandatory partners with the Workforce Investment Act (WIA) One-Stops. Partnerships do not necessarily indicate co-location, but information and services or referrals to WtW will be available to One-Stop visitors. Colorado Works is an optional partner with the One-Stops; the decision to participate is made at the local level.

### **Available Funds**

In Colorado, the 85 percent funds were distributed to localities using the following factors: 50 percent based on the poverty level; 25 percent based on the number of adults receiving TANF; and 25 percent based on the number of unemployed individuals. The recipients of formula grant funds in Colorado and the amount of federal funds each received are listed in Figure D.1. Four competitive grants were also awarded in Colorado. See Figure D.2 for a description of the competitive grantees.

**Figure D.1**  
**Federal Formula Grant Awards in Colorado**

Federal Formula Grant Funds	FY 98	FY 99	Total
Local Workforce Investment Areas (85%)	\$8,436,715	\$7,831,731	\$16,268,446
Adams County Employment Center	\$815,245	\$710,151	\$1,525,396
Arapahoe/Douglas WORKS!	\$398,925	\$307,311	\$706,236
Workforce Boulder County	\$230,587	\$130,645	\$361,232
Denver Mayor's Office of Employment and Training	\$2,142,794	\$2,399,626	\$4,542,420
El Paso County JTPA	\$991,283	\$1,043,242	\$2,034,525
Tri-County Workforce Development Services	\$357,513	\$256,370	\$613,883
Larimer County Employment and Training Services	\$385,873	\$311,088	\$696,961
Rural Job Training (Balance-of-state)	\$2,660,020	\$2,343,130	\$5,003,150
Weld County Department of Human Services	\$454,475	\$330,167	\$784,642
Governor's 15% Special Project Funds <sup>5</sup>	\$1,442,150	\$1,382,070	\$2,824,220
Total Federal Formula Grant funds	\$9,878,865	\$9,213,801	\$19,092,666

Source: Colorado Department of Labor and Employment and the U.S. Department of Labor, Welfare-to-Work website: <http://wtw.doleta.gov>.

<sup>5</sup> In FY 98, some of the Governor's funds were awarded to other government programs and some were awarded competitively. The FY99 request for proposals is out, but funds have not yet been awarded.



**Figure D.2**  
**Competitive WtW Grant Awardees in Colorado**

<b>Competitive Grantee</b>	<b>Award</b>	<b>Partnerships</b>	<b>Services Provided / Population Served</b>
City and County of Denver	\$3.6 million	MOET, One-Stop Career Center system, Denver DSS, CO Department of Corrections.	Will fund pilot demonstrations that emphasize employer-focused targeting strategies to move the hardest to employ into area-targeted industries; participants will receive targeted work and learning opportunities
Rocky Mountain SER	\$1.5 million	Denver Head Start program and JTPA, DSS, BEST Career Center, CCD, Emily Griffith Opportunity School, In Care Corporation, Denver DSS Placement Center, DOLE/ Job Service Centers	Will provide job readiness skills, English-language proficiency, occupational skills, and child care. Goal is to place eligible individuals into gainful unsubsidized employment in demand occupations with long-term career opportunities. Want to provide additional support to TANF recipients without duplication; BEST career center will provide assessments, job readiness, and computer classes, and other employment services.
United Cerebral Palsy of Colorado	\$1.3 million	Aurora Public schools, University of Colorado Health Sciences Center, Pickens Tech, Tailored Transitions, Aurora Community Colleges, Head Start.	Operating in Arapahoe County. Will develop a supportive, post-employment structure to retain 160 individuals in long-term employment, assist 80 individuals find higher paying jobs, and re-employ an additional 35 individuals. Will provide educational and technical training services.



Competitive Grantee	Award	Partnerships	Services Provided / Population Served
San Juan Basin Technical School	\$3.1 million	Southwest Colorado Welfare-to-Work Partnership, Montezuma County Social Services, Southwest Board of Cooperative Services	Will administer the Project of Self-Empowerment (POSE), targeting disabled TANF recipients in Montezuma, Dolores, and La Plata counties. POSE will provide adult education and vocational training, job development and retention, extended vocational rehabilitation, expanded and accessible transportation and child care services, and family focused support.

Source: U.S. Department of Labor, Welfare-to-Work website. <http://wtw.doleta.gov>

In Federal Fiscal Year (FFY) 1998, Colorado received \$9.9 million in WtW federal formula grant funds. The FFY 1999 award was slightly lower. Including the required state matching funds (projected to be \$10.3 million), there was a total of nearly \$29 million available for WtW in Colorado through the formula grantees.

States are required to provide matching funds for federal WtW money, at the rate of \$1 for every \$2 of federal money. Up to 50 percent of that match can be provided through in-kind services, and at least 50 percent must be provided as cash. The Colorado Legislature did not award any cash matching funds for WtW. Instead, spending in other programs on individuals who are WtW-eligible is counted toward the state cash match.

### Spending

Awardees have three years from the date of award to spend WtW funds. WtW funds from Federal Fiscal Year 1998 must be spent by July 30, 2001; Federal Fiscal Year 1999 WtW funds must be spent by September 28, 2002. Unspent funds will be forfeited.

To date, use of federal WtW funds has been limited. According to the Colorado Department of Labor and Employment (CDLE) which oversees WtW, just over



800 participants had been served by WtW funds statewide as of August 2000. Statewide, only \$2.3 million (24 percent) of federal WtW funds awarded in FFY 98 had been expended as of August 2000, and none of FFY 1999 funds had been spent. As noted previously, the remaining 76 percent of FFY 1998 funds (\$7.5 million) must be spent by July 31, 2001. Figure D.3 shows the percent of federal WtW funds spent by each WDB.

**Figure D.3**  
**Federal WtW Funds Spent as of August 2000**

<b>Local Workforce Investment Areas</b>	<b>FY98 Federal Funds Spent as of 8/00 (%)</b>	<b>Total Federal Funds Spent as of 8/00 (%)</b>
Adams County Employment Center	6.7	3.6
Arapahoe/Douglas WORKS!	31.9	18.0
Workforce Boulder County	57.0	36.4
Mayor's Office of Employment and Training (Denver)	8.2	3.9
El Paso County JTPA	3.5	1.7
Tri-County Workforce Development Services	27.0	15.7
Larimer County Employment and Training Services	25.6	14.2
Rural Job Training (Balance-of-state)	53.0	28.2
Weld County Department of Human Services	29.3	16.9
<b>Total FY98 Funds Allocated to the LWDBs</b>	<b>23.7</b>	<b>12.2</b>

Source: Colorado Department of Labor and Employment (CDLE)

Spending of federal WtW funds varied greatly by WDB. WtW spending was highest in Workforce Boulder County, with 57 percent of 1998 funds expended, and lowest in the El Paso County JTPA region, where only four percent of 1998 funds had been spent as of August 2000.

State matching fund expenditures were higher. As of October 2000, CDLE reported over \$3.2 million in state match expenditures, nearly one third (31

percent) of estimated total matching funds. Although there is over \$7 million available in state matching funds, most of that money will come from spending on WtW-eligible persons in existing programs. CDLE has earmarked \$8.4 million of the total \$10.3 million in state matching funds for a Colorado Department of Corrections program serving noncustodial parents of children in means-tested programs, including Colorado Works, Medicaid, SSI, and CHP. Given that sources for state matching funds have already been identified, the unspent federal WtW funds (\$17 million as of August 2000) should be viewed as the available funds.



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## **Appendix E: Colorado Works Participant Survey Methodology**

Throughout the Second Annual Report of the Evaluation of Colorado Works, we use data gathered through the 1999 Colorado Works Participant Survey. In this appendix we describe the survey data, including how the sample was selected, the survey data collection, and the characteristics of individuals and households in the survey sample. The survey was designed by staff at Berkeley Policy Associates (BPA) in conjunction with our subcontractor, the Institute for Survey Research (ISR) at Temple University. ISR staff tracked respondents, fielded the survey, and compiled the resulting data. BPA staff conducted the data analyses.

### **Sample Selection**

Survey respondents include both current and former Colorado Works recipients. Seven hundred potential survey respondents were selected at random from the group of Colorado Works basic cash assistance recipients who were enrolled in the program between October and December of 1999. These respondents may or may not have been receiving Colorado Works at the time of the survey interview.

ISR located and surveyed 554 of these respondents, for a response rate of 79 percent.<sup>1</sup> This rate is beyond the expected response rate of 70 percent, and according to generally accepted standards, the survey sample should therefore be representative of the population as a whole. For a survey question in which respondents answered both yes and no at a rate of 50 percent, at the 95 percent confidence interval the responses will be accurate within +/- 5.6 percentage points.

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<sup>1</sup>Of the 700 cases, 554 were interviewed, 101 were not located, 21 refused to be interviewed, 23 were located but could not be interviewed during the field period, and 1 was deceased.

## Survey Data Collection

The survey was fielded between May 22, 2000 and July 21, 2000. Interviewers first attempted to reach respondents by phone. However if they were unable to locate the respondent's phone number, respondents were tracked through other means and interviewed in person. About 73 percent of the surveys were conducted in person by a field interviewer in Colorado. The remaining 27 percent were conducted over the telephone, either from ISR's phone survey center in Philadelphia or by field interviewers in Colorado.

Survey respondents were offered the survey in either English or Spanish. One respondent (.2 percent) requested a Spanish survey. The remainder of surveys were conducted with respondents in English. There were three respondents whose preferred language was one other than English or Spanish, and these three cases were replaced due to this language barrier.

Interviews ranged in length, with an average interview time of 29 minutes. Respondents received a \$20 incentive payment for participating in the survey.

## Sample Characteristics

Figure 1 shows the demographic characteristics of adults in the leavers survey sample. As is shown in the figure, the sample was comprised largely of female respondents; only 4 percent of respondents were male. Fifty percent of respondents were white, 26 percent were Hispanic, and 14 percent were African American. The remaining 6 percent were Asian, American Indian or of unidentified race/ethnicity.

**Figure E.1**  
**Adult Demographic Characteristics in the Leavers' Survey**

Adult Characteristics	
Sex	
Female	96.3%
Male	3.8%
Race/Ethnicity	
White	50.4%
Hispanic	26.1%
African American	14.4%
Asian	1.3%
American Indian	1.6%
Other	6.2%
Marital Status	
Never Married	50.0%
Divorced	24.7%
Married and not Living with Spouse	10.3%
Married and Living with Spouse	7.0%
Legally Separated	6.9%
Widowed	1.1%
Cohabiting Couple (among those not living with spouse)	13.6%
Education Level	
8 <sup>th</sup> Grade or Less	4.5%
Some High School	26.9%
High School Degree	20.9%
GED	21.5%
Some College	19.9%
Associate's Degree	3.6%
Bachelor's Degree	2.0%
Graduate Degree	0.7%
Number of Respondents	554

Exactly half of the respondents had never been married (50 percent) and one quarter were divorced. Another 10 percent were married and not living with their spouse, and 7 percent were married and living with their spouse. The remaining respondents were legally separated or widowed. Among respondents who were not living with spouses, 14 percent were living as a couple with another individual. In some cases, this other individual's children also shared the household.

In total, 31 percent of the sample had not completed high school and 42 percent had completed either a high school diploma or high school equivalency. Twenty percent of respondents had received some college education, and 4 percent had an Associate's Degree. Two percent had a Bachelor's Degree and less than one percent had a graduate degree.

Figure 2 below shows household and family characteristics of the survey sample. Most households included between two and five individuals, including at least one child in all but 3 percent of the cases. The most common family type was one adult and one child (34 percent).<sup>2</sup> Twenty-eight percent of respondent families included one adult and two children, and 29 percent consisted of one adult and three or more children.

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<sup>2</sup>The number of family members considered in this analysis may not equal the total number of individuals in the household. Additional individuals outside of the immediate family, such as grandparents, in-laws, or other relatives may also reside in the household.



Figure E.2  
Household Characteristics  
Leavers Survey

Household Characteristics	
Number in Household	
1	1.3%
2	22.0%
3	25.6%
4	21.3%
5	15.0%
6	7.8%
7	3.8%
8 or more	3.3%
Number of Children	
0	2.5%
1	35.0%
2	30.9%
3 or more	31.6%
Family Composition	
One adult, no children	2.5%
One adult, one child	33.6%
One adult, two children	28.1%
One adult, three or more children	28.7%
Two adults, no children	0.0%
Two adults, one child	1.4%
Two adults, two children	2.7%
Two adults, three or more children	2.8%
Number of Respondents	554



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## Appendix F: Implementation Status of Recommendations in the *First Annual Report*

In September 2000, the Colorado Department of Human Services provided information to the Welfare Oversight Committee of the General Assembly on the implementation of recommendations made by Berkeley Policy Associates in the *First Annual Report* of the Colorado Works evaluation. We reproduce below the Department's report on the implementation of each recommendation.

### Recommendation 1:

The Department of Human Services should develop a protocol for transferring data to the counties at regular and timely intervals on the rate of return to aid for Colorado Works recipients. In addition to calculating the rate of return for specific intervals (e.g. six-month, 12-month), summary information on the characteristics and program history of recipients who return to the caseload should be provided to the counties.

### Department of Human Services Response:

Agree. The Department will generate and download reports on the rate of return to counties. Additionally, the Department plans to distribute the county-by-county rates of return contained in this report, Appendix A, to all counties. To the extent possible, the Department will also provide summary information on the characteristics and program history of recipients who return to the county caseload on a periodic basis. As the Department does not have this functionality in its automated system currently, we will determine the changes required and the resources necessary to accomplish this task. If the changes required are substantive, the Department may recommend this functionality be a component of the Colorado Benefits Management System (CBMS).

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	Define requirements	12/1/99	1/15/00	Completed on 1/15/00
2	Develop system changes	1/15/00	9/21/00	Completion of system changes
3	Test system changes	3/15/00	9/22/00	Testing planned for
4	Transmit report to counties	4/30/00	9/28/00	Expected transmission of report
5	Transmit report quarterly	9/28/00	Ongoing	

**Recommendation 2:**

The Department of Human Services should continue to provide technical assistance and training to counties on the use of county diversion for offering transitional services to recipients as they exit from basic cash assistance. The Department should develop distinct codes in the Colorado Benefits Management System (CBMS) to allow tracking of the types of payments and services provided under county diversion.

**Department of Human Services Response:**

Agree. The Department has an integrated approach to quality assurance (QA) for the Colorado Works program which includes both monitoring, technical assistance (TA) and training. The Department views technical assistance and training as an essential component of quality assurance and will continue to target some of its current technical assistance and training efforts with counties on county diversion through such methods as newsletters, tele-conferences, one-on-one telephone consultations, annual training conferences and training on specific issues.

The Department will also develop and include distinct codes in the Colorado Benefits Management System (CBMS) and/or the Children, Youth and Families System (CYF) to allow tracking of the types of payments and services provided under county diversion.

BPA has indicated in their report that they will be looking at other state models and experiences in implementing TANF across the nation. We request that BPA share information on best practices with the Department on an ongoing basis.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	Conduct a teleconference to identify and address ongoing training issues regarding diversion program policy and procedures	6/8/00 (tentative)	6/8/00	Teleconference completed 6/8/00 CW conference completed 5/26/00
2	Prepare and present a session regarding diversion policies and procedures for the annual conference	1/2/00	5/26/00	CW conference completed 5/26/00
3	As eligibility programs evolve (Family Preservation Programs) the Colorado Works Division will continue to offer training and teleconferences on the utilization of the diversion program	1/2/00	Ongoing	CW conference completed 5/26/00



Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
4	Notifications to counties regarding training and technical assistance opportunities will include reference to inclusion of county department and contract staff	1/2/00	Ongoing	Ongoing
5	Meet with CBMS staff to discuss the current design in CBMS to address the tracking and determination of county diversion benefits provided to clients	1/13/00	1/13/00	Meeting held with Deborah Rasor of Renaissance Government Systems (RGS), Georgine Lechman (CBMS), Sandy Harlow (CBMS), and reviewed design, screens, categories and subcategories of other assistance payments. Agreed to get county input. Completed 1/13/00
6	Meet with county staff to present issue	1/18/00	3/21/00	Discussed screens and level of detail with county representatives at monthly Colo. Works Program (CWP) Emp.&Trng meeting; requested feedback at 2/15/00 meeting. Completed 3/21/00
7	Meet with county staff to secure input	1/18/00	3/21/00	To share input submitted and solicit additional input from county staff.
8	Summarize county input and prepare document to be included in CBMS design	2/15/00	3/25/00	Share the findings and recommendations with appropriate county and state staff. Completed 3/25/00.
9	Present document to CBMS staff for inclusion in CBMS design	3/6/00	4/6/00	Present state requirements requested based on county input. Completed 5/31/00.
10	Development and implementation in CBMS	3/6/00	Ongoing	Ensure requirements are satisfied and maintained.

**Recommendation 3:**

The Department of Human Services should work with counties to increase the likelihood that former Colorado Works recipients are informed about appropriate transitional services through improved case closure procedures and increased follow up with recipients when their basic cash assistance ends. Specifically, the Department should: (1) Improve the accuracy of case closure data by streamlining and updating case closure codes to be used in CBMS and ensuring that codes are categorically distinct, and (2) Continue to develop and make available to counties strategies for case workers to follow-up with recipients at case closure, including providing information to recipients about transitional services and identifying reasons for case closure.

**Department of Human Services Response:**

Agree. In keeping with the integrated QA approach described in our response to recommendation #2, the Department will continue to provide counties with strategies to improve case closure and follow up procedures through such methods as targeted technical assistance and training, newsletters, teleconferences, one on one telephone consultations, and annual training conferences. The caseworkers can use these strategies to assist Colorado Works recipients in their successful transition to employment through appropriate case closure procedures and increased follow up with recipients during and after case closures. In a devolved TANF model, the ultimate application of relevant and appropriate practices rests with the counties.

The Department will design updated specific case closure codes in CBMS.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	Develop codes for closures for CBMS	11/1/99	3/31/99	Completed
2	As session will be offered at the upcoming annual Colorado Works Conference that highlights county departments and community based organizations that excel in providing crosswalks for participants from welfare to work	1/2/00	5/26/00	CW Conference completed 5/26/00.
3	A resource center will be staffed by county, state, and community based resource experts at the annual Colorado Works conference	1/2/00	5/26/00	Completed 5/26/00.



**Recommendation 4:**

The Department of Human Services should work with counties to develop strategies to assist recipients in understanding Colorado Works rules. Strategies could include: (1) training case workers to use written check lists or verbal confirmations to test recipients' understanding of the program after orientation, and (2) working with counties that contract with outside agencies for case management to provide appropriate training to these agencies.

**Department of Human Services Response:**

Agree. The Department will continue to develop strategies for counties to assist recipients in understanding Colorado Works rules through such methods as technical assistance, newsletters, tele-conferences, one-on-one telephone consultations, annual training conferences and training on specific issues. We will encourage counties to provide appropriate case management training to their contractor staff.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	Development of an on-line 'new worker' training off of the Colorado Works web page that can be accessed and viewed by any staff or public entity or person that has access to the Internet	9/99	1/00	Being piloted January and February 2000; planned implementation 4/00.
2	Develop a toolkit designed to develop or share strategies that assist participants on Colorado Works rules	2/00	Ongoing	On-line eligibility training, information, and reference completed 4/00.
3	All training and technical assistance announcements for meetings/sessions provided by the Colorado Works Division for local programs will be directed to county staff as well as contractor agency personnel	1/2/00	Ongoing	Most recent copies of meeting announcements attached.
4	Plan presentation at conference	1/30/00	5/1/00	CW Conference completed 5/26/00.

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Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
5	Conference presentation by county staff	5/24/00	5/26/00	Presentation by C. Fenwick and J. Talbot: Completed 5/26/00.

**Recommendation 5:**

The Department of Human Services should continue to work with counties to review their assessment practices and provide training to case workers on assessment techniques. In its review and training, the Department could emphasize the need for: (1) Adequate time to complete assessments, (2) Ongoing follow-up to ensure progress is occurring and barriers have not been overlooked, and (3) Options for obtaining professional assistance for identifying certain difficult barriers, including mental health, substance abuse, and domestic violence, when internal expertise is not available.

**Department of Human Services Response:**

Agree. The Department views the assessment and IRC processes as intricately linked. The way to encourage improvement with these processes is similar to earlier responses, which is to use the Department's integrated QA approach. The Department will continue to provide technical assistance and training sessions for county staff regarding assessment practices and techniques through the methods as previously described.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	Statewide training on a regional basis will be conducted regarding assessment and IRC techniques for participants with substance abuse and mental health barriers	9/99	12/99	Joint training with Child Welfare, Mental Health and ADAD staff; on-going follow-up to assess needs for further training.
2	Develop further training regarding assessments and IRC's involving domestic violence, civil rights, substance abuse and mental health issues	2/1/00	On-going	Presentation at CWP conference 5/00. Conference call completed 6/8/00 re. Civil Rights; Substance Abuse presentation at CWP conference.
3	Case management training/technical assistance regarding assessments and IRC's involving domestic violence, civil rights, substance abuse and mental health issues	11/99	On-going	Case management training was provided in numerous counties from 7/26/99 through 2/3/00 and at the CWP Conference 5/00.

**Recommendation 9:**

The Division of Child Care should work with counties to monitor the caseload increase in the Low-Income Child Care program and forecast budgetary implications of this increase.

**Department of Human Services Response:**

Agree. The Department will work with counties to monitor caseload increases in Low-Income CCCAP and will forecast the budgetary implications of the increases.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	The Division of Child Care will inform counties at the Sub-Pac Committee Meetings, CCCAP monthly supervisor's meetings, technical assistance telephone conferences that child care staff will assist counties in making budgetary projections based on caseload and rate increases. The Division will seek input from counties about the best way to jointly monitor caseloads and forecast budgetary implications.	4/00	On-going	Technical assistance phone conferences are scheduled once every three months. Initial completed.
2	Division of Child Care staff will offer technical assistance on budgetary impact when counties increase child care rates	4/00	On-going	Written records will be maintained of all counties receiving technical assistance
3	A workshop devoted to this topic will be scheduled at the annual child care conference	10/00	annual	Completed.



**Recommendation 10:**

The Department of Human Services should work with counties to develop strategies to improve the transition of Colorado Works recipients into CCCAP's Low-Income Child Care program. Strategies could include: (1) providing additional information on Low-Income Child Care assistance at the time of enrollment into CCCAP's Colorado Works Child Care program rather than at Colorado Works case closure, (2) developing incentives for former recipients to participate in an exit interview, and (3) Following up with former recipients within the first 30 days after case closure to ensure families have the information and application required for the Low-Income program.

**Department of Human Services Response:**

Agree. In keeping with earlier responses to outreach, the Department will work with counties on developing strategies to improve the transition of Colorado Works families and children into CCCAP's Low-Income program.

Task Number	Task	Begin Date	Expected Completion Date	Comments/Implementation Date
1	Input from county CCCAP and Colorado Works supervisors will be gathered to come up with recommendations on effective strategies to increase TANF to low-income child care utilization.	4/00	6/00	Completed.
2	Recommendations will be implemented through monthly CCCAP supervisor's meetings, technical assistance telephone conferences, annual child care conference, Division of Child Care monitoring of counties' CCCAP programs.	7/00	6/01	
3	The recommendations will be presented at the Colorado Works conference	5/24/00		Completed. See above.
4	The Division of Child Care will seek input from Colorado Works parents on how to improve the transition from TANF to low-income child care.	May/June 2000	7/00	Completed.
5	The Division will track the number of parents using child care under TANF and then continuing in low-income child care through reports from the child care automated tracking system. We will establish a baseline number of families, before implementation of new strategies, and use the reports to determine the impact of the strategies once implemented.	7/00	6/01	Completed.

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Task Number	Task	Begin Date	Expected Completion Date	Comments/Implementation Date
6	In addition to recommendations received from parents and staff, the Division will implement several policies to simplify the transition: 1) a simplified low income eligibility application for parents transitioning from TANF into low-income child care; 2) extend the amount of time between TANF and low-income child care that a family continues to receiving child care while low-income eligibility is finalized	7/00	1/01	Ongoing.

**Recommendation 11:**

The Division of Child Care should identify strategies to provide education and outreach on health, safety, and child development issues to legally exempt providers who receive CCCAP subsidies. One promising model for such outreach is the Trustline Registry, which could be expanded beyond its primary focus on nutrition.

**Department of Human Services Response:**

Agree. The Department will continue to contract and expand, within available funds, services under the Trustline Registry. These services are intended to increase safety for children through training for legally exempt providers.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	The Division of Child Care will re-negotiate the contract with the Department of Health to increase the number of legally exempt providers in the Trustline pilot program	3/00	8/00	Contract discussions have been held. A meeting with local sponsors to discuss the plan more completely has been scheduled for 5/30/00 at the request of Trustline administrator to ensure plans are understood and implemented locally. Issued a purchase order to CDPHE which includes a 20% increase in Trustline participants over SFY 00
2	The Division of Child Care will make information on provider training opportunities available to legally exempt providers.	7/00	6/01	A discussion has been held with the Colorado Office of Resources and Referral Agencies to make this information available through the quarterly statewide training calendar, which is updated and available on line. Also, this issue will be discussed at the 5/31/00 meeting. Completed.

**Recommendation 12:**

The Department of Human Services should work with counties to develop additional categories for other assistance payments. Additional categories should be added to CBMS to capture the specific types of other assistance payments being used by the counties.

**Department of Human Services Response:**

Agree. The Department agrees to develop codes to identify additional categories of other assistance in CBMS through our current process of defining system requirements, which includes working with a combined team of state and county users to define system requirements.

Task Number	Task	Begin Date	Expected Completion Date	Comments/ Implementation Date
1	Prepare requirements of CBMS to replace codes with actual information	12/15/99	12/15/99	Completed 12/15/99
2	Meet with CBMS staff to discuss the current design in CBMS to address the tracking and determination of other assistance benefits provided to clients	1/13/00	1/13/00	Meeting held with Deborah Rasor of Renaissance Government Systems (RGS), Georgine Lechman (CBMS), Sandy Harlow (CBMS), and reviewed design, screens, categories and subcategories of other assistance payments. Agreed to get county input. Completed 1/13/00.
3	Meet with county staff to present issue	1/18/00	3/21/00	Discussed screens and level of detail with county representatives at monthly Colo. Works Program (CWP) Emp.&Trng meeting; requested feedback at 2/15/00 meeting. Completed 3/21/00.
4	Meet with county staff to secure input.	4/6/00	3/21/00	To share input submitted and solicit additional input from county staff.

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<b>Task Number</b>	<b>Task</b>	<b>Begin Date</b>	<b>Expected Completion Date</b>	<b>Comments/ Implementation Date</b>
5	Present documentation to CBMS staff for inclusion in CBMS design.	3/6/00	4/6/00	Present state requirements requested based on county input.
6	Development and implementation in CBMS.	4/6/00	On-going	Ensure requirements are satisfied and maintained.

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