
Colorado State Plan

Temporary Assistance for Needy Families (TANF)

Effective July 1, 2018

Introduction and Summary

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), requires that the following plan be submitted by the Colorado Department of Human Services (CDHS) to the U.S. Secretary of Health and Human Services. The plan outlines how the State of Colorado implements the provisions of the Temporary Assistance for Needy Families (TANF) program, and provides some specific detail regarding program design, employment-focused programming, eligibility criteria and benefit levels, administrative policies and procedures, fiscal information and certifications and assurances.

Colorado's TANF program is known as Colorado Works and is designed to assist families in becoming stable and self-sufficient, reducing the need for the social safety net due to positive outcomes, particularly employment. Colorado values engaging low-income families in services and strategies that result in meaningful, self-supporting employment as the best strategy for promoting long-term well-being for those in poverty. In addition to the core function of the safety net, Colorado Works promotes job preparation, successful transition to and progression in work, and develops strategies and policies that ensure participants are engaged in an individualized and outcome-oriented plan that promotes well-being and economic security.

The Colorado Works program, in its design, also promotes capacity building and preventative measures to strengthen families, provide for positive youth development and healthy relationships. The Colorado Works program operates in all counties in Colorado and is administered locally by county departments of human/social services, per State statute. Each county enters into a performance memorandum of understanding with CDHS and has written county policies describing its program. CDHS is responsible for ensuring that all counties comply with the terms of their county policies, as well as with all federal and State statutes and regulations. County departments of human/social services have flexibility in determining the most effective approach for accomplishing the four federal purposes of TANF within their local area and within the parameters established by the State and federal government, including the authority to contract all or part of the program operation to private and/or public providers. Counties develop their program policies to deliver the most appropriate services to eligible participants in their communities. All local program policies must meet federal and State statutory and regulatory requirements.

In addition to the services and investments made by counties through implementation at the local level, CDHS is committed to supporting programs throughout the State that serve low-income families and that are designed to meet one of the four purposes of TANF. CDHS also administers the Personal Responsibility and Education Program (PREP) grant, which provides comprehensive and medically accurate sexual health education to teens.

Eligibility Criteria, Benefit Levels and Services

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Colorado Works statutes state that no individual is entitled to benefits or services under the Colorado Works program. Colorado Works provides fair and equitable treatment to all applicants and participants and does not discriminate based on age, disability, race, color or national origin, or any other basis prohibited by law.

Basic cash assistance. Colorado Revised Statutes set uniform statewide basic eligibility and minimum benefit levels for basic cash assistance based on Aid to Families with Dependent Children (AFDC) rules that were in effect on July 16, 1996, with the following exceptions:

- (1) Families do not have to include half siblings in the same assistance unit if at least one of the half siblings is receiving child support;
- (2) Sixty seven percent of a participant's income is disregarded for ongoing benefit calculation;
- (3) All wages earned in subsidized employment from eligibility determination and grant calculation pursuant to C.R.S. 26-2-706.9 (9) (d) and C.R.S. 26-2-709 (1) (II);
- (4) Two parents are treated the same as single parent families however; cash assistance is paid using State-only funds; and,
- (5) A family's resources are exempt.

Eligibility criteria for cash assistance also include the following:

- (1) Colorado does not impose a family cap;
- (2) Colorado does require the participant to work with child support services, to ensure child(ren) receive financial supports. Colorado does require the assignment of child support rights as a condition of eligibility for Colorado Works;
- (3) Colorado does not impose different eligibility criteria or benefit levels on families moving into Colorado from other states;
- (4) Expectant parents that can prove pregnancy are eligible; and,
- (5) All work eligible individuals must sign and participate in an individualized plan for employment.

The following persons shall be ineligible for all Colorado Works benefits or services:

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- (1) Fugitive or fleeing felons, parole violators, or probation violators;
- (2) Specified caretakers who fail to report, without good cause within normal program reporting requirements, a child(ren) who is expected to be out of the home for longer than forty-five (45) calendar days, will be ineligible for assistance for ninety (90) calendar days from the date that it is determined he or she should have reported the expected absence;
- (3) Persons convicted of a drug-related felony on or after July 1, 1997, unless the county department has determined that the person has taken action toward rehabilitation, such as, but not limited to, participation in a drug treatment program;
- (4) Assistance units with an adult participating in a strike; and,
- (5) Qualified legal non-citizens or those who are not federally exempt, who entered the United States on or after August 22, 1996, are ineligible for cash assistance for five (5) years from date of entry into the United States.

In addition to the basic cash assistance grant, county departments of human/social services may provide other assistance in the form of additional benefits, services, and incentives to participants above the basic benefit level, as outlined in their county policy.

Dependent child(ren) must live with a specified caretaker; except for child(ren) receiving family preservation services or child(ren) receiving services as outlined in Colorado's approved Title IV-A State Plan in effect as of September 30, 1995. A specified caretaker is a person who exercises responsibility for the child and may or may not be related to that child.

To receive benefits, an assistance unit may consist of the dependent child, siblings of the dependent child, and specified caretaker (such as parents or grandparents, etc.). A dependent child is a child under age 18 or between 18 and 19 who is expected to graduate from high school prior to his/her 19th birthday.

Every household receiving TANF assistance is raising a child. There are three primary family types receiving Colorado Works assistance:

- Single parent households with at least one child (including pregnant women without other children)
- Child(ren) living with a caretaker where the child(ren) and the caretaker are also receiving benefits
- Child(ren) living with a caretaker whereby benefits are to support the child(ren), but not the adult(s) in the household (referred to as Child-only participants)

Persons living in the household who are financially responsible for members of the assistance unit, but who are not required to be in the unit, will have their income, minus the employment disregard, deemed available to the family unit. The income disregard at initial application is \$90;

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once eligibility has been established, 67% of income will be disregarded during the certification period (up to six months). The generous disregard after eligibility has been determined is intended to support a transition to employment for families receiving assistance, allowing access to not only basic cash, but also case management and supportive services that are critical during early attachment to work.

Services are provided to child(ren) in out of home placements or in juvenile justice facilities in accordance with the provisions of the approved Emergency Assistance State Plan in effect on September 30, 1995. Non-monetary services may also be provided to a non-custodial parent according to program rules, as outlined in county policy.

Specified caretakers are required to notify the agency within normal program reporting requirements if a child has left the home and is expected to be gone for more than 45 calendar days. Specified caretakers who fail to meet this requirement will be ineligible for assistance for ninety calendar days.

Good Cause exceptions for temporary absence include:

- (1) Child(ren) receiving medical care or education that requires him or her to live away from the home; or,
- (2) Child(ren) visiting a noncustodial parent, as specified in a parenting plan entered by the court or by both parties not to exceed six (6) months unless otherwise specified and must be signed by both parties; or,
- (3) Child(ren) residing in voluntary foster care placement for a period not expected to exceed three (3) months. Should the foster care plan change within three months and the placement become court-ordered, the child is no longer considered to be living in the home as of the time the foster care plan is changed.

Applications and redeterminations of eligibility. Applications for Colorado Works benefits must be processed within 45 calendar days. For persons receiving ongoing basic cash assistance, a redetermination of eligibility must be completed every six months. Redeterminations for Colorado Works benefits must be completed by the last day of the month if submitted prior to the 15th of the redetermination month and must be completed by the 10th of the month following the redetermination month if received after the 16th of the redetermination month.

Method and frequency of basic cash assistance. Assistance units are certified as eligible and receive benefits through a six-month certification period, notwithstanding changes to household composition or income that would render the unit ineligible entirely. The Certification Period aligns with the State's Food Assistance simplified reporting rules; families are required to report changes as they occur, including changes to household composition, income (source or amount, earned or unearned), or residence.

Changes that do not render the unit ineligible will not negatively affect benefits during the certification period. Changes that would increase the assistance amount will be applied and acted

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upon as they are reported, irrespective of the certification period. All other reported changes take effect at the beginning of the next Certification Period.

Time limits. Adult members of the assistance unit are limited to 60-months of TANF assistance during their lifetime. Up to 20% of the caseload may receive an extension of federal TANF assistance beyond the 60-month lifetime limit if their cases meet hardship or domestic violence criteria. No extensions will be formally granted until the adult has received TANF benefits for 60-months. All extensions will be granted by the county department of human/social services based on hardship or domestic violence reasons defined in Colorado Works rules and county policies. Domestic violence extensions and hardship extensions may be granted when domestic violence or hardship problems prevent the adult(s) from participating in work activities or securing employment. Hardship reasons for extensions beyond the 60-month time limitation include the following:

- (1) Disability of the caretaker, his/her spouse, the dependent child(ren), or immediate relative for which the caretaker is the primary caregiver;
- (2) involvement in the judicial system because a member of the assistance unit has an existing case;
- (3) family instability, including the proven inability to maintain stable employment or inability of the caretaker to care for child(ren) in his or her own home or in the home of a relative;
- (4) inadequate or unavailable child care, housing, transportation, or employment opportunities;
- (5) families experiencing current or past domestic violence issues; and,
- (6) other hardship reasons specified in the county's policies.

Minor parents. A minor parent is a parent who is under age 18. All unmarried minor parents are considered child(ren) for purposes of time limits and budgeting. Unmarried minor parents must live with a parent or adult relative or guardian, or in a setting deemed appropriate by the county, with exceptions for good cause. Minor parents who have not completed high school or its equivalent must attend high school, work on a GED, or be in an alternative education training program approved by the State in order to be eligible for assistance unless receiving benefits paid with segregated State/local funds. Colorado does not require non-custodial, non-supporting minor parents to fulfill community work obligations or attend appropriate parenting classes after school.

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Tribal Eligibility. Members of Indian tribes who live in Colorado and are not eligible for assistance under a Tribal Family Assistance plan approved under Section 412 of the Social Security Act could be eligible for Colorado Works. Any month of receipt by an adult while living in Indian Country or a Native Alaskan Village where at least 50 percent of the adults are not employed shall not count towards the 60 cumulative months of assistance. Indian Country is defined in Section 1151 of Title 18, Part 1, Chapter 53, United States Code, as of January 6, 1999.

Sanctions. Sanctions are imposed on Colorado Works recipients who do not participate in or otherwise violate the terms and conditions agreed upon in the individualized plan. Sanctions apply to the full family. Before sanctions take effect, the county office must attempt conciliation with the participant. Good cause may be granted, and benefits will not be sanctioned. If conciliation is not successful, the sanction process will ensue, as follows:

- (1) The first sanction shall be twenty-five percent (25%) of an assistance unit's cash assistance for a period of one month. The first sanction shall remain in effect until cured and served. Sanctions not cured by the end of the sanction period shall progress to the second sanction.
- (2) The second sanction shall be fifty percent (50%) of the cash assistance for one month, and shall remain in effect until cured and served. Second sanctions not cured within the sanction period shall progress to the third sanction.
- (3) The third sanction shall result in the termination of cash assistance to the assistance unit for a period of three months.
- (4) A full case closure for a period of one month can occur for complete refusal to participate in or comply with the entire individualized plan.

The sanction period is determined by the State Board of Human Services. Once a participant reaches the third sanction, all subsequent sanctions are at the third level.

Disqualifications. Persons who are required members of the assistance unit, but are disqualified or excluded from receiving Colorado Works basic cash assistance or diversion due to program prohibitions or violations, shall be removed from the assistance unit.

- (1) Individuals who commit fraud will be removed from the grant for a 12-month period for the first offense, 24-months for the second offense, and permanently for the third offense.

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- (2) Individuals who misrepresent information in order to receive assistance in two states at the same time will be ineligible for a period of ten years.
- (3) Individuals who are fugitive or fleeing felons, parole violators, or probation violators.
- (4) Individuals who have been convicted of a drug-related felony on or after July 1, 1997, unless the county has determined that the person has taken action toward rehabilitation.
- (5) Individuals who have failed to apply for a Social Security Number.
- (6) Individuals who are non-citizens and do not meet the definition of a qualified legal noncitizen.

Overpayments and recoveries. All overpayments are promptly established as account receivables unless:

- (1) The household members are without fault in the creation of the overpayment,
- (2) The change in income or other circumstances were reported timely, and
- (3) The recovery would deprive the household of income required for ordinary and necessary living expenses or would be against equity and good conscience. The definition of against equity and good conscience must be consistently defined in county policy. The fact that the recipient is receiving public assistance shall not be the only factor in making a determination that the person would be deprived of income required for ordinary and necessary living expenses or that equity and good conscience exist.

A county will not pursue collection of overpaid benefits from individuals who were dependent child(ren) in the overpaid Colorado Works case.

- A. For individuals actively receiving assistance, the Monthly Recovery Reduction Amount is as follows:
 - (1) If the error is a result of an agency error compute five percent (5%) of the authorized payment amount or, if the error is result of a client error, compute ten percent (10%) of the authorized payment amount. If the resulting percentage amount is less than ten dollars (\$10), the deduction from the authorized payment amount shall be ten dollars (\$10).
 - (2) Deduct the percentage amount, or ten dollars (\$10) when the percentage amount is less than ten dollars (\$10), from the authorized payment to

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arrive at the payment amount. This amount shall be rounded to the next lower whole dollar amount, if not already a whole dollar amount. This rounded amount is the final payment amount.

- (3) When recovery deductions reduce the payment amount to less than ten dollars (\$10), such lesser amount shall be paid except when that amount is less than one dollar (\$1.00) in which case no payment is made and that month shall not count towards the recipient's federal TANF time limit. The client shall continue to receive services as applicable.
 - (4) When the authorized payment amount is less than ten dollars (\$10), no deduction shall be made from such "no payment" case.
 - (5) When recovery deductions reduce the payment amount to less than one dollar (\$1.00) and as a result no payment is made, such case shall not be considered to be an active Colorado Works case.
 - (6) When recovery is due to a fraudulent action on the part of the recipient and interest may be added thereto in accordance on the part of the recipient, the interest amount shall not be included in the payroll deduction unless the recipient agrees to such inclusion. If the recipients does not so agree, the interest amount shall be collected.
 - (7) The amount of recovery deduction shall be recorded in the recipient's case file and collected via the statewide benefit management system.
 - (8) Previously established claims will be deducted from cash assistance under the Colorado Works program in accordance with the AFDC Recoupment policy.
 - (9) Claims shall not be collected against supportive services and/or other assistance payments unless such claim is due to fraud and/or IPV claims.
- B. For overpayments to non-active cases, the county shall establish a monthly repayment plan with the family which shall be no more than ten percent (10%) but no less than five percent (5%), of the family's gross income or an amount defined by the recipient in excess of ten percent (10%), or the amount can be paid in full unless hardship is established.

Non-recurrent, short-term benefits. Colorado offers non-recurrent, short-term benefits and services to its Colorado Works participants in two forms – state diversion and county diversion.

- (1) A "state diversion" is a needs-based, cash or cash-equivalent payment made to a participant who is eligible for basic cash assistance;

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- (2) A “county diversion” is a needs-based, cash or cash-equivalent payment made to a participant who is eligible for assistance pursuant to the maximum eligibility criteria for non-recurrent, short-term benefits established in the State plan, in the county-defined expanded eligibility based on federal poverty and other standardized guidelines, and in county policies.
 - (A) Eligibility for Colorado Works county optional benefits and service requires:
 - (1) A family consisting of child(ren) living with a specified caretaker or parent(s) with unborn child(ren); and,
 - (2) The family’s gross income is within the county limit, up to \$75,000 per year.

Notwithstanding the above eligibility requirements, all Colorado residents are eligible to receive services intended to reduce out-of-wedlock pregnancies and/or encourage the formation and maintenance of two-parent families if paid exclusively with federal TANF funds. The federally funded Personal Responsibility Education Program intends to decrease teen pregnancies through the implementation of evidence-based comprehensive sexual health education curriculum. The grant requires additional programming to focus on three federally outlined Adult Preparation Subjects: healthy life skills, healthy relationships, and adult/child communication.

Additional Colorado Works Benefits and Services. Other benefits and services include, but are not limited to, the following:

- (1) Colorado allows county departments to use Colorado Works funds to provide vouchers for State approved job placement agencies.
- (2) Colorado provides family planning services not available through Medicaid.
- (3) Colorado provides employment incentives to participants or employers as determined necessary by county policy.
- (4) Colorado screens for domestic violence as a part of the assessment process but will only exempt domestic violence victims from time limits and other requirements for work participation when indicated by the assessment, not as a standard practice. Colorado refers domestic violence victims for needed services. Colorado is meeting the requirements for the federally approved domestic violence waiver.

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- (5) Colorado meets the needs of the refugee population through the Colorado Refugee Assistance Program (CRSP) utilizing Colorado Works funding.
- (6) Colorado promotes responsible fatherhood through evidence-based responsible parenting and relationship education programs.
- (7) Colorado offers subsidized employment programs for both custodial and non-custodial parents that are TANF eligible. The Colorado Works Subsidized Employment and Training Program (CW STEP) is one example. The program assists Colorado Works recipients to attain living-wage, permanent jobs through employment opportunities with subsidized wages, including apprenticeships, on-the-job training, transitional jobs, and paid internships.
- (8) Colorado disregards all wages earned in subsidized employment from eligibility determination and grant calculation pursuant to C.R.S. 26-2-706.9 (9) (d) and C.R.S. 26-2-709 (1) (II).

Non-citizens. Non-citizens, who entered qualified non-citizen status on or after August 22, 1996 and have been in the country for five or more years, are eligible for TANF funds in accordance with Section 402 (b) of the Act. Colorado pays TANF assistance to excepted qualified non-citizens as required by Title IV of PRWORA. Victims of severe forms of trafficking are eligible for federally funded TANF benefits to the same extent as refugees. Counties may assist 1) unexpected qualified aliens who arrived on or after August 22, 1996 and have been in this country less than five years and 2) aliens lawfully present who would be eligible for TANF but for Title IV of PRWORA with segregated State/local funds.

Refugees. Refugees are qualified aliens exempt from the five-year bar. Refugees eligible for assistance through Colorado Works submit an application through their county of residence. The State provides its Refugee-TANF (Colorado Works) population assistance and services by utilizing county departments and the Colorado Refugee Services Program. County departments are charged with the responsibility of Colorado Works eligibility determination, and CRSP with case management and service provision responsibilities, which may include workforce development. The model implemented by the State helps ensure all services for refugees are culturally and linguistically appropriate.

Through the assessment process, CRSP determines the most appropriate way to serve refugee families. Consistent with all families accessing Colorado Works benefits, the assessment is used to determine if either a monthly grant or a non-recurrent short term benefit is most appropriate based upon family circumstances.

Family preservation. The Family Preservation Program replaced the IV-A Emergency Assistance Program that was administered by the child welfare. This program utilizes segregated federal TANF funds to provide services to families where the child(ren) are at risk of out-of-home placement. These services are designed to ensure that child(ren) can be cared for in their

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own homes or in the homes of caretaker relatives, and include case planning, case management, counseling, family support programs, intensive family therapy, day treatment, home-based services, non-medical drug and alcohol treatment, and crisis intervention services. Eligibility for Family Preservation is as follows:

- (1) The family income must be under \$75,000 yearly; and,
- (2) The child must meet out-of-home placement criteria; and,
- (3) The child lived with a specified relative within the last six months.

Work Provisions

Assessment and Individualized Employment Plans. All applicants for Colorado Works are assessed no later than 30 days after the application date. The initial assessment focuses on identifying what services and assistance will support the family in achieving economic stability, and are particularly centered on obtaining meaningful employment. All assessments, both initial and ongoing, are individualized and include formal and informal evaluations to determine strengths and challenges to obtaining economic stability, such as recent work history and skills, education level, needs of the assistance unit, and other relevant factors. Counties may utilize specialized assessment tools, such as those for substance abuse or vocational interest, depending upon the circumstances of the family, in order to fully develop a suitable and individualized plan. All plans identify a goal for lasting economic security, and are intended to support not only the process components of work participation and verification, but the attainment of a long-term outcome or goal. Strategies and accommodations to address challenges are included in the individualized plan developed from the assessment, and roles are clearly delineated. A contract between the work eligible individual(s) in the family and the county agency focuses on each party's responsibilities, and clearly states the terms and conditions of benefit receipt. The specific actions, activities, goals, and supports needed are outlined in the individualized plan. Whether assistance is one-time (diversion) or recurrent (basic cash assistance), a plan is developed and agreed to by both the participant and the county human service department.

Colorado places a strong emphasis on employment as the most likely path to economic stability for families in need of assistance, and as such, works closely with existing agencies at the State and county levels to ensure service integration and innovative practices. This includes partnerships with the State's Division of Vocational Rehabilitation, Workforce Investment Board, Department of Labor and Employment, Department of Higher Education and Community Colleges, and local workforce and education partners.

Work Eligible Individuals. Work eligible individuals are identified through logic in the Colorado Benefits Management System (CBMS), which is the State's eligibility and work program tracking system for Colorado Works participants, as well as other public assistance. Colorado does not employ separate state programs under TANF and has executed sanctions since

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PRWORA was signed into law in 1996. Non-recipient parents are not considered work eligible individuals in Colorado for reasons outlined in the TANF Final Rule, such as non-citizen status and minor parents who are not a head of household. Colorado does not include SSI/SSDI recipients in the work participation rate calculations. CBMS identifies cases where a parent is caring for a disabled family member and should not be categorized as a work eligible individual. County departments are trained and formally advised of the need to document medical verifications in the case file for this purpose. Medical verification will be updated at each redetermination of Colorado Works eligibility, or before, if warranted. A family member for the purpose of this coding is considered to be any person living in the household who is dependent on the work eligible individual(s) for care and receiving financial support.

Work participation. All work eligible individuals engage in an individualized plan, and as such, participate in a State or county defined work activity. Exception is made for those with a domestic violence waiver or for single parents with a child under age six for whom childcare is unavailable. Single parents with a child under age one are not exempt, unless specified by county policy.

Failure to engage in the individualized plan components and activities without good cause will result in sanction, as described in the sections of this plan on “sanctions” and “disqualifications”. Colorado considers childcare unavailable if childcare is inaccessible, unaffordable, or unsuitable as defined in each county policy. All participants are notified in writing of the criteria for this exemption, how to apply for the exemption, and the effect of this exemption on time limits.

Work activities, good cause for failure to participate and definition of ready to work. Colorado utilizes the federally defined work activities as the building blocks of an individualized plan that is outcome-based. Federally defined work activities are considered a means to an end, but not the end itself. As such, Colorado has implemented a statewide Employment Entry performance measure for the Colorado Works program, and provides guidance to counties on how to best utilize work activities to support and promote an employment goal. Per the State’s Work Verification Plan (WVP), all federally recognized work activities are used in Colorado, save the provision of childcare for another recipient in community services. Colorado adheres to the federal requirements around work participation and verification, and has consistently met the state’s work participation rate since 1996. Please see the WVP for a detailed list of activities, hours, and verification requirements.

Good cause for not engaging in work activities is determined at the county level, in accordance with federal and State guidelines. County departments utilize assessments, interviewing skills, and case management to support families in the goal of self-sufficiency, and determine together with the participant what activities best support their individualized plan. Case management is ongoing, allowing for the adaptation of the individualized plan over time and as circumstances change; Colorado employs a model of the Colorado Works program that is strengths-based and customer-centered. Counties are encouraged to engage program participants in a manner that stabilizes and supports the family, reserving sanctioning as a final resort after conciliation is unsuccessful.

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Job ready is defined locally and outlined in county policies; Colorado has found that being ready to work is fluid and looks different family-to-family, and is committed to working with customers where they are at. Counties are encouraged to think about mid- to long-range planning for economic stability, implementing strategies that protect against recidivism because those who are exiting are truly more economically stable and no longer need the support of the program. In this vein, work ready is considered not only the ability to get work tomorrow, but also the ability to maintain and succeed in employment over the long-term.

Provisions of the Patient Protection and Affordable Care Act (PPACA):

Other Specialized Training: Colorado assists individuals to train for, seek and maintain employment to provide direct care in a long-term care facility and in other occupations related to elder care determined appropriate by the State for which Colorado identifies an unmet need for service personnel.

Administrative Policies and Procedures

Confidentiality. All applicant or recipient information is confidential and available only for the purposes of the effective administration of the program and will be made available to federal or State agencies as appropriate. All employees are trained to maintain the confidentiality of information and are notified that failure to do so will result in dismissal. All parties acting on behalf of the county department must be employees or contractual agents. County departments of human/social services contracting for program administration or services are required to include confidentiality requirements in their contracts. County departments of human/social services administering the program are required to include procedures to ensure confidentiality in their policies.

Appeals. All programs and services under the Colorado Works program are implemented in a fair and equitable manner. This includes ensuring the correct use of any adverse actions towards applicants and participants of Colorado Works whose basic cash assistance benefits have been denied, reduced or discontinued. An applicant and/or participant may appeal such decisions through the appeals process established by CDHS.

All disputes and complaints begin at the county level. Participants are informed of their appeal rights at application and when any adverse action is taken on his/her case. Individuals who believe that an agency decision regarding the receipt of benefits or services is incorrect may appeal the adverse action. An applicant or recipient who disagrees with a proposed action has the right to a local level dispute resolution conference, which must be requested prior to the effective date of the proposed action. If the individual does not wish to utilize the local/county conference to resolve the dispute, they may request a State level fair hearing before an Administrative Law Judge. If the individual is dissatisfied with the outcome of the local dispute resolution conference, a State level fair hearing before an Administrative Law Judge can take place if a request is received no later than 90 calendar days after the date the notice of proposed action was mailed by the county department/agency.

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Judicial review of the final agency decision in the appropriate State district court, after exhausting the administrative appeals rights, may be granted. If the appellant is receiving financial assistance, medical assistance, social services, or basic cash assistance under the Colorado Works Program at any time a conference or hearing is requested, all benefits will continue, pending the outcome of the State level fair hearing and final agency decision, if the request for local conference and or State level fair hearing is made prior to the effective date of the proposed action being appealed or the 10 day period for appealing a county dispute resolution decision to the State department. Continued benefits will be authorized unless the recipient states in writing that the continued benefits are being waived.

A Colorado Works participant receiving basic cash assistance will have benefits continued if an appeal is filed timely and in accordance with the rules and regulations established by CDHS. If a recipient requests a local dispute resolution conference or State level fair hearing within the noticing period, financial assistance under the Colorado Works program will continue during the dispute resolution process or State level appeal period until the final agency decision is entered or the recipient voluntarily abandons the appeal or discontinues benefits.

Any county employee complaints are heard by the Colorado Department of Labor and Employment.

Fraud. Colorado reviews information from our benefit payment system, interfaces with other systems, and fraud investigations to limit the amount of fraud and abuse in the program. Questionable cases will be reviewed through a county investigation to certify the accuracy of the information, and determine if the applicant and/or participant committed an Intentional Program Violation (IPV) or fraud. IPV's are processed by the county and are resolved by obtaining a "Waiver of Intentional Program Violation" through an administrative disqualification hearing or through referral for civil or criminal action in a State or federal court. An IPV is committed when an individual makes a false or misleading statement or fails to disclose any action intending to mislead or conceal any eligibility factor on any application or other written communication. Fraud is subject to criminal action and must be proven beyond a reasonable doubt.

Colorado continues to review and implement standards and procedures to enforce program regulations and combat program fraud and abuse. All counties are required to create and comply with their county fraud prevention policy, which includes standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

Fiscal

The Colorado General Assembly annually appropriates TANF funds for State administration, evaluation, computer system maintenance, funding for specific program needs, with the largest portion going towards a county block grant. The total block grant includes local and federal funds for counties to operate the Colorado Works program. The county block grant is then allocated to individual counties through the statutorily authorized Works Allocation Committee

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(WAC). The committee applies a formula based on economic and demographic factors to derive individual county allocations.

Counties have primary programmatic flexibility for implementation of the TANF program, and as such are allowed by State statute and program rule to make fiscal and policy decisions based on the amount of funds available to them each year through the county block grant. CDHS monitors and reports expenditures through the Colorado Financial Management System (CFMS). State auditors (both internal to CDHS as well as external) may audit county operations. Colorado segregates State/local maintenance of efforts (MOE) funds from federal TANF funds to increase program flexibility, and ensures that fiscal constraints related to each funding source are applied accurately.

Maintenance of effort. Colorado continues its maintenance of effort based on FFY 1994 expenditures at the level of at least 80 percent unless federal work participation rates are met, in which case Colorado will reduce its MOE expenditures to 75 percent. In order to meet its annual MOE obligation, Colorado may count any qualifying expenditures that are allowed under federal statute and regulation. Qualifying MOE expenditures are any non-federal and otherwise unclaimed expenditure made on behalf of TANF-eligible families with household gross income up to \$75,000 per year. The primary sources of qualifying expenditures include:

- (1) Colorado Works. This includes expenditures made at the county level on benefits and services as well as program administration costs directly related to the provision of these benefits and services.
- (2) Emergency Assistance to Families with Child(ren). This includes case planning services, case management services, counseling, family support programs, intensive family therapy, day treatment, home-based services, non-medical drug and alcohol treatment, or crisis intervention services.
- (3) Child Welfare Services. This includes expenditures made at the county level on services for TANF eligible families to protect child(ren) from harm or to assist families in caring for their child(ren).
- (4) Colorado Child Care Assistance Program (CCCAP). This program serves families consisting of caretaker relatives caring for child(ren) up to 225 percent of the federal poverty level through assistance with payments for child care services. Families receiving services are employed, in training, or looking for a job.
- (5) Low-income Energy Assistance Program (LEAP). LEAP provides benefits and services to TANF-eligible households for help with winter heating costs. Colorado is aware that it may not count toward their TANF MOE requirement any expenditure used to receive Federal LIHEAP Leveraging Incentive Funds.

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- (6) Refundable Tax Credits. The Colorado Earned Income Tax Credit and the Child Care Tax Credit.
- (7) Education Expenditures from the Colorado Preschool Program. This program provides funding to Colorado schools in an effort to establish quality early childhood education programs, strengthen families, and support them as participants in their child's education. School districts conduct an individualized educational program for the child with family involvement.
- (8) Nurse Home Visitor Program. This program consists of nurse home visitors who work with women and their families in their homes during pregnancy, and through the first two years of the child's life. The program provides regular visits with new or at-risk mothers to improve parenting skills and child wellbeing and to link mothers to needed social services. This is accomplished through regular home visiting sessions through the child's second birthday.
- (9) Pro-family healthy marriage and responsible fatherhood activities enumerated in part IV-A of the Act. Colorado is aware that the pro-family MOE spending provision pertains only to the allowable non-assistance healthy marriage and responsible fatherhood activities enumerated in sections 403(a)(2)(A)(iii) and section 403(a)(2)(C)(ii) of the Act, and listed in TANF-ACF-PI-2008-10, e.g., not public education activities.
- (10) Non-profit and private spending. Colorado receives spending information from non-profits, foundations, and other charitable organizations on TANF eligible families. The services provided fall mainly into the categories of family stability, short term housing assistance, educational and youth development activities, job readiness and transportation.

Transfer of funds. In accordance with federal law, Colorado reserves the right to transfer up to the federal maximum levels of the State Financial Assistance Grant (SFAG) to the childcare block grant and to Title XX. These transfers are made primarily at the county level, but may also be made at the State level as appropriate.

Certifications and Assurances

Pursuant to PRWORA, Colorado's chief executive officer makes the following certifications:

- (1) Colorado operates a child support services program;
- (2) Colorado operates a foster care and adoption assistance program;

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- (3) The Colorado Department of Human Services supervises the county departments of social/human services who administer the Colorado Works program;
- (4) Colorado provides each member of an Indian tribe who is domiciled in the State and not eligible for assistance under a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program;
- (5) Colorado has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage. Colorado operates a SAVE System and an IEVS system in accordance with federal requirements; and
- (6) Colorado has established and is enforcing standards and procedures to (a) screen and identify individuals receiving assistance with a history of domestic violence while maintaining the confidentiality of such individuals; (b) refer such individuals to counseling and supportive services; and (c) waive, pursuant to a determination of good cause, other program requirements in cases where compliance with such requirements would make it difficult for individuals receiving assistance to escape domestic violence or would unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.
- (7) Local law enforcement personnel, representatives of counseling services in the counties, and the education system provide training regarding statutory rape education to males and females alike. Efforts are made to get law enforcement personnel and judicial personnel to impose stricter enforcement of the statutory rape laws.
- (8) Colorado has established goals and taken action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and established numerical goals for reducing the illegitimacy ratio. Colorado works with county departments of human/social services and educational and health agencies to reduce the out of wedlock birth rate, with a special emphasis on teenage pregnancies;
- (9) Local governments and private sector organizations have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and,

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- (10) Local governments and private sector organizations have had at least 45 days to submit comments on the plan and the design of such services.

Pursuant to Public Law 112-96, Section 4004- Colorado's chief executive officer makes the following assurances:

- (1) *Recipients of the assistance have adequate access to their cash assistance and recipients of assistance have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available.*

Colorado has three options for recipients to receive their cash assistance: Colorado EBT/Quest card, direct deposit into a bank account, and enrolling in the KeyBank branded debit card. Fidelity Information Services (FIS) is the vendor that processes all EBT transactions for Colorado. The EBT/Quest card is the traditional method for recipients to receive their cash assistance. There is not a fee for making cash purchases, including getting cash back through a Point of Sale (POS) device. FIS charges a 32-cent (\$.32) fee for withdrawing money at an ATM; any additional ATM surcharges may apply. The KeyBank debit card requires the recipient to complete an enrollment form to request this option. The KeyBank card provides the recipient more options for accessing cash; including online bill pay, while offering better opportunities for managing their money. The recipient can obtain their cash anywhere MasterCard is accepted. KeyBank does not charge a fee for withdrawing or accessing money at a KeyBank branch, KeyBank ATM, AllPoint ATM, or POS terminal including cash back and online purchases. There is a \$1.50 ATM processing fee for using a Non-KeyBank or Non-AllPoint ATM; additional ATM surcharges may apply.

- (2) *Colorado has policies and procedures to prevent access to assistance through electronic benefit transfer transactions in an automated teller machine or point-of-sale device located in casinos, liquor stores, and retail establishments which provide adult-oriented entertainment.*
- (A) *Legislation.* Colorado State Legislature passed a law addressing the Prohibited Uses of Public Assistance Benefit Cards. This law addressed the use of Colorado Works benefits provided to a recipient on a Colorado Quest EBT card account (Section 26-2-104 (2) (a)). The enacted Statute outlines that: Recipients cannot access their EBT cash benefits from an ATM located at licensed gaming establishments; in-state simulcast facilities; commercial bingo

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facilities; stores that sell firearms; or retail establishments licensed to sell malt, vinous, or spirituous liquors.

(B) *Rule.* Colorado State Regulations have been revised to reflect prohibited locations, and includes increasing penalties when misuse occurs. County departments are required to discuss this information with the recipient during the eligibility interview and when the EBT card is issued.

(C) *Education.*

Participants. Information about establishments where EBT transactions are prohibited is provided to recipients at the eligibility interview and when the recipient requests to receive cash benefits on an EBT card. This information is also posted in County Department Human/Social Service offices. Recipients are also given an informational brochure. This brochure informs recipients:

- Which types of transactions involve no fees or charges;
- Which types of transactions involve fees and/or surcharges; and
- Where they can access or withdraw their cash benefits (POS terminals at retail locations statewide and ATM machines).

The State requires participants to sign a disclaimer upon issuance of the EBT Card indicating they are aware of and understand the usage restrictions.

County Staff. Caseworkers and county administrators have and will continue to receive information about the law through monthly newsletters and meetings. New and existing caseworkers will be consistently trained in providing accurate information to EBT card recipients. Compliance will be monitored during the County Management Evaluations conducted by the State department.

(D) *Monitoring.* Monitoring will consist of running quarterly EBT usage reports to track businesses including marijuana shops allowing this activity. Businesses allowing this activity will be notified that they are out of compliance with Public Law 112-96, Section 4004 and of the specific steps to take to come into compliance.

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Individuals' transactions are also be examined at least quarterly. Individuals who use prohibited ATMs are contacted by the State department and provided information about the appropriate use of EBT cards. Repeated inappropriate usage will result in disabling the card and requiring personal interaction with the county department for additional assessment, education and/or explore access issues.

- (E) *Automated Prevention.* Colorado's EBT vendor implemented a new automated prevention strategy July 1, 2014. It flags transactions at prohibited businesses based on goods or services it provides using a "merchant category code." When a client attempts an EBT transaction at a point of sale (POS) device or ATM located in one of these businesses, the transaction will be denied.