



Colorado Works Evaluation 2008 Annual Report

Prepared for:

The Colorado Department of Human Services

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EXECUTIVE SUMMARY

The Lewin Group is conducting a multi-year, in-depth study of the Colorado Works program under contract with the Colorado Department of Human Services (CDHS). Lewin's partners on the study are the University of Colorado's Health Sciences Center, the Johns Hopkins University's Institute for Policy Studies, and Capital Research Corporation. The study's purpose is to provide administrators with information about program strategies and approaches that counties might find useful for improving program implementation, performance, and outcomes. The Lewin team developed the study's design in consultation with CDHS officials and an Advisory Committee consisting of representatives of the counties and Colorado's advocacy community. The study is exploring:

- Characteristics of Colorado Works participants receiving cash assistance and other services, and how the characteristics vary by region and county;
- Types of work activities in which clients participate;
- Types of supportive and transitional services clients receive;
- Employment, earnings, and welfare outcomes of current and former Colorado Works participants;
- Colorado Works participants' interaction with other key programs (e.g., Child Welfare, Food Stamps, Child Support Enforcement) and how such interaction relates to outcomes; and
- Promising strategies and approaches in counties' Colorado Works programs.

This report presents findings from research conducted during State Fiscal Year (SFY) 2008.

A. Major Activities

During SFY 2008, the major activities of the evaluation included the following:

- **A survey of Colorado Works county programs.** In 2008, Lewin conducted an Internet-based survey of Colorado Works directors from each county to gather information on county policies, initiatives, and strategies. The survey updated information collected in 2005 on county policies, practices, initiatives, and strategies in administering Colorado Works, and collected information on special topics not available from program data. In addition, the project team conducted follow-up interviews with administrators in approximately half of the counties to get additional detail on these topics. Findings are presented in Chapter 3 of this report.
- **A leavers survey.** Lewin is in the process of conducting a study of how well Colorado Works clients fare after leaving TANF. In SFY 2008, Lewin designed and tested a survey of Colorado Works leavers; fielding of the survey began in August 2008.
- **Collection and analysis of administrative data.** The research team has updated and expanded its database that draws from many state administrative systems, including the Colorado Benefits Management System (CBMS) and historical data from the "legacy" information systems it replaced; subsidized child care records from the Colorado Child Care Automation Tracking System (CHATS); child support

enforcement records from the Automated Child Support Enforcement System (ACSES); data on child welfare interactions from the Colorado Trails system; and unemployment insurance (UI) wage records.

- **Analyses of special topics.** As part of the study, the Advisory Committee chooses topics of specific interest to itself and to CDHS for in-depth examination. The project team submitted two such topics this year. These were (1) a *caseload modeling study* that uses statistical models the project team developed to estimate the effects of changes in the state population, the economy, and the Colorado Works program on the size of the caseload; and (2) a *comparative study* that examines Colorado's policies and outcomes in relation to other states, comparing the state's TANF program with other states' programs after a decade of welfare reform.

B. Key Findings

This annual report presents findings from the evaluation during SFY 2008 in several areas: trends in the Colorado Works caseload and characteristics of the families participating in the program; county policies and strategies discussed in the survey of county directors; interactions between Colorado Works and the state's child welfare and child support programs; client participation in work activities; and employment outcomes among Colorado Works participants, including both those in the program and those who have recently left the program.

1. Caseload Characteristics and Trends

- *The Colorado Works caseload has fluctuated over time, and has declined dramatically over the past three years.*

The fluctuations have occurred primarily in the one-parent and two-parent caseloads. The child-only caseload has remained largely stable over the program's history. Major caseload declines (especially in the one-parent caseload) occurred between 1997 and 2002. Caseload levels rose somewhat between 2003 and 2005, but over the past three years have declined sharply again. SFY 2008's average monthly BCA caseload through May (the last month for which data are available) is 39 percent lower than in SFY 2005. The overall basic cash assistance (BCA) caseload is now at its lowest level since 1997.

- *Child-only cases and state diversion recipients represent increasing shares of Colorado Works participants.*

The recent declines in the one-parent and two-parent caseloads have meant that other categories of cases represent an increasing percentage of those served through Colorado Works. There are now more child-only cases than one-parent cases. Similarly, state diversion is becoming an increasingly important component of the Colorado Works program; the number of state diversion cases is growing in both absolute and relative terms in comparison to the BCA caseload. The number of total clients served through state diversion over the course of SFY 2008 was one fifth as large as the number served in one-parent and two-parent BCA cases (based on data through May 2008).

- *Despite the caseload declines over the past few years, demographic characteristics of the caseload were mostly stable, though there was an increase in cases reported with disabilities.*

The percentage of one-parent cases with one or more disabilities increased 8 percentage points between SFY 2006 and SFY 2008; the percentage of two-parent cases with disabilities increased 10 percentage points. It is not clear from the data whether this increase represents an actual increase in the incidence of disability among the caseload, or whether disabilities are being reported more frequently due to a stronger focus on work participation or increased assessments.

- *For most clients, TANF is temporary, and many have been on Colorado Works for short spells.*

In a given month in SFY 2008, a third of the one-parent and two-parent caseloads have been in their current welfare spell for three or fewer months. Many clients in these caseloads appear to cycle on and off Colorado Works. Between one sixth and one eighth of these clients leave the caseload each month. Because of this movement onto and off the caseload, few people have reached the 60-month time limit; only about 800 cases in the past four years were closed due to the time limit. In contrast to the other types of cases, child-only cases – which are not subject to the time limit or to work participation requirements – exhibit long, stable spells of TANF receipt.

- *The economy and DRA appear to play a central role in the caseload level.*

The research team conducted a special analysis of the Colorado Works caseload trends using statistical modeling techniques. This analysis is presented in a special topic report, *A Statistical Analysis of the Colorado Works Caseload Trend*, and the main findings are presented in this annual report.¹ The analysis indicates that the caseload trend is mainly associated with the unemployment rate and federal changes introduced with the Deficit Reduction Act of 2005. As the unemployment rate increases, the caseload level increases, with effects of unemployment lasting up to two years. The analysis found the DRA interim final rule to have a negative relationship with the caseload, suggesting that service delivery changes in response to the stricter program requirements on the state may be associated with a decrease in the caseload.

2. Findings from the Survey of County Directors on County Policies, Strategies, and Initiatives

- *Colorado counties use a broad range of services and implement various special initiatives in the Colorado Works program.*

Lewin conducted a survey of Colorado Works directors in all counties and follow-up calls with program administrators in about half of the counties to document the diversity of the policies, practices, and operations in 2008. Lewin had conducted a similar survey in 2005, and the 2008 survey found that many counties have been continuing to develop and implement innovative services and strategies. Notable approaches adopted by counties include supports for families

¹ Burt S. Barnow and Mike Mueller, *A Statistical Analysis of the Colorado Works Caseload Trend*, The Lewin Group, December 2008.

of returning military personnel; restructuring case management to provide intensive case management to particular groups of clients; special uses of work experience placements (CWEPs) in group settings; and strategic use of faith-based or community organizations to reach families not comfortable with working with the social services offices.

- *Counties noted a number of challenges in meeting work participation rate requirements.*

These challenges include engaging harder-to-serve clients (such as people with disabilities, substance abuse issues, low skills, or criminal backgrounds) in work activities; a lack of jobs in some areas; healthy labor markets in other areas which removed all but the hardest-to-employ from the caseload; transportation barriers; and shortages of child care providers. Counties with very small caseloads face additional challenges, as even one case can make the difference between meeting and not meeting the required work participation rate.

- *Counties are planning a number of new initiatives to begin in the next few years.*

Many counties are planning new initiatives, partly motivated by the anticipated passage of SB 08-177, which caps the amount of unspent reserves counties can retain. Counties are currently at different stages of developing these new initiatives. Some plan to increase spending on existing initiatives or provide funding to support existing community projects or organizations, while others plan to create new programs or strategies. Initiatives focused on a number of areas, ranging from expanding affordable housing to projects specifically intended to remove barriers to employment (such as lack of child care) and projects supporting community infrastructure such as building or renovating community or recreation facilities that will house various services.

3. Interaction between Child Welfare and Colorado Works

- *One in ten children on Colorado Works cases in a month had an allegation of abuse or neglect in the prior twelve months in SFY 2007.*

In an average month of SFY 2007, 11 percent of children on Colorado Works cases had been involved in an allegation to Child Welfare of “maltreatment” (abuse or neglect) at some point during the previous 12 months. The percentage was particularly high among new and returning child-only cases, with 18 percent of children in such cases having been the subject of an allegation of maltreatment.

- *About one third of allegations of abuse or neglect in SFY 2007 were founded.*

In 33 percent of Colorado Works cases where an allegation had occurred during the past 12 months, the allegation was founded. Other referrals were determined to be either unfounded (38 percent) or inconclusive (38 percent). (Percentages can add to more than 100 because cases could be associated with more than one allegation.) The percentage of cases with allegations that Child Welfare determined to be founded was highest for child-only cases (41 percent, compared to 28 percent of one-parent cases and 31 percent of two-parent cases). Colorado Works cases with founded allegations had somewhat more and somewhat younger children than other Colorado Works cases.

- *Maltreatment of children on Colorado Works cases primarily occurs within the family, and most often involves neglect rather than abuse; about one in ten incidences of maltreatment is severe.*

In 98 percent of cases with a founded allegation of maltreatment, a family member maltreated a child; maltreatment by an institution or another party occurred in 2 percent and 3 percent of cases with founded allegations, respectively. In 87 percent of cases with maltreatment, there was a finding of neglect, and in 27 percent there was a finding of abuse. Ten percent of findings of maltreatment were determined to be severe.

- *County programs have developed a number of different strategies to prevent Colorado Works cases from becoming involved with the Child Welfare system and for serving those cases already involved with the system.*

Several county programs attempt to identify “at risk families” and provide services to work with them before they become involved with Child Welfare, such as home visits, employment of specialized social workers, parenting skills education, and referrals to crisis counseling. A number of counties coordinate or integrate Colorado Works and Child Welfare services for clients involved in both systems. In addition, a number of counties provide additional support to cases where family members take on caretaker roles.

4. Interaction between Child Support and Colorado Works

- *A higher share of Colorado Works cases have active child support orders than the national average for TANF cases.*

In an average month, roughly 40 percent of Colorado Works cases have a child support order. This appears to be higher than national rates, which a 2005 study estimates at around 25 to 33 percent. The median monthly support amount owed to Colorado Works cases was \$224.

- *Payments are made for about half of Colorado Works cases with active orders.*

The percentage of Colorado Works cases with active orders where a payment occurs in an average month is 53 percent. This appears to be higher than national rates, which the 2005 study estimates at 43 percent. Among all Colorado Works cases, child support payments occur in 22 percent of cases.

- *Child support payments are made somewhat more frequently with former Colorado Works cases than with current cases.*

Among one-parent cases in FFY 2007, active orders were somewhat more common for former Colorado Works cases than current cases (43 percent versus 39 percent) and it was also somewhat more common that payments were being made (26 percent versus 20 percent). This difference means that former cases were 25 percent more likely to have a payment made than current cases.

- *The vast majority of open cases have arrears, and the typical amount of arrears accumulated is substantial.*

Non-custodial parents owe arrears in over 90 percent of current and former Colorado Works cases with active orders. The median amount of arrears owed on current Colorado Works cases

was \$5,274 in FFY 2007, which was higher than the median amount of arrears owed to former Colorado Works recipients (\$4,138).

- *Interruptions in payments are common in cases where new child support payment spells occur.*

Many noncustodial parents do not consistently make payments in every month. Analysis of current and former Colorado Works cases where a noncustodial parent began to make child support payments (or resumed making payments) during the first three quarters of FFY 2007 shows that in 42 percent of these cases payments occurred for less than five consecutive months without an interruption of at least a month.

5. Work Participation Requirements

- *Colorado has shown a strong increase in its work participation rates recently, with gains each year since 2005.*

Analysis of Colorado Works administrative records shows that the all-families participation rate in Colorado increased by 12 percentage points between FFY 2005 and FFY 2008. The rate in FFY 2008 to date is 35 percent, compared to a federally required rate of 50 percent. (2008 data are available through May.) Most large counties have had increases in the share of eligible cases contributing to the all-families rate, and several have had rates above 40 percent. Among the ten largest counties, Denver and Larimer counties have shown the biggest increases in the last year in their all-families rates, which moved from 28 percent to 39 percent and 24 percent to 39 percent, respectively. Adams County currently has the highest rate at 51 percent. Colorado's two-parent rate has also increased, but it is well below the 90 percent required by the federal government.

- *The families that are most likely to count towards Colorado's work participation rate are those that face lower hour requirements.*

Under federal TANF rules, teenage parents and one parent cases with children under the age of six count towards a state's work participation rate if they work or participate in acceptable activities 20 hours per week, as compared to 30 hours per week for one-parent cases with a youngest child over the age of six. In FFY 2008, 55 percent of one-parent teenage cases included in the calculation of the all-families rate participated in work activities for enough hours to count towards the rate, as did 44 percent of one-parent cases with children under the age of six. Only 18 percent of one-parent cases with a youngest child over the age of six participated in work activities for enough hours to count towards the all-families rate, though that represents an increase from 15 percent in FFY 2006.

- *Most individuals contributing to the state's work participation rate in one month tend to do so again in the next month; similarly, relatively few individuals not contributing to the rate in one month do so in the next.*

Sixty-two percent of those who contributed towards Colorado's work participation rate in one month of FFY 2008 (by participating in work activities for enough hours) also contributed towards the rate in the following month. In comparison, only 20 percent of new cases participated in work activities for enough hours to contribute towards the rate. Of those who participated in work activities but did not fulfill the number of hours required to be counted

towards the rate, around one fourth contributed towards the state's rate in the following month. Among cases not participating in any work activities in a month (and not exempted from work requirements), only 7 percent contributed towards the rate in the next month. In this last group, another 5 percent began work activities but not for enough hours to be counted towards the rate. One third of cases not participating in work activities at all left the caseload in the following month.

6. Employment Outcomes of Colorado Works Participants

- *About one third of Colorado Works recipients engage in unsubsidized employment in each calendar quarter.*

In the period from the first quarter of 2005 to the first quarter of 2008, between 31 percent and 38 percent of Colorado Works recipients worked in the same quarter in which they received payments, according to Unemployment Insurance earnings records. (The quarterly data do not show whether they were enrolled in Colorado Works at the same time that they were working.) Median earnings were very low – between \$990 and \$1,230 in each quarter – which partially reflects limits on how much families can earn while remaining on Colorado Works. Earnings amounts declined over this period by 13 percent from \$1,133 in the first quarter of 2005 to \$991 in the first quarter of 2008. Employment rates declined slightly over the period. These trends may represent a changing composition of the cases that make up the Colorado Works caseload following its dramatic decline, though demographic characteristics do not demonstrate a substantial change during the period.

- *About three quarters of individuals who leave Colorado Works work in the year they exit; their earnings are low but rise over time.*

Between 73 and 74 percent of individuals who left Colorado Works in the first two quarters of 2005 worked at some point in the year after they left the program. Among those who left in the first quarter of 2005, median earnings of those who worked were \$6,300 in the first year. These low annual earnings levels in part reflect inconsistent employment among many leavers; on average, this group only worked slightly more than two quarters during the first year after leaving. By the third year after leaving, the share employed at some point in that year had fallen to 66 percent, but median earnings of those working were 38 percent higher than those working in the first year, at \$8,600.

- *Employment is inconsistent for most leavers.*

In an analysis of the employment experiences of individuals leaving Colorado Works between January 2005 and June 2006, only one fifth worked in every quarter during the two years following their exit, as determined from UI wage records. About half of those who worked at all during the two years (eight quarters) following their exit worked five quarters or fewer.

- *A substantial share of those who leave Colorado Works do not appear to have any reported earnings.*

About two out of five of individuals who leave Colorado Works do not have either earnings or Colorado Works payments in the following quarter (as indicated in administrative records), and the percentage increases somewhat in subsequent quarters. Of Colorado Works leavers who spent at least one quarter in this “no welfare, no work” category within their first two years

(eight quarters) following their exit from Colorado Works, about one fifth stayed in this category all eight quarters; close to half spent at least four of eight quarters in this category. What income sources support these individuals is a topic that the research team will explore in a future, more detailed study of Colorado Works leavers.

I. INTRODUCTION

This annual report presents findings from activities conducted during State Fiscal Year (SFY) 2008 as part of an in-depth, multi-year study of the Colorado Works program. The Lewin Group is conducting the study with the University of Colorado's Health Sciences Center, the Johns Hopkins University's Institute for Policy Studies, and Capital Research Corporation as partners. In Colorado, each of the 64 counties has significant autonomy and discretion in the design and implementation of Colorado Works, the state's Temporary Assistance for Needy Families (TANF) programs. This level of county control is due in large part to the diversity within the state and helps counties design local policies that reflect the specific needs of residents. The study was designed to focus on the range of policies and strategies that various county programs have implemented across the state, highlight promising strategies, and provide information on the outcomes of Colorado Works clients statewide.

Research objectives of the evaluation include:

- Providing descriptive information on Colorado Works clients, including
 - General characteristics,
 - Activities and services in which they participate, and
 - Employment and other outcomes;
- Analyzing the extent to which clients and county Colorado Works programs interact with other key programs; and
- Identifying potentially promising strategies and approaches.

In addition, the evaluation gives particular attention to how counties have reacted to changes in program rules that occurred as a result of the reauthorization of the TANF program in the 2005 Deficit Reduction Act (DRA).

This introductory chapter provides a brief overview of some of the rules of TANF and Colorado Works, and presents the framework for the rest of the report.

A. Background on Colorado Works

In order to provide contextual information for this report's findings, this section outlines some of Colorado's broad state policies related to Colorado Works. These include eligibility criteria and benefits, time limits, work participation requirements, sanctions and diversions. The information draws from both state-level information found in the Colorado Department of Human Services' (CDHS) TANF plan as well as the local policies described in the county plans.²

² The rules described here do not reflect modifications to the program enacted in SB 08-177 in June 2008, which among other things raises the maximum BCA benefit amount available to Colorado Works participants, effective January 2009.

1. Eligibility Criteria and Benefit Levels

The state sets uniform statewide basic eligibility criteria and minimum levels for basic cash assistance (BCA). In order to be eligible for BCA, an adult-headed household of three cannot have more than \$6,132 in earnings each year and no more than \$15,000 in assets.³ In child-only BCA cases, or cases in which no adult is included on the TANF cash grant, the caretaker's income and assets are not considered in determining eligibility for TANF. The most common reason why an adult is excluded from the case is that the child is living with a relative who does not have financial responsibility under the law to support the child. In other cases, the child might be living with a parent, but the parent is receiving Supplemental Security Income (SSI) or is ineligible for TANF due to the parent's immigration status.

The maximum benefit for a family of three is \$356 per month with a lifetime limit on federally-funded benefits of 60 months. However, counties may pay additional benefits and incentives to recipients above the basic benefit level.

Counties must submit plans when they provide additional forms of assistance, such as cash assistance, lump sum payments, payments for specific items, and vouchers. Some of the other forms of assistance are described below in Section 5.

2. Time Limits

For regular cash assistance, adults are limited to 60 months of federally-funded TANF assistance during their lifetime. Up to 20 percent of the state caseload funded with federal assistance may receive an extension beyond the 60 months, but extended cases must meet hardship or domestic violence criteria.

The state-established hardship reasons are: disability of the caretaker, children, or relatives; involvement in the judicial system; current or past domestic violence issues; instability that may include a caretaker with proven inability to maintain stable employment; inadequate or unavailable child care, housing, transportation, or employment opportunities; or other hardship reasons specified in a county plan (thirty counties established additional hardship criteria as a basis to provide benefits beyond 60 months).

In addition, there is a *work trigger limit* at 24 months. This requirement is a federal provision that requires adults to participate in a work activity by month 24 or risk case closure. This is further discussed below in Section 4, which discusses financial sanctions in the program.

3. Work Participation Requirements

Federal rules require that Colorado Works have 50 percent of recipient families and 90 percent of two-parent families fulfilling their work participation requirements. The participation rates that the state must meet only apply to "work-eligible" cases, which do not include certain cases, such as those where all adults who might otherwise be working are caring for a family member with a disability and child-only cases where the child is not living with a work-eligible adult. In

³ One vehicle per household is excluded from the calculation.

addition, the state is permitted to “disregard” from the calculation certain work-eligible cases when they are not fulfilling work participation requirements (and would therefore count against the state’s rate). Examples of cases that can be disregarded include those with a single work-eligible parent who is caring for a child under the age of one (which may be disregarded from the work participation calculation for up to twelve months), and some cases in sanction status.

Federal law allows a credit against the work participation rates for reductions in a state’s caseload. This caseload reduction credit reduces the rate a state must meet by a number of percentage points equal to the percentage by which the state’s caseload declined from its level in a base year defined in the law. For example, a state that reduced its caseload by 40 percent since the base year would only need to realize a 10 percent work participation rate instead of a 50 percent rate. TANF’s reauthorization through the DRA had a major impact on the work participation rate states have to meet by resetting the base year for calculating the caseload reduction credit. Before DRA, the base year was Federal Fiscal Year (FFY) 1995, and many states faced an effective participation requirement of zero due to caseload declines that occurred in the late 1990s and early 2000s. DRA reset the base year to FFY 2005, meaning that those declines no longer contribute to the caseload reduction credit, which consequently has raised the target participation rates for states.⁴

4. Sanctions

Financial sanctions in the Colorado Works system include formal sanctions, 24-month case closures, and case closures for demonstrable evidence. While sanctions range from partial grant reductions to cash assistance termination, all penalties aim to deter program non-compliance.

Formal sanctions address three types of program non-compliance: (1) Failing to comply with the terms and conditions of an individual responsibility contract (IRC), (2) Failing to cooperate with Child Support Enforcement, or (3) Having dependent child(ren) living in the home that are not immunized. The state establishes three progressive levels of sanctions:

- The first sanction is 25 percent of the assistance unit’s cash grant for a period of not less than 1 month, but not more than 3 months. It remains in effect until cured (i.e. the recipient participates in work activities or complies with other IRC requirements). Sanctions not cured by the end of the sanction period progress to the second sanction level.
- The second sanction is 50 percent of the case’s cash grant for a period of not less than 1 month, but not more than 3 months. Second sanctions not cured by the end of the sanction period progress to the third sanction level.
- The third sanction results in termination of cash assistance for a period of not less than 3 months, but not more than 6 months. If a participant reaches the third sanction level, all subsequent sanctions are at the third level.

⁴ More detailed information about work participation requirements can be found in Chapter VI of this report.

In addition to formal sanctions, case managers can employ 24-month case closures to deter program non-participation. Based on rules set by CDHS, clients who have received 24 or more months of assistance must participate in program activities or their case will be closed and their cash assistance terminated. Given that participation in program activities is broadly defined as engaging in work activities or any other county-specific program components, the 24-month closure is used to ensure a base level of engagement across the entire caseload.

In order to close cases for more specific non-compliance, counties can choose to utilize case closures for demonstrable evidence. The Colorado Works IRC stipulates the responsibilities of both the county and the participant and the terms under which a participant may receive assistance under Colorado Works (consistent with state and county policies). Case managers can close cases and terminate cash assistance in response to client non-compliance with any parts of the client's IRC in a more timely fashion than the sanction process.

Both forms of case closure result in a termination of BCA but do not have any effect on an individuals' eligibility for Medicaid or Food Stamps.

5. Diversion Programs

The state authorizes two types of diversion: state diversion and county diversion. In both cases, the program provides clients with a lump sum payment and precludes them from applying for TANF benefits for a specified number of months. State diversion assistance is intended for those who qualify for BCA, but who may not need ongoing cash assistance. The participants must demonstrate that they have a need for a specific item or type of assistance but otherwise will be able to sustain themselves and their families via employment. County diversion assistance operates similarly but has broader eligibility in order to serve families ineligible for BCA. The benefits and services must support the purposes of TANF and receipt of any benefit or service is subject to county policy and the availability of funds.

B. Purpose of this Report

This report is the third annual report of the Colorado Works Evaluation. Topics covered in this report address each of the key research questions outlined by the evaluation using the most recently available data. Questions addressed in this report include:

- Who is receiving cash assistance and other services in the Colorado Works program and how do their characteristics vary over time and across the state?
- How many clients does Colorado Works serve each year? What types of activities are they participating in? How much time do clients spend on Colorado Works?
- To what extent do Colorado Works clients interact with Child Welfare, and how do counties work with clients who are involved in both programs?
- What proportion of Colorado Works custodial parents has been awarded child support and receives payments from the non-custodial parents?

- How do current and former Colorado Works clients fare in terms of employment and earnings?
- What types of service delivery and administration strategies are used by counties and how do they vary? What types of innovative strategies are counties using across the state?

1. *Data Sources*

The key data sources for this report are state administrative data, a survey of county Colorado Works directors and follow-up interviews with county program administrators. Additional data were collected from secondary sources such as economic and demographic statistics from federal agencies.

Collection and analysis of state administrative data. As part of the evaluation, a longitudinal file was created that follows Colorado Works clients over time and tracks their characteristics, services, and outcomes. Information comes from the following data sources:

- The Colorado Benefits Management System (CBMS) and historical data from the “legacy” information systems it replaced;
- Subsidized child care records from the Colorado Child Care Automation Tracking System (CHATS);
- Child support enforcement records from the Automated Child Support Enforcement System (ACSES);
- Child welfare records from the Trails database;
- State fiscal reports from the County Financial Management System (CFMS); and
- Unemployment Insurance (UI) wage records.

A survey of county Colorado Works programs. An Internet-based survey administered in the summer of 2008 asked county program administrators about the practices, successes, and challenges of their respective programs. The survey documented the diversity of the policies, practices, and operations among the county programs, and collected information on special topics not available from program data or county plans. All counties completed surveys, and follow-up calls were conducted with 26 counties to expand on some details.

Administration for Children and Families (ACF) Data and Statistics. Each state TANF program must submit data and detailed reporting to ACF regarding many facets of their state TANF program. ACF released the most recent data in February of 2008 and, for most topics, covered the period from October 1997 through September 2007.⁵

⁵ *The U.S. Department of Health and Human Services’ (DHHS) TANF 2006 Annual Report to Congress*, compiled by ACF and submitted to Congress in December of 2006, was also a source for some of the

Bureau of Labor Statistics State Unemployment Rates. The Local Area Unemployment Statistics program provides unemployment and labor force data for regions and localities.

2. Structure of the Report

The remainder of this report summarizes findings from evaluation activities performed in SFY 2008. It is divided into seven chapters.

Chapter 2: TANF Receipt and Caseload Trends examines patterns of TANF receipt among Colorado Works clients, recent trends in the Colorado Works caseload, and attempts to distinguish the underlying determinants of caseload fluctuations.

Chapter 3: Findings from the 2008 County Survey summarizes findings from a survey and interviews with county Colorado Works directors. This chapter reports on promising practices and innovative strategies for county service delivery and the administration of Colorado Works.

Chapter 4: Interaction between Child Welfare and Colorado Works explores the involvement of Colorado Works clients in the child welfare system.

Chapter 5: Interaction between Child Support and Colorado Works examines the prevalence of child support orders and payments among current and former Colorado Works recipients.

Chapter 6: Work Participation Requirements provides information on work participation rates in Colorado Works and highlights changes in the rates over time.

Chapter 7: Employment Outcomes of Colorado Works Participants and Leavers examines trends in employment rates among Colorado Works recipients.

analyses within this report. The 2006 *Annual Report* contained historical information dating back to AFDC through FFY 2005. The statistics are available online at <http://www.acf.hhs.gov/programs/ofa/tanfindex.htm>.

Text Box I.1: Other Publications from this Evaluation

During the three years of the Colorado Works Evaluation, The Lewin Group and its partners have produced reports on a variety of Colorado Works initiatives, strategies, and outcomes. Descriptions and web addresses for these reports follow:

Findings from County Survey (October 2005) provides information on local organization and staffing approaches, activities and services, family services, and innovative policies and initiatives, based on a 2005 survey of county Colorado Works directors.
<http://www.lewin.com/content/publications/3426.pdf>

Serving the Hard-to-Employ in Colorado (June 2006) documents the variation in strategies counties used to serve the hard-to-employ population and highlights potentially promising strategies. The report focuses on seven barriers affecting welfare recipients' ability to succeed in the job market: physical disabilities, limited education and learning disabilities, mental health, substance abuse, domestic violence, limited English skills, and homelessness.
<http://www.lewin.com/content/publications/3420.pdf>

Program Coordination and Collaboration in the Colorado Works Program (June 2006) examines a variety of cross-agency collaboration and coordination strategies used by county Colorado Works programs across the state. The report focuses on partnerships with local Workforce Centers and other community organizations to obtain employment, education, and training services, and collaboration with other public agencies and private organizations to obtain a wide array of support services, child care, child welfare, other family services, housing assistance, disability-related assistance, and transportation assistance.
<http://www.lewin.com/content/publications/3421.pdf>

Employment Services and Employer Interaction in Colorado Works Programs (June 2006) describes employment services in local Colorado Works programs, particularly strategies that involve interaction with employers and industries, highlighting approaches that may be of interest to other counties.
<http://www.lewin.com/content/publications/3422.pdf>

Family and Preventative Services in Colorado (June 2006) highlights innovative county approaches to providing family and preventative services. It focuses on strategies counties use to prevent out-of-home placements, improve child well-being, and break the cycle of poverty and future welfare receipt.
<http://www.lewin.com/content/publications/3424.pdf>

Colorado Works Program Evaluation: 2006 Annual Report (September 2006) focuses on Colorado Works policies, state and local socioeconomic patterns, service delivery strategies and practices, and caseload characteristics and trends.
<http://www.lewin.com/content/publications/3470.pdf>

Entry-Level Employers in Colorado: Results from a Survey of 25 Employers (August 2007) presents findings from interviews with 25 employers in nine Colorado counties, examining Colorado employers' experiences with welfare recipients they have hired for low-skill, entry-level jobs.
<http://www.lewin.com/content/publications/3885.pdf>

Text Box I.1 (cont'd)

Findings from Focus Groups Conducted with Colorado Works Applicants and Participants summarizes findings from 15 focus groups with TANF applicants, current recipients and former recipients in Colorado. The focus groups provided information on clients' experiences while receiving assistance and how participation in Colorado Works services contributed to their long-term self-sufficiency.

<http://www.lewin.com/content/publications/3887.pdf>

Colorado Works Evaluation 2007 Annual Report (October 2007) covers characteristics of the Colorado Works caseload, fiscal trends, work participation rates, Colorado Works clients' use of child care and other supportive services, and employment outcomes of Colorado Works clients.

<http://www.lewin.com/content/publications/3884.pdf>

Colorado Works Program Expenditure Trends and Patterns at the County Level (December 2007) presents general trends in Colorado Works spending between 2000 and 2006, as well as an analysis of county expenditures of Colorado Works funds, including BCA, non-cash assistance, and reserve amounts.

<http://www.lewin.com/content/publications/3886.pdf>

Understanding Program Participation: Findings from the Colorado Works Evaluation (December 2007) examines Colorado Works work participation activities and strategies, diversion policies among Colorado's counties, and sanctioning practices observed in Colorado.

<http://www.lewin.com/content/publications/3423.pdf>

Key Features of Colorado Works in Comparison to Other State TANF Programs (April 2008) places the state's TANF program into a national context by comparing Colorado Works with other state TANF programs. Colorado Works is compared with other states on the following dimensions: eligibility requirements, TANF benefits, time limits, work requirements and incentives, diversion policies, and TANF caseload trends.

<http://www.lewin.com/content/publications/COWorksComparativeStudy.pdf>

A Statistical Analysis of the Colorado Works Caseload Trend (December 2008) presents the results of a statistical model developed to better understand how changes in various factors impact the size of the caseload. Factors hypothesized to influence the caseload size include changes in the economy, changes in welfare policy, and other local and programmatic changes affecting Colorado Works.

Not yet posted to the web as of the time of publication of this report.

II. TANF Receipt and Caseload Trends

This chapter examines patterns of benefit receipt among Colorado Works clients and recent trends in the Colorado Works caseload. Topics reviewed include the Colorado Works caseload size, demographic characteristics of the Colorado Works caseload, the size of benefit amounts, client tenure and welfare spell lengths, and experiences of welfare leavers. In addition, it introduces analysis conducted this year and presented in a separate special topic report, *A Statistical Analysis of the Colorado Works Caseload Trend*, which identifies underlying determinants of caseload fluctuations.⁶

As the different types of Colorado Works assistance cases reflect differing household compositions, varying service needs, distinct service opportunities, and different program requirements, the analysis presented in this chapter divides the Colorado Works caseload into five broad categories: one-parent BCA, two-parent BCA, child-only BCA, county diversion, and state diversion.

Some of the analysis presented in this chapter presents trends occurring over time, while other parts will focus on the most recently available data for SFY 2008 (July 2007 to June 2008).⁷

Key findings in this chapter include:

- **The Colorado Works caseload has fluctuated substantially over time and has declined dramatically over the past three years.** While the child-only caseload has remained largely flat over the last decade, the one-parent and two-parent caseloads have undergone dramatic changes. Major declines occurred between 1997 and 2002, largely in the one-parent caseload. Some of these declines were offset by rising caseload levels between 2003 and 2005. Declines since then, however, have reduced Colorado Works caseload levels to their lowest levels since 1997, the year that the program was established to restructure the state's welfare program to meet federal TANF provisions.
- **Diversion is becoming a major component of the Colorado Works program.** The recent declines in the one-parent and two-parent caseloads have meant that other categories of cases – child-only cases and diversions – represent an increasing percentage of those served through Colorado Works. While the average monthly state diversion caseload only represents 237 cases in SFY 2008, when examining the number of total clients served over the course of the year, the number served through state diversion is one fifth as large as the combined one-parent and two-parent BCA caseloads. Over time, it also appears that state diversion is growing in both absolute and relative terms in comparison to the BCA caseload. It should be noted, though, that despite the fact that diversion programs often target individuals who are job ready and

⁶ Burt S. Barnow and Mike Mueller, *A Statistical Analysis of the Colorado Works Caseload Trend*, The Lewin Group, December 2008.

⁷ At the time of publication, data from June 2008 was not yet available. Average monthly figures therefore only reflect 11 months of data, while annual figures have been annualized from 11 months to 12 months to accurately caseload trends.

only have short term needs, clients who receive state diversion return for additional assistance at the same rate as regular BCA cases.

- **Despite the caseload declines over the past few years, demographic characteristics of the caseload were relatively stable, though there was an increase in cases with reported disabilities.** The percentage of one-parent cases with one or more disabilities increased 8 percentage points between SFY 2006 and SFY 2008; the percentage of two-parent cases with disabilities increased 10 percentage points. It is not clear from the data whether this increase represents an actual increase in the incidence of disability among the caseload, or whether disabilities are being reported more frequently due to a stronger focus on work participation or increased assessments. There was also a small increase in the age of the head of the household in one-parent cases over this period; other demographic characteristics remained relatively constant, as did characteristics of child-only cases.
- **For most clients, TANF is temporary, and many have been on Colorado Works for short spells.** In a given month in SFY 2008, a third of the one-parent and two-parent caseloads have been in their current welfare spell for three or fewer months. Clients in these caseloads appear to cycle substantially; between one sixth and one eighth of these clients leave the caseload each month. Because of this movement onto and off the caseload, few people have reached the 60-month time limit; only about 800 cases in the past four years were closed due to the time limit. In contrast to the other types of cases, child-only cases – which are not subject to the time limit or to work participation requirements – exhibit long, stable spells of TANF receipt.
- **The economy and DRA appear to play a central role in driving the caseload level.** Statistical modeling techniques used to identify underlying factors associated with caseload changes indicate that the unemployment rate and the Deficit Reduction Act of 2005 are both statistically associated with caseload levels. As the unemployment rate increases, the caseload level increases, with effects lasting up to two years. The DRA interim final rule, however, was found to have a negative relationship with the size of the caseload, indicating that higher program requirements might be pushing clients off the caseload.

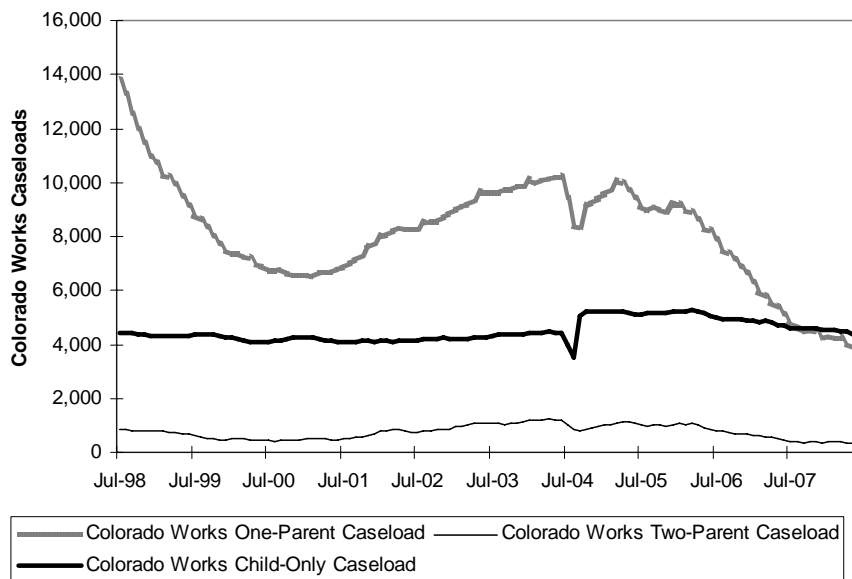
A. TANF Receipt

For most of the period from July 1998, approximately one year after Colorado Works replaced Aid to Families with Dependent Children (AFDC), through May 2008 the one-parent family caseload was significantly larger than the other two types of cases – over three times as large as the child-only caseload in July 1998 (see *Exhibit II.1*). However, in the last year the data cover, the one-parent caseload was at its lowest levels since the implementation of Colorado Works, and the number of one-parent cases has been below the number of child-only cases since September 2007. The one-parent caseload was also volatile, dropping by nearly 50 percent in the first four years, then increasing substantially, and finally dropping to about one quarter of the initial level.

In contrast to the one-parent caseload, the child-only caseload has been relatively stable over the analysis period. The two-parent caseload is substantially smaller than either the one-parent or

child-only caseload; however, it appears to follow similar fluctuations as the one-parent caseload. Overall, SFY 2008's average monthly BCA caseload through May (the last month for which data are available) is 39 percent lower than in SFY 2005 and total BCA caseloads are now at their lowest level since the program was established in 1997.

Exhibit II.1: Recent Trends in the Colorado Works One-Parent, Two-Parent and Child-Only Caseloads



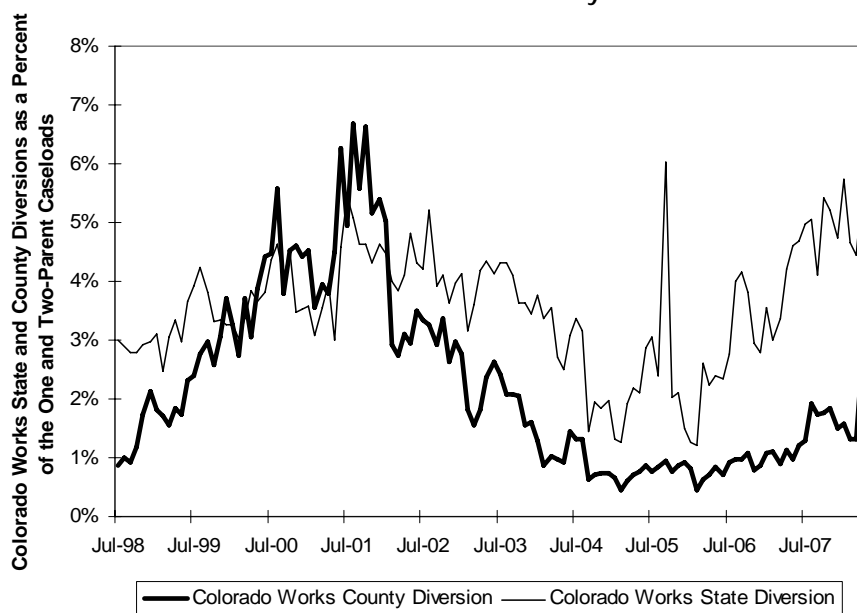
Source: COIN administrative records; CBMS administrative records

The graph displays some unusual movements around July 2004. This corresponds to the period when Colorado Works transitioned to a new administrative system known as the Colorado Benefits Management System (CBMS). Leading up to the change, case managers were instructed to process as many applicants as possible so that the program could go into the transition with no backlog of applications. Following the implementation of the new system in August 2004, staff had difficulty adjusting to the new administrative environment including problems with processing applications, approving benefits, and administering sanctions, among other regular aspects of their duties.

Exhibit II.2 shows the recent trends for the county and state diversion caseloads. These are displayed as a percentage of the one-parent and two-parent BCA caseload in order to show how many diversions are being processed relative to the overall caseload size. Since 2005, the use of state diversion relative to BCA has increased, and the use of county diversions has increased by a small amount.⁸ While not displayed below, the number of state diversions in absolute terms has also increased over time in spite of declines in the BCA caseload. The absolute number of county diversions has been relatively stable.

⁸ The spike of state diversions observed in September 2005 is a result of Hurricane Katrina. Evacuees that came to Colorado immediately following the hurricane were served with diversion assistance rather than BCA.

Exhibit II.2: Recent Trends in the Colorado Works County and State Diversion Caseloads



Source: COIN administrative records; CBMS administrative records

B. Demographic Characteristics

Despite the steep decline in the overall BCA caseload size, for the most part demographic characteristics of the caseload did not change considerably over the past few years (between SFY 2006 and SFY 2008—see *Exhibit II.3*). One notable exception is the increase in the share of both one-parent and two-parent cases that have one or more disabilities. For one-parent families, the share increased 8 percentage points between SFY 2006 and SFY 2008 and for two-parent families the share increased 10 percentage points. It is not clear from the data whether this increase represents an actual increase in the incidence of disability among the caseload, or whether disabilities are simply being reported more frequently due to a stronger focus on work participation or increased assessments.

There has also been a slight increase in the age of the head of the household in one-parent cases: the percent of cases with head of household 35 years or older increased 4 percentage points between SFY 2006 and SFY 2008. Other demographic characteristics, however, have remained relatively constant between SFY 2006 and SFY 2008.

Exhibit II.3: Average Monthly Characteristics of Colorado Works BCA Adult-Headed Cases, SFY 2006-2008

	SFY 2006		SFY 2007		SFY 2008*	
	One-Parent	Two-Parent	One-Parent	Two-Parent	One-Parent	Two-Parent
Head of Household Characteristics						
Female (%)	93.7	80.3	93.7	79.6	93.5	80.8
Marital status (%)						
Never married	83.2	56.8	82.9	56.6	80.8	54.1
Married	5.7	37.5	6.0	37.7	6.8	39.0
Other	11.0	5.7	11.1	5.7	12.4	6.9
Age (%)						
18-24 years	34.5	32.4	34.0	28.8	32.9	26.3
25-34 years	38.0	38.8	38.4	39.5	38.8	40.7
35 or more years	27.5	28.8	27.6	31.7	28.3	32.9
One or more disabilities (%)	17.4	19.9	20.6	22.1	25.1	29.6
Case Characteristics						
Number of children on case (%)						
None	3.5	0.3	3.6	0.3	4.1	0.2
One	44.4	33.6	43.8	29.8	42.6	31.6
Two	29.9	32.9	29.8	32.3	29.6	31.0
Three or more	22.2	33.2	22.9	37.5	23.7	37.3
Age of youngest child (%)						
Under 1 year	20.7	29.9	21.9	31.3	23.0	30.4
1 to 3 years	35.9	39.5	35.7	36.1	35.5	38.5
4 to 5 years	11.7	8.9	12.1	10.1	11.8	8.1
6 years or older	31.7	21.6	30.3	22.5	29.8	23.0
Average Monthly Number of Families	9,645	1,093	7,090	702	4,874	416

Source: CBMS administrative records

*Includes only July 2007-May 2008

Many of the demographic characteristics of one-parent and two-parent cases are similar (see *Exhibit II.3*). However, there are some differences between the two types of cases. One-parent are more likely to have never been married (81 percent of one-parent cases in 2008 had never been married compared to 54 percent of two-parent cases). One-parent cases on average also have fewer children than two-parent cases. In SFY 2008, 76 percent of one-parent cases had two or fewer children compared to 63 percent of two-parent cases. The youngest child in one-parent cases tended to be older than the youngest child in two-parent families. In more than 40

percent of one-parent families, the youngest child was four years old or older compared to 31 percent in two-parent families.

Characteristics of child-only cases have also remained relatively stable over recent years. *Exhibit II.4* shows the case characteristics for child-only cases between SFY 2006 and SFY 2008. The majority of child-only cases have one or two children on the case, with only 24 percent of cases having three or more children on the case.

Exhibit II.4: Average Monthly Characteristics of Colorado Works Child-Only Cases, SFY 2006-2008

	SFY 2006	SFY 2007	SFY 2008*
Case Characteristics			
Number of children on case (%)			
None	0.1	0.1	0.8
One	44.7	46.0	46.0
Two	30.8	30.3	29.4
Three or more	24.5	23.6	23.9
Age of youngest child (%)			
Under 1 year	5.9	4.9	3.2
1 to 3 years	23.2	21.0	18.5
4 to 5 years	13.5	13.9	14.1
6 years or older	57.5	60.2	64.3
Average Monthly Number of Cases	5,433	5,085	4,719

Source: CBMS administrative records

*Includes only July 2007 to May 2008

The youngest child on child-only cases tends to be older than the youngest child in one-parent or two-parent cases; in SFY 2008, 64 percent of child-only cases had a youngest child who was six years or older compared to 30 percent of one-parent cases and 23 percent of two-parent cases. The age of the youngest child in child-only cases rose over this period; the percent of cases with the youngest child being six years or older increased by 7 percentage points between SFY 2006 and SFY 2008.

Exhibit II.5 shows the SFY 2008 demographic characteristics for adult-headed cases in each region of the state and for Colorado. The vast majority of Colorado Works cases are located in the Front Range region—out of average monthly caseloads in SFY 2008, 82 percent were located in the Front Range.

Across all regions of the state, the majority of cases are female and the age of the youngest child is similar and comparable to the state average.⁹ However, there are some regional differences in the caseload characteristics of adult-headed cases. For example, a higher proportion of adult-

⁹ Regional definitions used in this report are described in Appendix B.

headed cases in the Front Range have never been married. Similarly, the age of adult-headed cases is similar across all regions but one; the San Luis Valley has a higher percentage of adult-headed cases who are younger (43 percent aged 18 to 24 compared to 32 percent for the state of Colorado).

The percentage of cases in which the head of household has one or more disabilities also varies by region. In SFY 2008, 25 percent of adult-headed cases in Colorado had one or more disabilities. In the same year, only 20 percent of adult-headed cases in the San Luis Valley had one or more disabilities, while 35 percent had one or more disabilities in the Western Slope. The number of children on the case was also similar across the regions of the state, but a greater proportion of cases in the Central Mountains had one or fewer children on the case (55 percent, compared to 44 percent statewide).

Exhibit II.5: Average Monthly Characteristics of Adult-Headed Colorado Cases by Region, SFY 2008*

	Central Mountains	Eastern Plains	Front Range	San Luis Valley	Western Slope	Colorado
Head of Household Characteristics						
Female (%)	90.9	91.7	92.8	89.8	90.9	92.5
Marital status (%)						
Never married	70.9	66.5	80.9	71.5	66.4	78.7
Married	12.8	14.1	8.4	14.7	13.1	9.4
Other	16.3	19.4	10.6	13.8	20.5	11.9
Age (%)						
18-24 years	34.8	36.6	31.7	42.8	31.7	32.4
25-34 years	37.9	35.4	39.2	38.6	39.5	39.0
35 or more years	27.3	28.0	29.1	18.6	28.8	28.6
One or more disabilities (%)	29.0	25.1	25.0	20.5	34.5	25.5
Case Characteristics						
Number of children on case (%)						
None	5.4	2.2	3.9	2.8	3.9	3.8
One	49.8	42.4	41.4	43.7	40.9	41.8
Two	25.3	29.2	29.6	29.6	33.6	29.7
Three or more	19.5	26.1	25.2	23.9	21.6	24.8
Age of youngest child (%)						
Under 1 year	21.1	24.5	23.3	27.1	27.0	23.6
1 to 3 years	34.3	36.0	35.9	35.2	35.1	35.7
4 to 5 years	11.3	11.0	11.4	14.0	12.1	11.5
6 years or older	33.4	28.5	29.5	23.8	25.8	29.2
Average Monthly Number of Cases	173	295	4,359	154	308	5,289

Source: CBMS administrative records

*Includes only July 2007 to May 2008

C. Size of Benefit Amounts

One-parent Colorado Works cases in SFY 2008 received an average of \$308 in benefits per month (*Exhibit II.6.*) Median benefits were somewhat lower. Payment levels were much higher among those receiving either county or state diversion, with average payments of \$1,580 and \$1,228. This is not surprising, since diversion allows higher payment amounts than BCA for non-recurrent needs. Among the BCA caseloads, two-parent cases had the highest payments, while child-only had the lowest, which is consistent with differences in average household size.

Exhibit II.6: Payment Amounts Among Colorado Works Caseloads, SFY 2008

	BCA One-Parent Caseload	BCA Two-Parent Caseload	BCA Child-Only Caseload	County Diversion	State Diversion
Payment (\$)					
Average amount	308	405	187	1,580	1,228
Median amount	280	408	196	1,348	1,027

Source: CBMS administrative records

D. Welfare Receipt and Length of Spells

Exhibit II.7 displays information regarding benefit receipt among clients served during SFY 2008. While Colorado Works serves about an average of 5,000 one-parent and child-only cases each month, it serves many more one-parent families than child-only cases over the course of the year (more than 10,000). This is because one-parent families generally experience higher levels of turnover in the caseload while child-only cases are more likely to receive longer and more stable spells of assistance.

The ratio of monthly caseload to the total caseload served in the year is a useful tool to examine stability of assistance spells. This ratio shows the percentage of all cases during the year who are served in any given month, which is higher when there is less turnover in cases. For example, if there was no turnover of cases and all cases received assistance in every month, this ratio would be 1.00 (or 100 percent). At the other extreme, if in every month there was a completely new set of cases, cases in each month would make up only 1/12th of all cases, and the ratio would be 0.08.

As seen in the exhibit, the child-only caseload has the highest ratio of monthly-to-yearly caseload, 0.67. This indicates that two thirds of child-only cases seen over the course of the year receive assistance in any given month. In comparison, one-parent families have a ratio of 0.45, meaning that less than half of a year's one-parent caseload is present in a given month.

The ratios for state and county diversion both show that slightly more than one-twelfth of the yearly caseload is present in a given month, which implies that the cases rarely receive assistance multiple times a year. As a result, state diversion serves over one fifth (2,622 cases) of

the combined BCA one-parent and two-parent caseloads over the course of SFY 2008 (12,086), but only 5 percent of the combined BCA one-parent and two-parent cases in a given month.¹⁰

Exhibit II.7: Welfare Receipt among Colorado Works Caseloads, SFY 2008

	BCA One-Parent	BCA Two-Parent	BCA Child- Only	County Diversion	State Diversion
Receipt					
Total cases served in year	10,924	1,162	7,042	903	2,622
Average monthly caseload	4,884	416	4,719	78	237
Ratio of monthly caseload to total cases served	0.45	0.36	0.67	0.09	0.09

Source: CBMS administrative records

Exhibit II.8 displays the average monthly spell tenure and TANF clock among cases on Colorado Works.¹¹ In an average month in SFY 2008, about one third of the one-parent and two-parent caseloads have between zero and three months in their current spell. In addition, between 70 and 80 percent of the same caseloads have less than one year of continual assistance. Not surprisingly, the one-parent and two-parent cases display more months on their TANF clocks than seen in their current welfare spell, which indicates that some of these cases had previous spells of TANF receipt.

Child-only cases are not subject to the 60-month time limit; as a result, these cases have virtually no months accrued on their TANF clocks. However, they experience the longest TANF spells in Colorado Works as 50 percent of child-only cases in a given month are documented to have had two or more years of consecutive monthly benefits.

Overall, very few cases reach the 60-month time limit and are closed as a result of it. Background calculations, not shown in a table, indicate that approximately 800 cases were closed due to the time limit over the past four years.

¹⁰ The state diversion grant generally is higher as it is meant to cover multiple months.

¹¹ A welfare spell is defined as a period of consecutive months of benefit receipt. Also included are one-month gaps in assistance (e.g., a client receives a payment in January and March but not in February still counts as a three month spell).

Exhibit II.8: Welfare Spell Length and TANF Clock Analyses Among Colorado Works Caseloads, SFY 2008

	BCA One-Parent	BCA Two-Parent	BCA Child-Only	County Diversion	State Diversion
Length in Months of Current Spell (%)					
0 to 3	31.9	36.4	12.1	94.9	93.9
4 to 6	21.7	24.4	9.2	2.5	2.6
7 to 12	20.0	20.6	12.3	0.9	1.6
13 to 18	9.2	7.9	8.8	0.8	0.8
19 to 24	5.8	4.6	7.8	0.7	0.4
25 to 30	4.1	2.2	6.9	0.0	0.2
More than 30	7.3	3.9	42.9	0.1	0.6
Months on TANF Clock (%)					
0 to 3	14.7	18.0	99.5	61.5	59.5
4 to 11	26.4	33.5	0.3	15.1	15.0
12 to 23	24.0	25.3	0.1	12.5	12.3
24 to 53	31.1	21.9	0.1	10.0	12.2
54 to 59	2.7	0.9	0.0	0.8	1.0
60	0.3	0.1	0.0	0.0	0.0
More than 60	0.8	0.3	0.0	0.0	0.0

Source: CBMS administrative records

The vast majority of the state and county diversion caseloads have between zero and three months in their current spell. This occurs because of the nature of the program, in which clients receive lump-sum payments in one month. It is interesting to note, however, that some diversion recipients have more than three months in their spells, perhaps implying they received a diversion immediately following BCA receipt. These may reflect post-TANF diversion programs that either incentivize BCA clients to find employment and leave ongoing cash assistance or otherwise support BCA leavers in their transitions to full-time employment and self-sufficiency. It is also interesting that about 40 percent of county diversion and state diversion cases have four or more months logged on their TANF clock, indicating that a sizeable portion of diversion recipients have had past interactions with Colorado Works.

Among those who leave the caseload during SFY 2008, many leave without receiving a full year of assistance (see *Exhibit II.9*). In the one-parent and two-parent caseloads, about one quarter of clients leave without receiving more than 3 months of assistance, while an additional third leave without receiving six months of assistance. Child-only cases leaving Colorado Works have more months of continual receipt; over one quarter leave with more than two years of assistance in their spell.

Exhibit II.9: Leaver Analyses Among Colorado Works Caseloads, SFY 2008

	BCA One-Parent	BCA Two-Parent	BCA Child-Only	County Diversion	State Diversion
Number of Months in Spell Prior to Exit (%)					
0 to 3	22.3	26.2	16.1	95.2	93.5
4 to 6	31.5	33.6	19.4	2.6	2.8
7 to 12	23.1	23.4	20.7	0.8	2.0
13 to 18	9.0	8.0	10.0	0.6	0.8
19 to 24	5.0	4.0	6.5	0.7	0.3
25 to 30	3.4	1.5	4.7	0.0	0.3
More than 30	5.7	3.4	22.6	0.1	0.4
Average Monthly Exits	661	70	243	78	229
Ratio of Monthly Exits to Monthly Caseload	0.13	0.16	0.05	0.98	0.93
Total Cases Exited in Year	7,601	818	2,795	916	2,607

Source: CBMS administrative records

In a given month, between 13 percent and 16 percent of the one-parent and two-parent caseloads exit assistance as reflected in the ratio of monthly exits to monthly caseloads. This is a much higher level of leaving than is observed among the child-only caseload, in which only 5 percent of the caseload discontinues assistance in an average month.

Exhibit II.10 displays the rates of returning in the first year for clients who left during SFY 2007. (This table, unlike the others, focuses on SFY 2007 rather than SFY 2008 to allow a measurement of returns within a year following TANF exit.) Between 78 and 90 percent of the caseloads never return for additional assistance during their first year following a welfare exit. The three BCA caseloads and the state diversion caseload all have higher levels of returns within the first three months following an exit, ranging from 8 to 10 percent. Return rates among recipients of county diversion are lower, which reflects the fact that recipients of county diversion are generally TANF ineligible due to income restrictions, which limits their ability to return for additional assistance unless their financial circumstances deteriorate.

Notably, many counties provide state diversion to those clients they judge as more job-ready and whose needs are only short-term or temporary. Yet state diversion leavers and the three BCA caseload leavers return for Colorado Works services within the first three months at very similar rates.

Exhibit II.10: Returns to Colorado Works Among Welfare Leavers, SFY 2007

	BCA One-Parent	BCA Two-Parent	BCA Child-Only	County Diversion	State Diversion
Returns (%):					
Within 3 months	9.8	8.2	10.3	3.4	7.5
4 to 6 months	5.4	6.3	3.1	2.7	6.3
7 to 9 months	4.2	3.3	3.0	1.6	4.0
9 to 12 months	2.9	2.6	1.6	2.6	3.6
Never return in first 12 months	77.7	79.5	81.9	89.7	78.5
Ever Returned in First Year (%)	22.3	20.5	18.1	10.3	21.5

Source: CBMS administrative records

Over one third of one-parent cases receiving assistance during SFY 2008 have had two or more welfare spells since the introduction of CBMS (see *Exhibit II.11*); however, only 2 percent have had four or more spells. The pattern observed in the one-parent caseload is also true for the two-parent, county diversion and state diversion caseloads. However, for the child-only caseload, about 85 percent have had only one continuous spell on public assistance.

Exhibit II.11: Analyses of Spells Among the Colorado Works Caseloads, SFY 2008

	BCA One-Parent	BCA Two-Parent	BCA Child-Only	County Diversion	State Diversion
Total Spells of Public Assistance (%)					
1	62.1	63.3	85.3	62.0	61.8
2 to 3	35.7	34.5	14.4	35.3	34.6
4 or more	2.2	2.3	0.3	2.7	3.6
Among Those With Multiple Spells, Time off of Colorado Works Before Current Spell (%):					
Within 3 months	2.0	4.3	0.4	4.5	4.2
4 to 6 months	9.4	9.2	6.3	9.9	12.3
7 to 9 months	11.0	13.9	9.2	6.7	12.0
9 to 12 months	12.3	12.7	11.9	10.6	8.8
13 to 18 months	20.7	19.8	21.6	18.3	17.5
19 to 24 months	16.4	18.8	18.6	14.2	13.6
More than 24 months	28.1	21.3	32.1	35.7	31.6

Source: CBMS administrative records

Among those with multiple spells, it appears there is a wide distribution of time that clients spend off Colorado Works before returning for additional assistance. Among clients who had

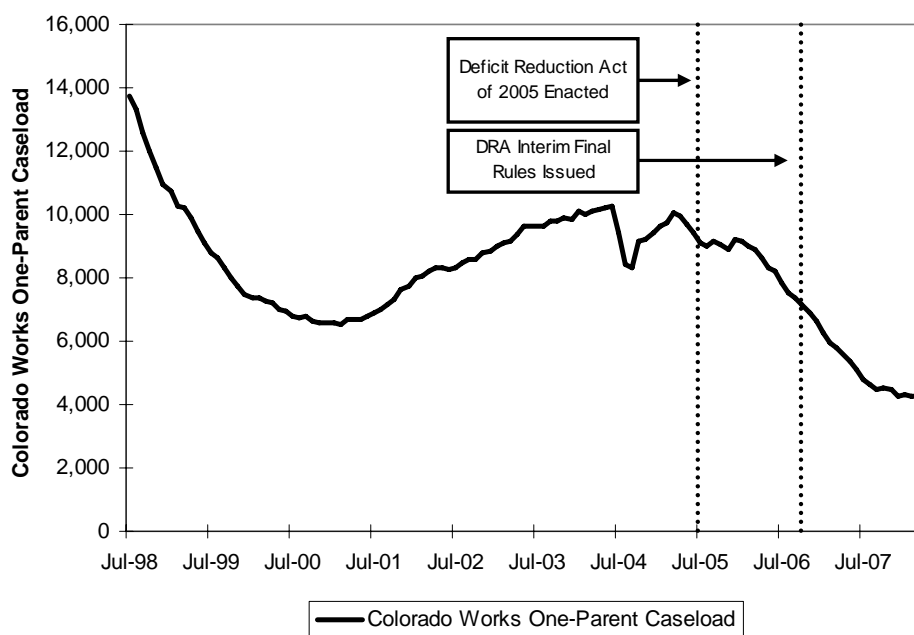
multiple spells of assistance and received assistance during SFY 2008, the majority had over one year off assistance before returning. In fact, between 21 and 36 percent of the caseloads spent more than two years off assistance before returning for additional assistance.

E. Caseload Trends

One method of interpreting changes in the pattern of TANF receipt is to utilize statistical modeling to determine the underlying determinants of the changes in caseload trends. This section summarizes work that the research team presents in a special topic report, *A Statistical Analysis of the Colorado Works Caseload Trend*, completed during SFY 2008. This report sought to develop a general understanding of how changes in various factors impact the size of the caseload. Factors hypothesized to influence the caseload size include changes in the economy, changes in welfare policy, and other local and programmatic changes affecting Colorado Works. The next few exhibits present some of the hypothesized relationships that were tested as well as summaries of some of the findings.

Exhibit II.12 shows the Colorado Works one-parent caseload in relation to times when major federal policy changes to public cash assistance occurred. The first dotted line on the graph indicates when the Deficit Reduction Act (DRA) was enacted (2005) and the second indicates when the DRA interim final rule was promulgated (2006). This legislation generally tightened the requirements for states to keep welfare recipients actively engaged in the labor market. Although not featured on this graph, the Personal Responsibility and Work Opportunity Act (PRWORA) of 1996 also played a major role in instituting a work-first oriented model. Following both of these major pieces of legislation, the Colorado Works one-parent caseload experienced major declines, indicating that the legislation was possibly pushing clients off the caseload.

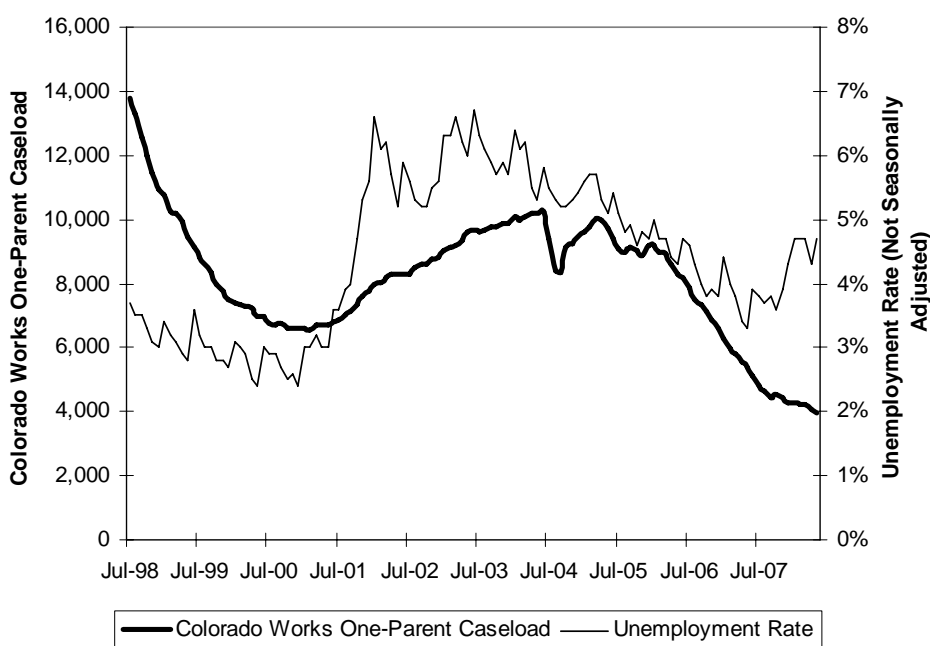
Exhibit II.12: Colorado Works One-Parent Caseload in Relation to Federal Policy Changes



Source: COIN administrative records; CBMS administrative records

Another possible factor contributing to the caseload level is presented in *Exhibit II.13*. In this exhibit, the Colorado unemployment rate is tracked next to the one-parent caseload. Colorado experienced a sharp increase in the unemployment rate in the first half of 2001, with a gradual decline in the following months. This movement in the unemployment rate appears to move in conjunction with the caseload size, although it may take several months for the full effect of the unemployment rate to affect the caseload. As shown in this exhibit, the large declines in the caseload during the late nineties occurred during a period of relatively low unemployment rates for the state of Colorado. Higher unemployment rates between 2001 and 2004 were accompanied by increases in the caseload, while recent declines in the unemployment rate have been met by declines in the caseload.¹²

Exhibit II.13: Colorado Works One-Parent Caseload and the Colorado Unemployment Rate



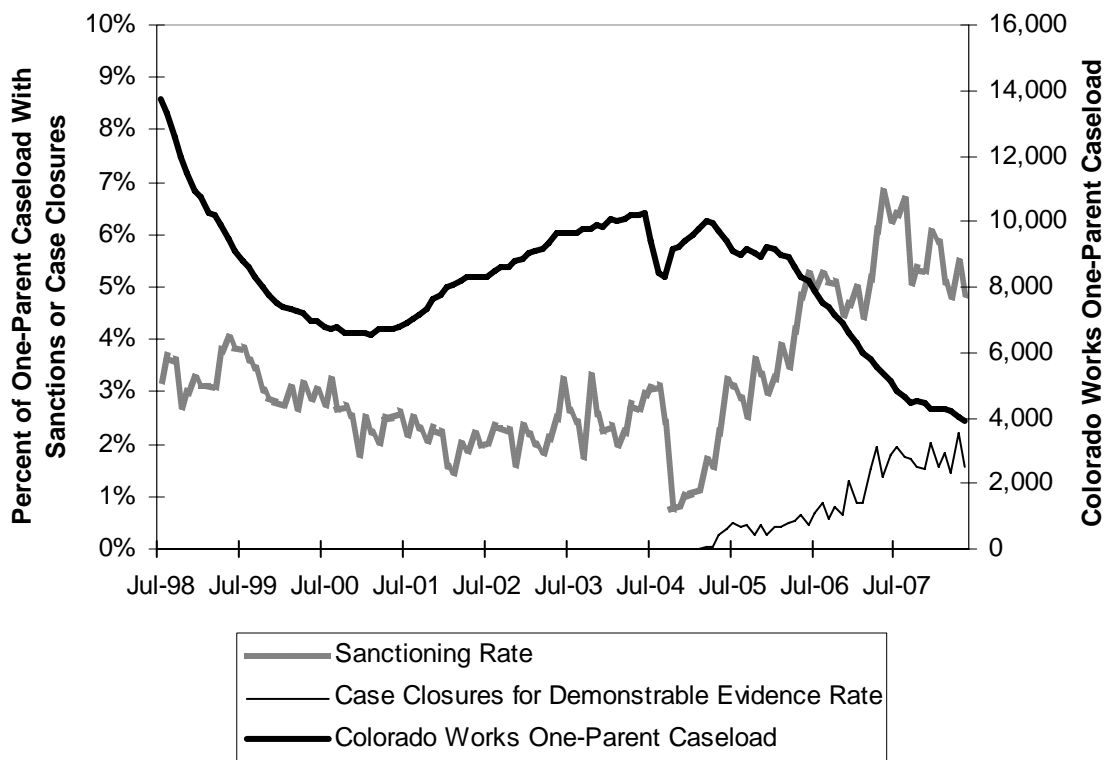
Source: COIN administrative records; CBMS administrative records; Bureau of Labor Statistics - State and Local Unemployment Rates

Exhibit II.14 shows the trend in the proportion of cases on Colorado Works that are formally sanctioned or closed for demonstrable evidence of noncompliance and the trend in the one-parent caseload. As one might expect, there is a negative association between the size of the caseload and the proportion of cases that are sanctioned or closed for evidence of noncompliance. As more cases are sanctioned, the caseload appears to decline. Three factors could be driving this trend. First, the increase in sanctions could result in an increase in case closures directly decreasing the caseload. Second, clients may choose to leave the caseload after

¹² The more recent divergence between unemployment rates and caseload in SFY 2008 may reflect the influence of other factors, including, among other things, the effects of DRA or sanctioning. The regression analysis described later in this section estimates the relationship between a number of these factors simultaneously to measure the impact of each while controlling for the others.

receiving a partial sanction if they do not feel that the reduced grant amount is worth continuing to participate in the program. Third, higher sanction rates could be indicative of a co-occurring trend of county administrators paying closer attention to client participation in program requirements (e.g., work participation rates) and as a result, clients are exiting the caseload because they do not want to participate in program activities.

Exhibit II.14: Colorado Works One-Parent Caseload and the Sanction and Case Closures for Demonstrable Evidence Rates



Source: COIN administrative records; CBMS administrative records

The caseload modeling utilizes a statistical technique known as ordinary least squares (OLS) regression analysis to estimate the relationship between a series of explanatory variables and an outcome variable, referred to as the dependent variable. OLS is used to determine the best linear equation that describes the relationship between the dependent variable and the explanatory variables.¹³ The statistical programs used to perform regression analysis estimate the regression coefficients, which are the estimated impact that a one unit change in the explanatory variable will have on the dependent variable. In addition, the programs estimate the standard error of the regression coefficient, which provides a measure of the statistical reliability of the regression coefficient. To interpret the regression coefficients and the standard errors, researchers generally rely only on findings that are statistically significant at the 5 percent level. An estimate that is statistically significant at the .05 level means that the

¹³ In this context, the term “best” means the equation that minimizes the squares of the deviations of the actual data points from the values predicted by the equation.

probability of obtaining the estimated regression coefficient given that the true effect between the variables was zero is .05 or less.

Exhibit II.15 presents the findings of the caseload modeling project with regards to the Colorado Works one-parent caseload.¹⁴ The variables that are presented in the table were found to be statistically significant and their relationships to the caseload size are summarized as either a plus sign for a positive relationship or a minus sign for a negative relationship. A positive relationship between the variable and the size of the caseload means that as the variable increases, the caseload is expected to increase as well. If a variable has a negative relationship with the caseload it indicates that as the variable increases, the caseload is expected to decrease.

The state of the economy as measured by the unemployment rate was found to be strongly associated with the one-parent caseload size. The several lagged variables of the unemployment rate were found to have statistically significant, positive relationships with the caseload. This indicates that as the economy worsens, and the unemployment rate increases, one can expect the caseload to increase. The analysis also found the unemployment rate lagged by 24 months to be significant, which means that a change in the economy can affect the caseload up to two years later.

Several variables that were included were statistically significant and negative, following the hypothesized relationship. The negative sign for the DRA interim final rule indicates that during the period when that policy was in effect, the monthly caseload was found to be smaller than it otherwise would have been. This supports the expectation that its higher program requirements have led to a decline in the enrollment of public benefits. Combined sanctioning and administrative closure rates also have a negative relationship with caseload trends, as hypothesized. As counties used higher rates of financial penalties for noncompliance, Colorado experienced declines in the caseload.

Several variables were significant but did not exhibit the anticipated relationship. These include the state population size and the maximum benefit for a family of three. These variables do not show much variance over the period analyzed and thus their relationships may simply reflect some underlying time trend that was not otherwise captured in the analysis.

The analysis also included variables representing different quarters during the year to control for seasonal factors. The negative signs shown for Quarters 1 and 3 show that caseloads were found to be lower during these quarters than during other times during the year.

Other factors, not presented in this chapter, were also considered in the analysis and are presented in the special topic report on the caseload trends. The analysis determined that they were not significant factors in explaining the caseload trends. These included total number of diversion cases, the implementation of the CBMS program, the inflation-adjusted maximum

¹⁴ Similar analysis was also performed on the statewide one-parent caseload entries and exits, two-parent caseload, statewide child-only caseload, as well as the one-parent caseloads from the five largest counties in Colorado. See Burt S. Barnow and Mike Mueller, *A Statistical Analysis of the Colorado Works Caseload Trend*, The Lewin Group, December 2008.

benefit for a family of three, the inflation-adjusted Colorado minimum wage, and the state population size.

Exhibit II.15: Findings from Modeling the Colorado Works One-Parent Caseload¹⁵

	One-Parent Caseload
Unemployment Rates (Not Seasonally Adjusted):	
1 month lag	+
3 month lag	+
12 month lag	+
24 month lag	+
Policy Issues and Changes:	
Deficit Reduction Act - Interim Final Rule	-
Maximum benefit for a family of 3 (inflation adjusted)	-
Combined sanction and administrative closure rate	-
Other Factors:	
State population size	-
Colorado minimum wage (inflation adjusted)	-
Quarter 1 (January - March)	-
Quarter 3 (July - August)	-

Source: COIN administrative records; CBMS administrative records; Bureau of Labor Statistics - State and Local Unemployment Rates

Similar analyses were also performed on the statewide two-parent, and child-only caseloads. The two-parent caseload was found to have many of the same predictors as was observed in the one-parent caseload. The child-only caseload, in contrast, had few variables that were considered statistically significant. This is not surprising as the patterns of TANF receipt among the child-only caseload appear to be very different from the other types of BCA cases.

For more information on the caseload modeling methodologies or results, see the full report: *A Statistical Analysis of the Colorado Works Caseload Trend*.

¹⁵ A full regression table for this analysis is available in the appendix of this report.

III. Findings from the 2008 County Survey

Among the main purposes of the Colorado Works Program Evaluation is to document variation in county policies and activities to help low-income families become self-sufficient, and to identify innovative approaches to service delivery and administration. In 2008, Lewin conducted a survey of county Colorado Works directors to gather information on county policies, initiatives, and strategies. Broad areas covered by the survey included:

- Types of services agencies contract out to other institutions or organizations;
- Types of services offered by the county's Colorado Works program, including activities and strategies aimed at increasing work or employment, family-related activities and services, and use of supportive service funds;
- Innovative policies and initiatives;
- The county's use of sanctioning and case closures for demonstrable evidence;
- The county's use of diversion payments;
- Strategies taken to meet the work participation rate following enactment of the Deficit Reduction Act; and
- Trends in spending on non-BCA Colorado Works activities.

This was the second survey of county directors that Lewin conducted as part of the multi-year study of Colorado Works; Lewin conducted a similar survey in 2005.¹⁶ The aim of the 2008 survey was to update findings from the earlier survey, to collect information on topics of current interest to the state and administrators of county programs, and to obtain more detailed information on certain topics from earlier stages of this project. While there was some overlap in questions, and this chapter discusses some comparison between current findings and those from 2005, the 2008 survey was largely new compared to the 2005 version. Some findings from the survey are presented here; findings will also contribute to future components of the evaluation.

Key findings from the survey include:

- **Contracting:** The most commonly contracted out services were education or training activities; domestic violence services; formal assessment; and employment search. Each was contracted out by half or more of counties.
- **Strategies to increase work or employment:** Four out of five counties (83 percent) use CWEPs with clients. Other common strategies, each offered by about half of counties, include ESL classes, jobs skills workshops, vocational training, financial incentives to clients, and computer skills instruction.

¹⁶ Findings from that earlier survey were presented in a report released in 2005 (Elkin, Farrell, Gardiner, and Turner, *Colorado Works Program Evaluation: Findings from County Survey*, October 20, 2005) and have informed subsequent research conducted as part of this project.

- **Family-related services:** About three quarters of counties offer support to child welfare programs and parenting skills training. A majority also offered home visits, family planning services, and services for relative caretakers.
- **Supportive services:** A large majority of counties use supportive services to help clients with transportation; work-related expenses (such as uniforms or tools); family and personal needs (often for “emergency” purposes); aid with housing or utility, rent, or mortgage costs; education and training expenses; and family stability services.
- **Challenges in meeting work participation rates:** Counties mentioned a number of challenges in meeting the work participation rates, including engaging harder-to-serve clients (such as people with disabilities, substance abuse issues, low-skills, or criminal backgrounds) in work activities; lack of jobs in the area; too many jobs in the area removing all but the hardest to serve from the caseload; transportation barriers; and shortages of child care providers. Counties with very small caseloads face additional challenges as one case can make the difference between meeting and not meeting the required work participation rate.
- **Planning for new initiatives:** Planning for new initiatives was in part in anticipation of the passage of SB 08-177, which caps the amount of unspent reserves counties can retain. Counties were at different stages of developing these new initiatives. Some plan to increase spending on existing initiatives or support outside organizations while others plan to create new programs or strategies. Initiatives focused on a number of areas, ranging from affordable housing to barriers to employment (such as lack of child care) to supporting community infrastructure such as building new recreation facilities for the community.

A. Survey Methodology

The Lewin Group drafted the survey instrument with the input of the Advisory Committee. Lewin developed an online and printable version of the survey, and sent each Colorado Works county director an invitation to participate. In total, 58 directors representing all 64 counties completed the survey. Directors could complete the survey themselves or have staff complete part or all of it.

After reviewing the responses from the survey and other information collected in previous stages of the evaluation, the Lewin team conducted follow-up phone discussions with directors or other key county administrators in close to half of the counties. The purpose of the calls was to gain a more in-depth understanding of activities that were described in the survey; to learn how agencies are dealing with challenges facing their counties; to give county respondents an opportunity to discuss interesting policies and practices they want to share with other counties; and to expand on topics included in the survey and county profiles in more detail. Calls were conducted with 28 out of 58 survey respondents. This represented a convenience sample. Efforts were not made to contact the remainder of counties as 28 appeared sufficient to identify key themes.

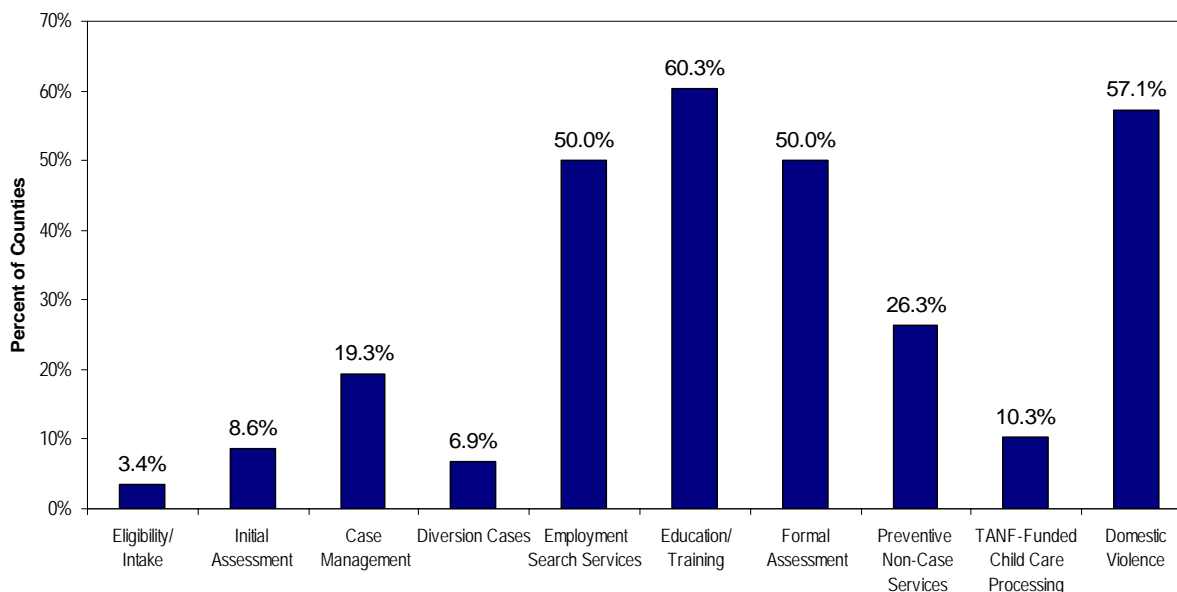
While all counties responded to the survey, not all responded to every question. As a result, figures are presented as percentages of those counties who responded to each particular question.

B. Findings

1. Contracting

Exhibit III.1 displays county responses to a question asking which activities and functions for the TANF population that the social services department “contracted out to a public or private agency other than your own.” As the exhibit indicates, four types of services were contracted out by at least half of counties: education or training activities were contracted out by 60 percent of counties; domestic violence services were contracted out by 57 percent of counties; and formal assessment and employment search services each were contracted out by 50 percent of counties. Preventative services for families not yet enrolled in Colorado Works and case management services were each contracted out by about one fifth to one quarter of counties, while fewer counties contracted out the other types of services the survey asked about.

Exhibit III.1: Contracting of Agency Services



Source: 2008 County Survey

Though the 2005 survey asked questions on contracting differently than the 2008 survey, a comparison of the results of the two shows that the general pattern has not changed much. The 2005 survey asked county respondents whether services were provided in-house, through an interagency agreement, via a financial contract, or through an informal referral to another organization. *Appendix Exhibit A.1* compares the 2008 results to the percentage of counties, indicating in 2005 that they delivered services through either an interagency agreement or a financial contract, and the patterns are very similar. (The 2005 survey did not specifically ask about preventative services for those not yet enrolled in Colorado Works.) Notably, two

counties (Pitkin and Cheyenne) reported contracting out eligibility and intake services, while none had in 2005. Pitkin contracts out these services to Eagle County's Health and Human Services Department, while Cheyenne contracts out to an outside technician.

For services that counties indicated they contracted out, the survey asked them to describe the type of agency with which they contracted. This was asked as an open-ended question. Workforce agencies were commonly cited; they were the main type of organization with which county Colorado Works agencies contracted for employment services and case management

Box III.1: Use of Call Centers

Three counties reported using call centers to handle some of their functions:

- **Arapahoe** implemented a Customer Service Center in 2005, and over the last two years it has expanded from a simple message system to take on broader responsibilities such as benefit inquiries, Medicaid card requests, adding additional children to Medicaid, Food Stamp, or Colorado Works cases, and reprinting of Monthly Status Reports. Arapahoe may further expand the center's responsibilities in the future.
- **Denver's** Department of Human Services (DHS) runs a call center known as the Customer Service Division, managed by Affiliated Computer Systems (ACS), a private company. All eligibility and intake calls are routed to the Division as a first point of contact for clients. If the Division is unable to answer a question or resolve an issue for an existing client, a message is sent to a DHS or Department of Workforce Development (DWD) worker to call the customer. While the call center has been jointly supported by DHS and DWD (to which case management services are contracted), DWD is reassessing the utility of the call center with regards to case management services as they generally have more direct contact with clients.
- **Larimer** started utilizing a call center in September 2007. At this time, the call center has only limited responsibilities. It helps clients update their information (like changes of address or family composition) and provides them with information (for example, provides them with information about how to get food stamps). Once all staff are fully trained, their duties may be expanded, but respondents believe it will be a while, if ever, before the call center staff will make eligibility determinations.

services, and also common for education/training and assessment services. Community colleges and community nonprofits were also common contractors for education and training services. Preventative services for those not yet enrolled in TANF were contracted out to a variety of organizations, including community nonprofits, other government agencies, and mental health providers. In about half of counties where domestic violence services were contracted out, they were contracted out to organizations that specifically focused on domestic violence; other organizations included community nonprofits and mental health providers.

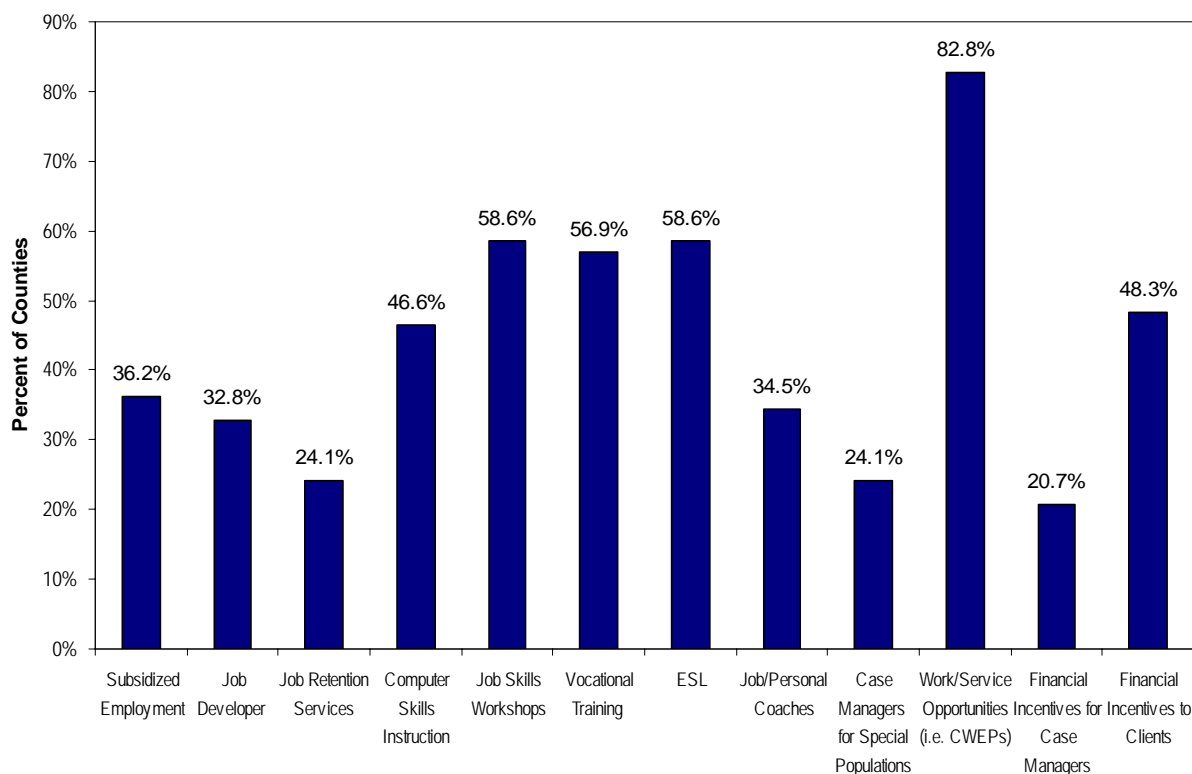
2. Services Offered

The survey included several questions asking counties to describe various types of services offered by the Colorado Works programs. This section discusses three areas of services: services to increase employment; family-related services; and supportive services.

a. Employment-Related Services

Counties were asked what strategies they used to increase work or employment among Colorado Works clients. *Exhibit III.2* presents the result.

Exhibit III.2: Strategies to Increase Work or Employment



Source: 2008 County Survey

By far, the most common strategy was the use of community work experience placements (CWEPs) or similar work or service opportunities; four out of five counties (83 percent) use these types of work placements with clients. Other common strategies, each offered by about half of counties, include ESL classes (59 percent), jobs skills workshops (59 percent), vocational training (57 percent), financial incentives to clients (48 percent), and computer skills instruction (47 percent). While the counties less commonly offered these services, one fifth of the counties still offered these activities.

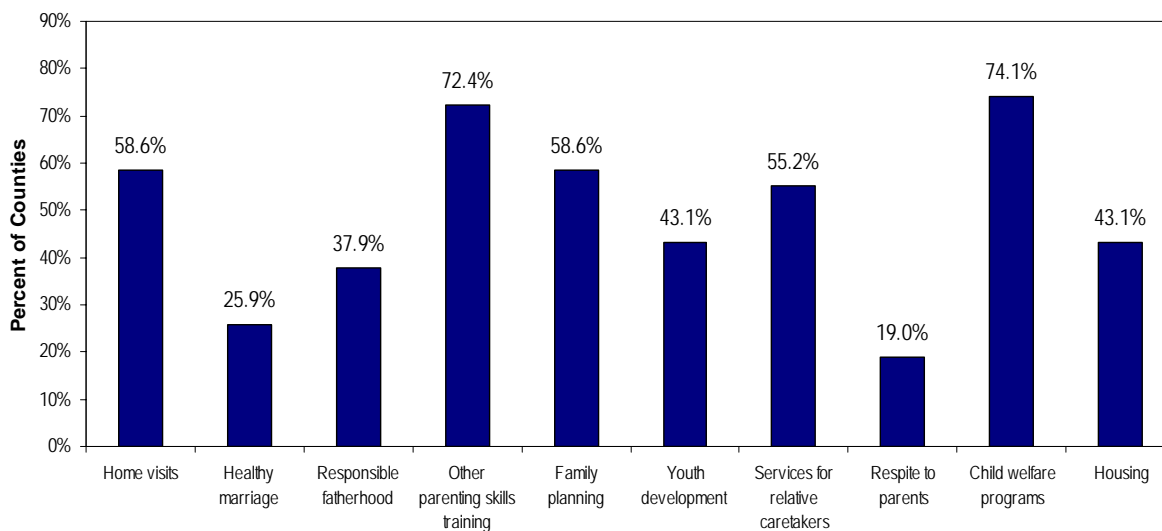
Appendix Exhibit A.2 shows that these results are largely similar to findings from the 2005 survey, but that in most categories for which a direct comparison is possible, the number of counties offering that service declined by a small amount. The biggest declines were in the share of counties offering basic computer skill classes (down by 13 percentage points) and the share offering ESL courses (down by 9 percentage points).

The survey and follow-up calls revealed a number of strategies counties have recently adopted to increase work among their clients. Several counties are targeting new industries and occupations for vocational training. For example, Pueblo has developed a partnership with local banks to train clients to work as bank tellers and is working with Trinidad State College to support training for operating heavy equipment for the energy production industry; they are also exploring a new partnership with the convenience store industry. El Paso’s vocational training partnership with the community college now includes a class for dog grooming. A few counties have updated or built computer labs to improve training, including Fremont, whose upgraded lab includes wireless laptops, which allow multiple clients to do the same assessments simultaneously, and also makes possible more intensive basic computer skill training and a “smart board” with job postings. Otero County signed a contract with an individual who works with Southeast Mental Health to provide on-the-job training (OJT) services for people with substance abuse problems. He develops jobs for these clients; in a recent example, he arranged for positions painting and landscaping in a low-income housing facility, which will be used as an opportunity to train TANF clients.

b. Family-Related Services

Exhibit III.3 shows the percentages of counties reporting that their Colorado Works program routinely conducts or offers various family-related activities or services. Most commonly offered were child welfare programs (74 percent) and parenting skills training (72 percent).¹⁷ A majority of counties also offered home visits (59 percent), family planning services (59 percent), and services for relative caretakers (55 percent). Least common among the categories asked about were healthy marriage services (26 percent) and respite to parents (19 percent).

Exhibit III.3: Family-Related Activities and Services



Source: 2008 County Survey

¹⁷ In the survey this category was described as “other parenting skills training,” to distinguish it from the “responsible fatherhood program(s)” category.

For those categories where similar data were collected in 2005, *Appendix Table A.3* shows a comparison between the 2005 and 2008 surveys. The most notable changes are that the number of programs offering responsible fatherhood programs has almost tripled, rising 25 percentage points since 2005, and that there was a notable decline of 17 percentage points in the number of programs offering family planning services. Fewer counties also offer respite programs and parenting skills training (down 10 and 8 percentage points, respectively), while somewhat more offer home visits (up 7 percentage points).

As with work-related strategies, counties have continued to institute new family-related strategies and services. On a question on the survey asking about changes in non-BCA expenditures – described in more detail later – some counties with expenditure increases cited new initiatives that reflect a shift in focus to preventative services for the non-TANF population, such as youth programs, school programs, and pregnancy prevention. As two examples of new strategies:

- Both Adams and Boulder Counties described new arrangements for social workers to make home visits to families at risk of involvement with Child Welfare. In Adams, this worker enters the home side-by-side with child welfare workers, while in Boulder the worker accompanies the TANF case worker.
- Mesa County’s Almost Home provides vouchers to help with housing and utility costs for families facing the potential outplacement of children.

Many counties described new initiatives aimed at youth. These include:

- Arapahoe’s WAIT curriculum to promote abstinence and reduce teen pregnancy, which teachers deliver in school;
- Garfield’s Family Adolescent Community Engagement (FACE), a collaboration with the school district to deliver assessment in the middle school to kids at risk of becoming involved with multiple social services agencies;
- Jefferson’s TANF-Youth program which provides referrals, supportive services, and career promotion to children of TANF families;
- Logan’s contract with the Range Riders program for individuals between the ages of 16 and 24 years old, which aims to build confidence, leadership, and responsibility through outdoors activities such as building trails and camping;
- A program in Mesa that targets minority children involved in the youth system to help them keep out of incarceration; and
- Washington’s Team Paint program that provides teenagers with minimum wage jobs painting houses and other buildings in the community, as well as mentoring.

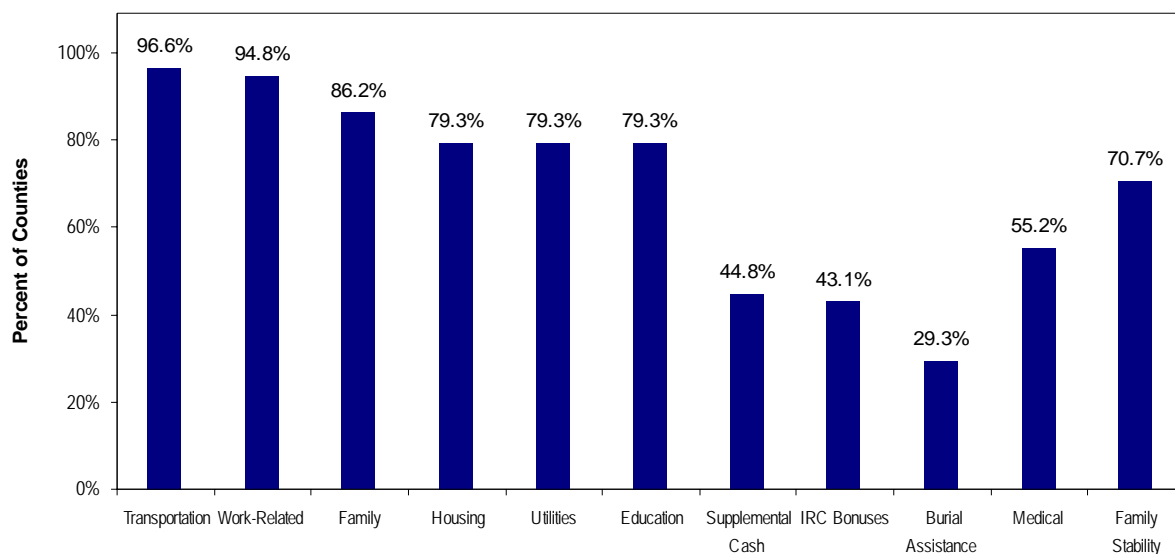
c. Use of Supportive Services Funds

Supportive service funds enable counties to give their clients additional aid (beyond BCA payments) to address a broad range of needs. Survey results show that this is a tool widely used by counties. A similar picture emerged from conversations with the counties in the 2008 follow-

up calls and in calls and site visits at earlier stages of this study. These conversations reveal that counties generally use supportive services to help with work-related needs, education related needs, and urgent needs of families that may interfere with their ability to achieve self sufficiency (e.g., rent payments to avoid evictions).

The survey asked what types of activities counties “routinely financed” with supportive services funds. As shown in *Exhibit III.4*, a large majority of counties use supportive services to help clients with transportation; work-related expenses (such as uniforms or tools); family and personal needs (often for “emergency” purposes); aid with housing or utility, rent, or mortgage costs; education and training expenses; and family stability services. A substantial number of counties also reported using other types of services, although these services were less common.

Exhibit III.4: Supportive Services Offered



Source: 2008 County Survey

Examples of other strategies involving the use of supportive services that counties reported in the survey or follow-up calls include:

- Some counties, including Adams, help families pay for expenses involved in their children’s extracurricular activities.
- Rio Grande expanded the maximum limit on supportive services from \$1,500 per case to \$10,000 per case, largely due to transportation issues. They found that \$1,500 was often insufficient to help purchase a car reliable enough for maintaining a job, and the higher limit gives the county the flexibility to help clients obtain adequate vehicles.
- Jefferson County provides supportive services such as tutoring, clothing and transportation (i.e., bus passes) to children in Colorado Works households participating in the County’s new TANF-youth program.

3. Work Participation Strategies

Survey respondents were asked to “briefly discuss any particular issues or challenges the county has had in meeting its work participation rate targets.” This was asked as an open-ended question; respondents could write in whatever they wanted rather than choosing from a specific set of options. Consequently, one must interpret the responses differently than other survey items that presented respondents with specific options, since respondents may not have thought to mention particular issues mentioned by other counties that were nonetheless challenges to them.

Out of the 51 counties that responded to this question, the most notable types of challenges mentioned were:

Harder-to-serve clients. Thirty counties mentioned types of clients for whom there are particular challenges to engaging in work activities and therefore who negatively affect the work participation rate. Of these, 16 counties specifically mentioned people with disabilities or other temporary or permanent medical conditions. Eight counties noted people with mental health and/or substance abuse issues. Other categories mentioned by smaller number of counties included low-skill workers and people with criminal backgrounds. Several counties talked about clients with “multiple barriers,” and three said that as caseloads had declined, the clients who remained were the hardest to employ. A small number of counties said increased use of diversion for work-ready clients exacerbated this situation.

Lack of (or too many) jobs. Sixteen counties said there were too few jobs available in their area for their clients, or that jobs that were available were inadequate to help their clients achieve self-sufficiency. In contrast, one county said that high job availability meant that their caseloads contained the “least employable.” County representatives raised both of these issues during the follow-up calls. Counties with higher poverty and higher unemployment noted the challenges of moving any clients into jobs, while some counties in areas with favorable economic trends said that, as one county benefiting from the booming energy sector put it, “if somebody wants to work and is capable of it, they can work,” leaving the most challenging clients on the rolls.

Transportation barriers. Thirteen counties mentioned lack of easily available transportation to jobs, education, or services. In calls with two counties in the San Luis Valley, administrators discussed an initiative to address transportation barriers. Five counties in this region are collaborating with each other in a joint effort that involves the Colorado Department of Transportation and a variety of agencies in the counties to increase the availability of transportation in the region by purchasing buses and subsidizing the operation of a bus system. Social services offices are contributing TANF funds to support the effort.

Child care. Nine counties specified child care as a challenge, particularly for cases with infants. This was echoed in several calls; counties discussed a “shortage of viable providers of child care” and some cited tighter licensing requirements as having affected the amount of child care available.

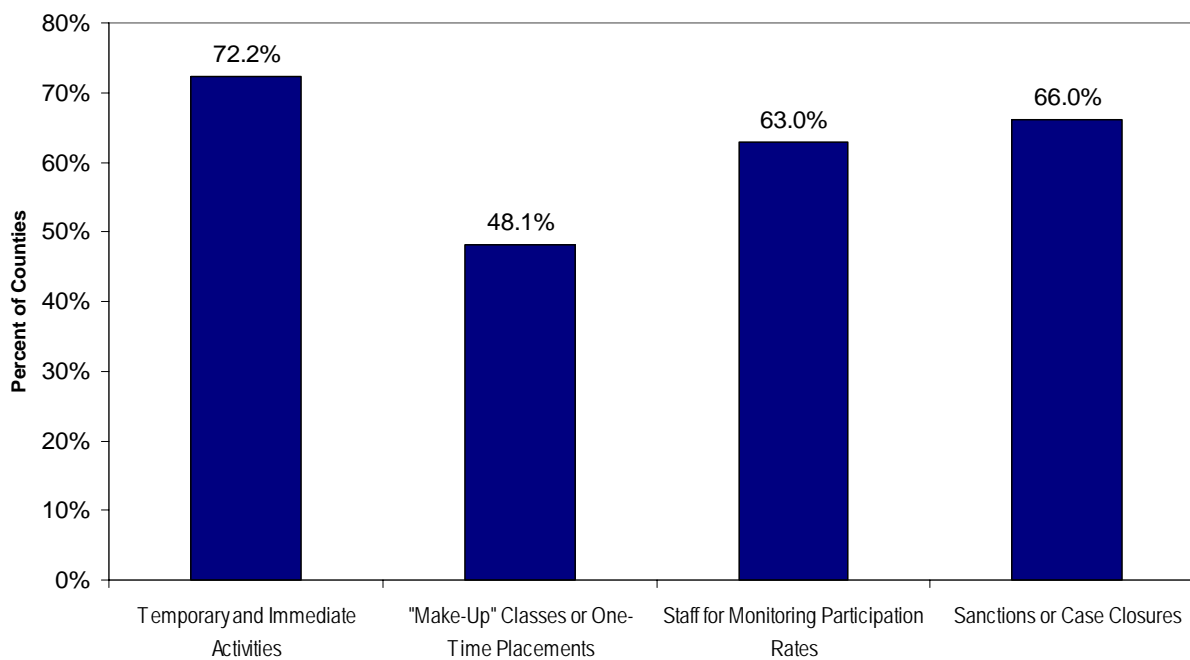
Special challenges for counties with very small caseloads. Four counties said that it was hard to meet work participation rate requirements consistently because with their very small caseloads (for some, ranging between one and five at a given time) even one additional person failing to meet

the participation requirements impacts their rates by a large amount. One other county said that their small caseload prevented them from developing longer-term relationships with employers since “if we have success with one client and the employer would be willing to work with more clients, it may be four to five years before we have another client that would be a good fit for the employer.”

Other. A handful of counties cited a lack of resources such as providers of educational services in their county. A few mentioned problems in adjusting to new rules in general, and two cited in particular the limits on education hours countable towards the rate.

Last year’s report on program participation discussed several strategic approaches counties could take to increase their work participation rate beyond increasing employment. Several questions on the survey attempted to collect information on the extent to which these strategies were used. The responses are summarized in *Exhibit III.5*.

Exhibit III.5: Use of Strategies to Increase Work Participation



Source: 2008 County Survey

Of those counties who responded to these question:

- 72 percent said they offer temporary, immediate activities to clients whose other activities end. This “bridge-the-gap” strategy helps maximize participation by making sure that individuals who met most of the hours needed to comply with participation requirements successfully complete the rest of the hours. Typical strategies described by respondents were immediate use of CWEPs or community service, strategic coordination of activities so that one begins immediately after another ends, immediate job search or classes, and offering activities for this purpose within the DSS office.

- Just under half (48 percent) say they offer make-up activities for clients participating in an activity but who miss a session. Community services hours are frequently used, and in some counties CWEP programs or classes have make-up classes or hours set aside. Several counties say they determine what to use as a make-up on a case-by-case basis. A couple of counties cite tutors or one-on-one sessions.
- Close to two thirds (63 percent) have dedicated staff to monitor participation. In most cases the case manager and/or supervisor plays this role.
- Two thirds (66 percent) say they use sanctioning or case closure as a strategy to help increase the work participation rate. Although the intention of this question was to ask whether counties used sanctions more or less liberally with consideration given to the direct impact on the work participation rate from the sanction or case closure itself, it is clear from responses that many also answered yes to this question if they used the threat of sanctioning to motivate participation.

4. *Other Innovative Services and Strategies*

The survey asked counties to report on strategies they find innovative or unusual in a variety of areas. These were often discussed in more detail as part of the follow-up calls. Several of these have been discussed earlier in the chapter. A small selection of others include:

- **Special support for families of returning military personnel** (Adams County). The county developed this program in recognition of the challenges facing many families of military personnel returning from Iraq and a desire to help these families stay together. It serves families with children. Workers make home visits to the families and help assess their needs and help them access veterans' benefits. The program provides families with counseling and links them to other supportive services and emergency financial assistance. It is a short-term program, with a 3 month service period, and available to all military families (not just BCA-eligible ones).
- **Denver's case management restructuring** (Denver; similar policies adopted by Fremont and Jefferson). Denver recently redesigned its case management procedures. Using a series of assessments, Denver assigns a client into one of four groups, each that receives a different set of services, based on their level of "job-readiness." The groups are:
 1. **Job ready.** Clients able to obtain and retain employment.
 2. **Potentially job ready.** Clients who lack recent work experience and have no documented reason for not meeting participation rates.
 3. **Short-term disability.** Clients who have an active and currently documented reason (e.g., medical or mental) for not meeting participation rates. These clients have limits on the type of employment they can undertake.
 4. **Long-term disability.** Clients who have an active and currently documented reason (e.g., medical or mental) that prohibits them from undertaking long term employment.

Those most job ready (Group 1) are directed towards diversion. Group 4 is placed on the SSI track. Fremont and Jefferson Counties have developed their own versions of assessments to track clients in the same categories as Denver, though the services provided to each group may differ. For example, Fremont supports level 4 clients with non-TANF funding; Denver is still in the process of developing policies for using non-TANF funding. The Lewin team is conducting a site visit to Denver in the summer of 2008 and will observe this system during that visit.

- **Other restructuring of case management** (Boulder, El Paso). Boulder has hired new technicians, reducing the technician-to-case ratio, and organized technicians and supervisors to specialize on particular populations. As part of this restructuring, it also created two “floater” positions to cover technicians’ caseloads while staff members are on family or medical leave. El Paso has assigned specialized case managers to work with families applying for SSI. Depending on their particular circumstances, such clients may not be able to participate in work activities. These case managers do home visits and work closely with clients identified as having work capabilities, including connecting with a local rehabilitation program for services in terms of training and job placement.
- **Special CWEP Strategies** (Fremont, Larimer). Fremont started a peer support group for CWEP participants. The group meets once a month for one hour. Participation is required and is written into the IRC. The meetings allow participants to learn about others’ experiences and talk about their own. In addition, the county brings in guest speakers, such as domestic violence counselors or representatives from a homeless shelter. This helps participants to have a network when looking for jobs, and has a side benefit of helping ensure that clients turn in time sheets early. To help clients develop a sense of consistency and some basic job skills, Larimer has developed a program in which up to six clients that have had problems finding employment work together in groups at four different worksites (e.g., an animal shelter, a thrift store, elderly care facility, and a recycling facility). Each day, the clients go to a different employer, and one day during the week, they take job training which focuses on computers. Larimer has also hired a staff member to help develop internships in the private sector.
- **Strategic use of faith based or community based organizations** (Prowers, Park, Archuleta). Several counties mentioned that organizations known and respected in the community may reach people who are not comfortable dealing with Social Services for aid. Prowers County mentioned a program with the Ministerial Alliance, with whom they contract to provide food-bank and short-term emergency medical, shelter, and utility help to people with incomes below \$75,000. Interviewees said that the program was in some ways like a contracted-out county diversion program. In Archuleta County, the Pagosa Outreach Connection assists families who could “potentially fall through the cracks” with financial assistance, food assistance, gas vouchers, and medical assistance. Park County’s program relies heavily on community partners, in particular the Crisis Center/Mountain Peace Shelter, which is highly visible and heavily involved in the community. It provides services to both TANF-eligible clients and some BCA cases.
- **Bridges Out of Poverty**. Several counties, including Logan, Mesa, Pueblo, and La Plata, mentioned steps they were taking to adopt the strategies of the Bridges Out of

Poverty model. This model emphasizes the backgrounds, learned behaviors, and values that differ among low-income, middle class, and wealthy individuals. Representatives from the counties attended a “train the trainer” class offered by the state and then train other service providers in the agency – who are generally of a different social class than their clients – to better understand and communicate with their clients and to help them learn how to adopt behaviors that will help them succeed.

5. *Non-BCA Expenditures*

In 2007, The Lewin Group’s research team performed a study of county-level Colorado Works spending and other fiscal trends between 2000 and 2006.¹⁸ That study was based primarily on data from the Colorado Fiscal Management System, and while it gave a thorough description of overall fiscal trends, data were not available on details or particular uses of spending or county explanations of what factors affected their spending choices. To collect information to complement this earlier fiscal study, the 2008 survey included two simple questions about changes in non-BCA spending between 2006 and 2007: whether it increased or decreased, and how important certain factors – in particular, plans for or use of reserves; BCA caseload trends; child care costs or caseload trends; child welfare costs or adequacy of funding for child welfare; new initiatives, services or program strategies; and other factors – were in causing the increase or decrease.

It is important to note the context at the time in which the survey was administered. Colorado was in the process of passing a bill that made a number of changes to the Colorado Works program, including capping the amount of unspent reserves counties could keep. Consequently, many of the counties were making plans for ways to increase spending to ensure their reserves were under the cap. Discussions during the follow-up calls suggest that while most changes to county spending plans in reaction to this change in state law will occur in the future, rather than in the 2006 to 2007 period asked about on the survey, some counties were already thinking about uses of the reserves in anticipation of the possibility of the change in law.

As shown in *Exhibit III.6*, three fifths of counties reported that they increased expenditures on non-BCA Colorado Works between SFY 2006 and SFY 2007, and the other two fifths of counties reported that they decreased non-BCA expenditures over that period.

¹⁸ Nightingale, Trutko, and Hardy, *Colorado Works Program Expenditure Trends and Patterns at the County Level*, December 17, 2007.

Exhibit III.6: Share of Counties Reporting Increases or Decreases in Non-BCA Expenditures

	Counties	Percent of Counties
Increased non-BCA Expenditures	32	59.3%
Decreased non-BCA Expenditures	22	40.7%

Source: 2008 County Survey

Note: Only 54 out of 58 counties responded to this question.

Exhibit III.7 displays the results from the question that asked counties to rate the importance of various factors in explaining changes in their non-BCA expenditures. Ratings given differed between those whose spending increased and those whose spending decreased. Among those whose spending increased, new initiatives were most often rated as an important factor in changes in non-BCA spending, while among those whose spending decreased BCA caseload trends were most often rated as an important factor in the decreases in non-BCA spending.

Exhibit III.7: Importance of Factors in Leading to Increases or Decreases in Non-BCA Expenditures

	Rating				
	1-Least Important	2	3	4	5-Most Important
Reasons for Increases in Expenditures (n=32) (%)					
Plans for or use of reserves	12.5	6.3	25.0	21.9	34.4
BCA caseload trends	9.4	15.6	28.1	34.4	12.5
Child care costs	9.4	12.5	29.0	37.5	9.4
Child welfare costs	12.5	12.5	12.5	28.1	34.4
New initiatives	6.7	13.3	6.7	36.7	36.7
Reasons for Decreases in Expenditures (n=22) (%)					
Plans for or use of reserves	50.0	10.0	15.0	10.0	15.0
BCA caseload trends	27.3	0.0	27.3	13.6	31.8
Child care costs	40.0	5.0	30.0	5.0	20.0
Child welfare costs	57.9	10.5	5.3	5.3	21.1
New initiatives	47.4	26.3	15.8	5.3	5.3

Source: 2008 County Survey

6. Future Plans

One of the topics that Lewin researchers focused on during the follow-up calls that was not emphasized in the survey was plans counties had for future policy changes or new initiatives. It was clear from the calls that anticipation of the passage of SB 08-177, which caps the amount of unspent reserves counties can retain, was causing many counties to plan to spend more and create new initiatives. Counties were at different stages in conceptualizing ways to use funds from the reserves; some had already identified specific actions they would take, while others had much more general ideas of problems they intended to use the money to address. For the most part, counties were still in the planning phase.

For some counties, spending down the reserve may be challenging; one county said they expect to have to return a certain amount of money to the state. A feeling of urgency may have influenced the spending choices of some counties, as some counties plan to increase spending on existing initiatives or provide support to outside organizations rather than creating new programs or strategies, though others are thinking more expansively. In addition, some counties appear to have chosen to provide support in ways that can be shorter-term rather than create new programs that will require funding over time.

It was not always possible to know which plans were influenced by the need to spend reserves, as compared to actions the counties would have been planning to take anyway. For the most part, planned initiatives fall within the same categories as general Colorado Works spending. Some examples of initiatives discussed include:

- *Housing.* A couple of counties are looking to assist families facing a scarcity of affordable housing.
- *Child care.* Garfield County said they are working with community groups to start a new child care center to help compensate for a large center in the community that is closing, while Prowers has applied for Community Development Block Grant funding to expand child care support after a closing in their county.
- *Mental health.* Larimer, Las Animas, and Saguache counties discussed wanting to provide additional services to individuals with mental health or substance abuse issues.
- *Work training.* Jefferson County is looking into developing new on-the-job training opportunities, and Prowers is looking to add vocational training offerings at the community college.
- *Infrastructure.* Washington County plans to support “community infrastructure” development for recreational activities, possibly including building a new community recreation center. Las Animas wants to renovate a DHS facility and office space.
- *Phone access to human services information.* Garfield County is working to implement a 211 system, which would allow people to phone a three-digit number to get access and referrals to human services, supported in part with TANF funding.
- *Needs assessment and evaluation.* Mesa County is using a community assessment tool to determine barriers to address as they use funds from the reserves. Park County is planning to do a formal evaluation of services provided through a community partner.

IV. Relationship between Colorado Works and Child Welfare

TANF and Child Welfare are programs that overlap in mission and in clients. The purposes of both programs focus on child well-being. Many of the same factors that are associated with poverty are also associated with the incidence of abuse and neglect. For example, one study found that children in low-income households are much more likely to be victims of abuse and neglect; children in families with an annual income of less than \$15,000 are 22 times more likely to be maltreated than children in families with annual incomes of \$30,000 or more.¹⁹ It is common for clients involved in Child Welfare to also receive cash assistance. Nationally, 70 to 90 percent of children who receive Child Welfare services while remaining in their homes also receive cash assistance and more than half of children with out-of-home placements are eligible for cash assistance.²⁰

This chapter investigates the prevalence of Colorado Works clients' interactions with Child Welfare in Colorado. Specifically, this chapter addresses four key research questions:

- What percentage of TANF families experience child welfare investigations?
- What percentages of these investigations result in findings of abuse and neglect?
- What are the characteristics of TANF families who have founded allegations of abuse or neglect?
- What organizational collaborations exist between Colorado Works and Child Welfare?

Key findings of this chapter include:

- **More than 10 percent of children on Colorado Works in SFY 2007 had at least one allegation of abuse or neglect in the previous 12 months.** For about 4 percent of children, there was at least one founded allegation. A higher percentage of children in new and returning child-only cases (about 18 percent) had at least one Child Welfare referral in the prior 12 months.
- **About a third of referrals for children on Colorado Works in SFY 2007 were founded.** Most referrals were determined to be either inconclusive or unfounded. Children on child-only cases had a higher proportion of referrals that were founded, about 41 percent.

¹⁹ Geen, R., Fender, L., Leo-Urbel, J. & Markowitz, T. (2001). *Welfare Reform's Effect on Child Welfare Caseloads*. Washington, DC: The Urban Institute.

²⁰ Hutson, Rutledge. *A Vision for Eliminating Poverty and Family Violence: Transforming Child Welfare and TANF in El Paso County, Colorado*. Center for Law and Social Policy (CLASP), Policy Brief No. 1, January 2003.

- **One-parent Colorado Works cases with founded allegations of abuse or neglect have demographic characteristics that are similar to the rest of the Colorado Works caseload.** However, the two groups differ in that cases with founded allegations tend to have more children and children who were younger than the rest of the SFY 2007 caseload.
- **Counties have developed several strategies to collaborate with Child Welfare, including preventative strategies, collaboration to serve jointly involved families, and working with relative caretakers.** Most counties Colorado Works programs (74 percent) report that they offer child welfare services to clients. Strategies vary across counties and include home visits with families at risk of Child Welfare involvement, family counseling, resource centers with prevention services, agency co-location, joint development of TANF and Child welfare plans, and incentives and supports for relative caretakers.

A. The Intersection of TANF and Child Welfare

Like Colorado Works, the Division of Child Welfare (DCW) in Colorado is state supervised but county administered. The office describes its key vision as making sure that “Colorado’s Children live in a safe, healthy and stable environment.” Services provided through Child Welfare are designed to protect children, prevent out-of-home placements, and reunify children and their families. *Box IV.1* provides a general overview of the key stages of involvement with Child Welfare.

In FFY 2006, there were approximately 3.3 million allegations of child maltreatment involving approximately 6 million children across the U.S.²¹ Of those allegations of child maltreatment, about 950,000 (16 percent) were confirmed cases of abuse or neglect.

Box IV.1: Overview of Child Welfare

Child abuse and neglect is defined as “any recent act or failure to act on the part of a parent or caretaker which results in death, serious physical or emotional harm, sexual abuse, or exploitation; or an act or failure to act which presents an imminent risk of serious harm”.

If an outside agency or party suspects that neglect or abuse has occurred or is occurring in a home, they will notify Child Welfare. This is called an **allegation** or **referral**. Once a referral has been made, the agency may then conduct an investigation to determine whether or not the allegation can be substantiated.

After the investigation, the referral can either be **founded** (incidence of abuse or neglect is confirmed), **inconclusive** (no determination can be made as to whether abuse or neglect has occurred), or **unfounded** (there is no evidence of abuse or neglect).

For the purpose of this report, children on Colorado Works are considered to have **interactions** with Child Welfare if they had any referrals or reports in the previous 12 months. If the report was founded at any time, that child is considered to have a **founded allegation**.

1. Welfare Reform and TANF-Child Welfare Interactions

Along with the many other modification made to welfare in 1996, PRWORA stipulated that funds allocated through the TANF block grant could be used for services addressing any of the following purposes:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- Prevent and reduce the incidence of out-of-wedlock pregnancies; and
- Encourage the formation and maintenance of two-parent families.

All four purposes of TANF relate to child well-being and family preservation. The goals of reducing interaction with Child Welfare and the prevention of out-of-home placements, which had once been primarily under the domain of Child Welfare, became a shared goal between Child Welfare and TANF. With these shared goals, the need for cooperation between the two agencies became more pronounced.

PRWORA also strengthened ties between Child Welfare and TANF by altering the funding streams for Child Welfare. Historically, Child Welfare was financed by multiple funding streams, including Title IV-B and Title IV-E funds, the Social Services Block Grant (SSBG), Emergency Assistance funds, and Medicare. In 1996, PRWORA eliminated the Emergency Assistance program and replaced it with the TANF block grant and reduced funding for the SSBG by 15 percent. However, the new legislation also stipulated that up to 10 percent of TANF funds could be transferred to the SSBG, which could then be used for Child Welfare. Consequently, a significant portion of TANF funds is now spent on Child Welfare. Nationally, states have drastically increased the amount of TANF funds devoted to Child Welfare; between 1996 and 2000, TANF funds spent on Child Welfare increased 36 percent to \$9.9 billion.²²

The changes made to the funding structure of Child Welfare allow for greater ease and flexibility of collaboration between Colorado Works and Child Welfare to serve jointly-involved families. TANF funds a variety of Child Welfare services since the goals of the two agencies overlap significantly. The TANF-funded Child Welfare services include: family preservation, family reunification, foster care, subsidized guardianship, adoption, family support, kinship care support, crisis residential centers, protective and remedial day care, youth services, home-

²¹ U.S. Department of Health and Human Services, Administration on Children, Youth and Families, *Child Maltreatment 2006*, Washington, DC: U.S. Government Printing Office, 2008.

²² Geen, Rob. *Shoring Up the Child Welfare-TANFLink*. The Urban Institute, June 2002.

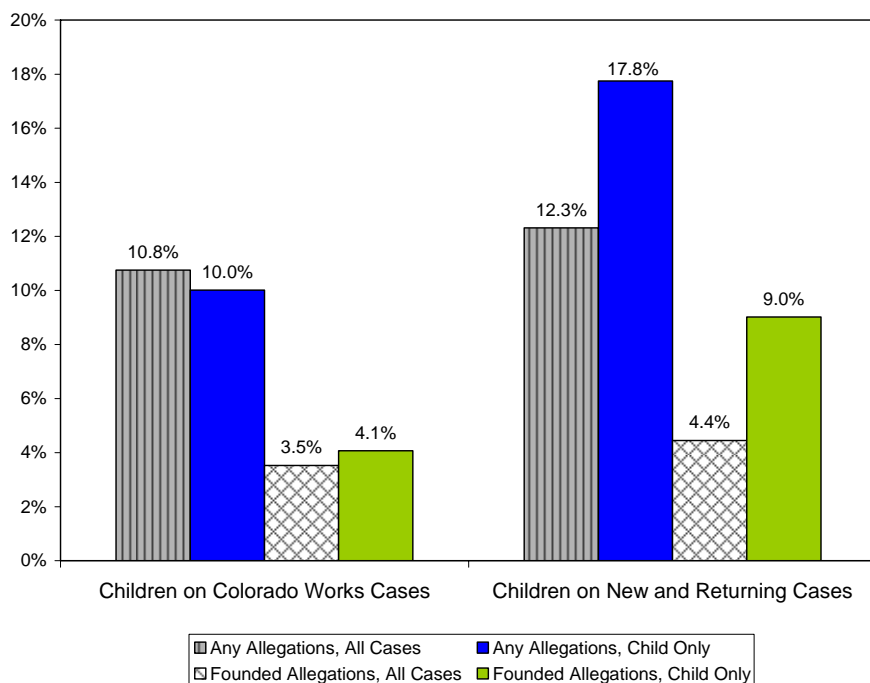
based therapy, and job programs for foster youths. In Colorado in SFY 2002, about 23 percent of TANF countable funds (\$51.5 million) were spent on Child Welfare program services.²³

2. Involvement of Colorado Works Clients in Child Welfare

Among all children on Colorado Works in SFY 2007, more than 10 percent had any allegations of abuse and neglect within the previous year, while about 4 percent had founded allegations. (See *Exhibit IV.1.*) The proportion of children on child-only cases with Child Welfare interactions in the previous year is similar to all cases, with about 10 percent with any allegation of abuse or neglect in the previous year and about 4 percent with confirmed allegations.

This proportion is higher among new and returning child-only cases (child-only cases with no Colorado Works receipt in the previous two months), at 18 percent. The percentage of children on new and returning child-only cases with confirmed allegations within the prior 12 months is also much higher, at about 9 percent. It is possible that this increase in the proportion of children on new and returning child-only cases with interactions with Child Welfare is associated with incidents that result in out-of-home placements which may result in the creation of a new child-only case. The percentage of all new and returning cases that have had any interactions with Child Welfare within the last year is only slightly higher than all cases receiving Child Welfare services within the last year.

Exhibit IV.1: Percent of Colorado Works Children With Allegations of Abuse and Neglect by Case Type, SFY 2007



Source: Trails and CBMS

²³ Berkeley Policy Associates. *Evaluation of the Colorado Works Program; Fourth Annual Report*. Submitted to the Office of the Colorado State Auditor, November 2002.

3. Outcomes of Allegations of Abuse and Neglect

Exhibit IV.2 shows the outcomes of all referrals for a given child during the prior year by the type of Colorado Works case.²⁴

Exhibit IV.2: Referral Findings Among Children on Colorado Works Cases With Referrals in the Past 12 Months by Case Type, SFY 2007

	One-Parent BCA	Two-Parent BCA	Child-Only BCA	All Cases
No Investigation (%)	1.1	1.1	0.9	1.0
Founded (%)	28.3	30.9	40.7	33.3
Inconclusive (%)	40.1	43.4	34.3	38.0
Unfounded (%)	40.8	32.2	35.3	38.1
Total Number of Children	14,011	1,724	10,222	25,957

Source: Trails and CBMS administrative records

Note: About 1 percent of cases are recorded as not having an investigation, but this may be because the investigation has simply not been conducted during the period being examined.

Child Welfare investigated most referrals during the study period. Most referrals for children on Colorado Works cases were determined to be either unfounded or inconclusive (38 percent for each outcome) and about a third were founded. Compared to children on two-parent cases and one-parent cases, a significantly higher percentage of child-only referrals were determined to be founded (41 percent, compared to 28 percent of one-parent cases and 31 percent of two-parent cases). Two-parent cases had a higher percentage of referrals determined inconclusive compared to one-parent and child-only cases.

4. Characteristics of Colorado Works Cases who Have Interactions with Child Welfare

The household characteristics of one-parent Colorado Works cases with founded allegations of abuse or neglect in the previous year are mostly similar to the rest of the Colorado Works caseload (including both cases with unfounded Child Welfare allegations and no Child Welfare allegations in the previous 12 months). Among one-parent cases, the largest difference between the two groups is that clients with founded allegations of abuse or neglect tended to have more children and children who were younger than the rest of the one-parent Colorado Works caseload (see Exhibit IV.3).

About 36 percent of one-parent cases with a founded allegation had more than three children, compared to only 23 percent of cases with no founded Child Welfare allegations. Cases with a founded allegation of abuse or neglect were much more likely to have a youngest child three years or younger than cases with no interaction with Child Welfare. Of one-parent cases with a

²⁴ Because a child may have multiple referrals, and there may be different outcomes for each referral, outcome percentages for each Colorado Works case type may sum to more than 100 percent.

founded Child Welfare allegation in the previous year, 69 percent had a youngest child age three or younger compared to 57 percent of cases with no founded Child Welfare allegations.

Exhibit IV.3: Characteristics of One-Parent Colorado Works Cases by Interaction With Child Welfare, SFY 2007

	No Founded Allegations in Prior 12 months	At Least One Founded Allegation in Prior 12 Months
Gender of parent (%)		
Female	93.7	92.9
Age of parent (%)		
18 to 24 years old	34.2	30.0
25 to 34 years old	38.1	44.8
35 or more years old	27.7	25.2
Number of children (%)		
One	46.0	33.1
Two	30.9	31.3
Three or more	23.2	35.6
Age of youngest child (%)		
Under 1 year	21.6	28.1
1 to 3 years	35.4	40.9
4 to 5 years	12.2	9.7
6 or more years	30.8	21.3
Parent has disability (%)	20.6	19.1
Marital status of parent (%)		
Never married	83.1	78.2
Married	5.9	8.6
Other	11.0	13.2
Months on TANF clock (%)		
0 to 3	11.2	13.1
4 to 12	31.3	29.9
13 to 24	23.7	25.8
24 to 48	27.4	25.2
49 to 59	5.1	4.9
60 or more	1.3	1.1
Number of Cases	6,784	306

Source: Trails and CBMS administrative records

5. Source of Abuse or Neglect

A vast majority of incidents of child maltreatment are perpetrated by someone within the child’s family (see *Exhibit IV.4*). Approximately 98 percent of all children on Colorado Works cases with founded allegations of abuse or neglect in SFY 2007 were maltreated by a family member. A relatively low percent of children on Colorado Works cases with founded allegations were maltreated by an institution or another party. This trend is consistent across all Colorado Works case types, yet a slightly higher percentage of founded allegations among children on two-parent cases were committed by a third party and a lower percentage by an institution.

Exhibit IV.4: Source of Maltreatment for Allegations Confirmed Among Children on Colorado Works Cases With Founded Allegations in Past 12 Months, SFY 2007

	One-Parent BCA	Two-Parent BCA	Child-Only BCA	All Cases
Source of Maltreatment (%)				
Intra-familial	97.3	96.7	98.1	97.6
Institutional	2.2	1.0	2.1	2.1
Third party	3.4	5.0	1.9	2.9
Total Number of Children	14,011	1,724	10,222	25,957

Source: Trails and CBMS administrative records

6. Type and Severity of Maltreatment

A majority of all founded referrals among Colorado Works cases were for neglect as opposed to abuse. As *Exhibit IV.5* shows, 87 percent of all children on Colorado Works cases with a founded referral were for neglect. This trend does not vary notably by case type.

Of those referrals for abuse, the majority were allegations of physical abuse (16 percent of all founded referrals). Abuse was slightly more common among one-parent cases, and in particular, physical abuse had a higher incidence among one-parent cases (17 percent) than among either two-parent or child-only cases (about 14 percent).

Exhibit IV.5: Type of Maltreatment for Referrals Confirmed among Colorado Works Cases With Referrals in the Past 12 Months, SFY 2007

	One-Parent BCA	Two-Parent BCA	Child-Only BCA	All Cases
Type of Maltreatment				
Neglect (%)	87.1	90.8	86.6	87.2
Abuse (%)	29.2	21.4	24.9	27.0
Physical	16.9	13.6	14.1	15.6
Emotional	5.5	1.7	3.7	4.5
Sexual	6.6	5.9	7.3	6.8
Total Number of Children	14,011	1,724	10,222	25,957

Source: Trails and CBMS administrative records

Most confirmed referrals of child maltreatment among children on Colorado Works cases were of either minor (43 percent) or medium (47 percent) severity (see *Exhibit IV.6*). Less than one-tenth of 1 percent of confirmed referrals were fatal, and 10 percent were severe.

Exhibit IV.6: Severity of Confirmed Referrals Among Colorado Works Cases With Referrals in the Past 12 Months, SFY 2007

	One-Parent BCA	Two-Parent BCA	Child-Only BCA	All Cases
Severity of Maltreatment (%)				
Minor	43.5	50.1	40.6	42.8
Medium	45.6	45.2	49.8	47.2
Severe	10.8	3.9	9.5	9.8
Fatal	0.1	0.8	0.0	0.1
Total Number of Children	14,011	1,724	10,222	25,957

Source: Trails and CBMS administrative records

A lower percentage of confirmed referrals among children in two-parent cases were severe; 4 percent compared to 11 percent of one-parent cases and 10 percent of child-only cases. Two-parent cases also had a much higher percentage of confirmed referrals that were minor (50 percent) than one-parent or child-only cases (44 percent and 41 percent, respectively).

B. Strategies for Local Collaboration

Given the shared goals between TANF and Child Welfare and the significant proportion of Colorado Works clients who are also involved with Child Welfare, there is a strong need for collaboration between the two agencies. Since the creation of Colorado Works, there has been

considerable effort among Colorado counties to increase collaboration with the Division of Child Welfare.

In the survey of counties discussed in the previous chapter, 74 percent of Colorado Works county directors surveyed reported that they offer support to Child Welfare programs. A significant share of counties also reported offering other services that reflect the intersection of TANF and Child Welfare goals, including:

- Responsible fatherhood services (38 percent of counties)
- Parenting skills (72 percent)
- Youth development (43 percent)
- Services for relative caretakers (55 percent).

The level and type of collaboration between Colorado Works and Child Welfare varies by county, but several counties have identified special initiatives or programs designed to (1) prevent “at risk” families from becoming involved with child welfare, (2) collaborate to serve jointly involved families, and (3) work with relative caretakers.

1. Preventative Strategies

As previously discussed, the first goal of TANF is to provide assistance to families so that children can be cared for in their own homes or the homes of relatives. A key component of preventing out-of-home placements is identifying families at risk of Child Welfare involvement and providing them with services to avoid any incidence of abuse or neglect. Programs use different methods to identify “at risk” families and work with them before they become involved with Child Welfare. For example, the Early Intervention and Prevention Program in Adams County provides at-risk families with a specialized social worker who counsels the family with the goal of providing family stability and preventing out-of-home placements. Social workers spend an average of seven to fourteen hours with each family. In addition to counseling, the social worker also refers the families to community service providers for assistance with transportation, child care, and mental health services.

Other counties use home visits to prevent involvement with Child Welfare. Garfield County has two Life Skills Workers who conduct home visits with clients at risk for involvement with child welfare. Similarly, in Boulder, a social services caseworker makes home visits alongside the TANF case-aid to families identified by the Colorado Works caseworker as being at risk of Child Welfare involvement. In addition to providing the family with counseling and service referrals, the social services caseworker is also responsible for coordinating with Child Welfare.

Through the short-term Family Resources Program, Larimer County works to prevent abuse and neglect with a resource center for families and the provision of a range of services. Families in this program can receive risk assessment, information and referrals, advocacy services, home-

based parenting education, and crisis counseling. This program is designed to help families overcome short-term hurdles to prevent any involvement with Child Welfare.²⁵

2. *Serving Jointly Involved Families*

With more than 10 percent of children on Colorado Works having joint interactions with Child Welfare, there is considerable need for collaboration between the two agencies to assist jointly involved families. Families involved with both Colorado Works and Child Welfare must meet requirements to remain in compliance with both agencies. Without collaboration between TANF and Child Welfare, it may be difficult for families to meet the requirements of both programs. Furthermore, a lack of collaboration may result in the inefficient provision of duplicative services to these families.

Increased communication and the joint provision of services can help reduce these challenges for families involved with both programs. One example of this type of collaboration is Denver County's Family and Children Integration Team. The team is comprised of two Colorado Works program case managers, two Child Welfare family and children social workers, and a Colorado Works supervisor, and is designed to prevent removal of children from the home and to provide referrals. Representatives from each agency are co-located in the same office and work together to develop a Colorado Works IRC and a Child Welfare treatment plan and child safety plan to avoid inconsistency or redundancy in the plans. Colorado Works case managers also continue to work with families after the child welfare case closes. El Paso County similarly has integrated service teams, and has a Service Integration Policy outlining how the department will integrate services both internally and within the larger community.

3. *Working with Relative Caretakers*

During an average month in SFY 2007, over 10,000 children were receiving assistance through Colorado Works as a child-only case (no adult was part of the assistance unit). While there are a variety of living situations for children in child-only cases, a large portion of these children live with non-parent caregivers who are often relatives of the child. Incidents of abuse and neglect can lead to the creation of a child-only Colorado Works case by removing the child from their parent's home.

The TANF Kinship and Family Support Team in El Paso County is designed to prevent children from being placed in foster care.²⁶ The program provides evaluation, training, and supportive

²⁵ Gardiner, Karen and Lesley Turner, *Family and Preventative Services in Colorado*, The Lewin Group, June 21, 2006.

²⁶ The descriptions of this program and of the Denver program in the following paragraph are based on findings from a survey of counties and fieldwork conducted in 2005, and do not reflect any changes to these programs that have occurred since then. The 2008 survey did not collect detailed information on programs designed to work with relative caretakers, and therefore did not update the information on these programs. The findings from the 2005 survey and fieldwork on which these descriptions are based are presented in Gardiner, Karen and Lesley Turner, *Family and Preventative Services in Colorado*, The Lewin Group, June 21, 2006.

services to the relative caretakers of a relative's child. Two Child Welfare staff are also funded through the TANF block grant as part of this program.

Denver County's Grandparent Kin Program gives relative caretakers an increased basic cash grant each month. The increased grant, or incentive payment, is contingent upon the grandparents' completion of a Monthly Status Report (MSR) and compliance with child support enforcement to establish support orders from each biological parent. Participants may also receive additional funds for transportation, clothes for children in school, family counseling, and referrals to support groups for caretaker relatives.

V. Interaction between Child Support and Colorado Works

This chapter explores the interactions that current and former Colorado Works families have with the child support system by analyzing administrative child support data provided by the Child Support Enforcement Division and data from CBMS. Analysis was conducted to explore how many current and former Colorado Works recipients have child support orders, for what percentage of cases on Colorado Works child support payments occur, how much Colorado Works families are owed in monthly support and arrears, and how long spells of child support payment to Colorado works families last.

Key findings include:

- **A higher share of Colorado Works cases have active child support orders than the national average for TANF cases.** In an average month, roughly 40 percent of Colorado Works cases have a child support order. This appears to be higher than national rates, which a 2005 study estimates at around 25 to 33 percent. The median monthly support amount owed to Colorado Works cases was \$224.
- **Payments are made for about half of Colorado Works cases with active orders.** The percentage of Colorado Works cases with active orders where a payment occurs in an average month is 53 percent. This appears to be higher than national rates, which the 2005 study estimates at 43 percent. Among all Colorado Works cases, child support payments occur in 22 percent of cases.
- **Child support payments are made somewhat more frequently with former Colorado Works cases than with current cases.** Among one-parent cases in FFY 2007, active orders were somewhat more common for former Colorado Works cases than current cases (43 percent versus 39 percent) and it was also somewhat more common that payments were being made (26 percent versus 20 percent). This difference means that former cases were 25 percent more likely to have a payment made than current cases.
- **The vast majority of open cases have arrears, and for most, the amount of arrears accumulated was substantial.** Non-custodial parents owe arrears in over 90 percent of current and former Colorado Works cases with active orders. The median amount of arrears owed on current Colorado Works cases was \$5,274 in FFY 2007, which was higher than the median amount of arrears owed to former Colorado Works recipients (\$4,138).
- **Interruptions in payments are common in cases where new child support payment spells occur.** Many noncustodial parents do not consistently make payments in every month. Analysis of current and former Colorado Works cases where a noncustodial parent began to make child support payments (or resumed making payments) during the first three quarters of FFY 2007 shows that in 42 percent of these cases payments occurred for less than five consecutive months without an interruption of at least a month.

A. Background

Child Support can serve as an important source of income for low-income parents, and can be particularly important for low-income single parents transitioning away from welfare towards

employment. Receipt of child support income after exit is associated with a lower probability of welfare recidivism.²⁷

Child Support also serves an important function in helping counties to recuperate some of the costs associated with public benefit provision for low-income families. Both County Human Service Departments and Child Support benefit from the collection of child support funds from non-custodial parents. County Human Service Departments benefit since 50 percent of the funds collected by Child Support Enforcement on behalf of families receiving TANF assistance goes to the counties to reimburse some of the costs associated with serving clients. The other 50 percent of these funds are paid to the federal government. This provides a strong incentive for TANF programs to cooperate with Child Support Enforcement.

The state of Colorado does not have a “pass through” policy for funds collected by the Child Support Enforcement Division on behalf of custodial TANF parents. This means that payments made by a non-custodial parent for a child who is on a Colorado Works case goes to the federal government and county human service departments until all public assistance paid to the custodial party is reimbursed. At that time, payments are disbursed to the custodial parent as excess over unreimbursed public assistance.

However, one condition of benefit receipt for the Colorado Works program is that custodial parents or relative caretaker guardians must file for child support against a child’s biological parent(s). Individuals who are required to file with the Division of Child Support Enforcement but fail to do so face sanctions under the Colorado Works program that can lead to benefit termination.²⁸

B. Child Support Orders Among Current Colorado Works Cases

When a non-custodial parent is determined, through a series of legal processes, to be financially responsible for a child, a child support “order” is established administratively or judicially. This order is a legal statement of what types of financial and other supports the non-custodial parent must provide for his or her child.²⁹

In the average month of FFY 2007, roughly 40 percent of the Colorado Works caseload had an active child support order for at least one non-custodial parent (*Exhibit V.1*).³⁰ On average during this period, 22 percent of the monthly Colorado Works caseload received payments from non-custodial parents while 19 percent of cases had an order for monthly support but were not receiving payment. This means that of those cases with an active support order, 53 percent were receiving at least some payment from non-custodial parents.

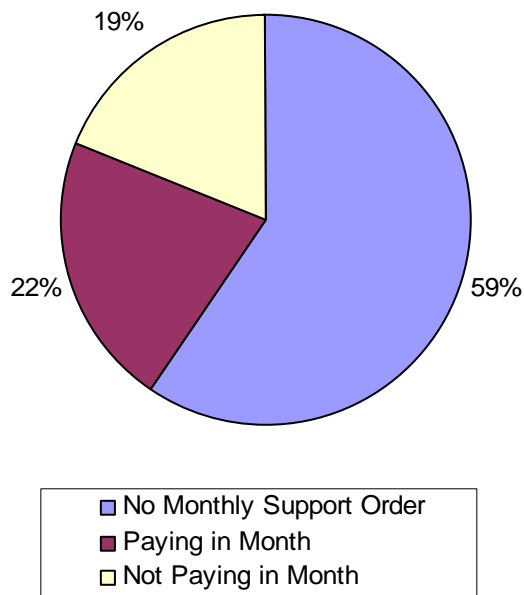
²⁷ King, Christopher T. and Daniel G. Schroeder, “The Role of Child Support and Earnings in Texas Welfare and Poverty Dynamics,” 2003.

²⁸ Victims of domestic violence are exempted from the requirement to file with the Division of Child Support Enforcement.

²⁹ In addition to monetary orders, non-custodial parents may also be ordered to provide medical insurance coverage for their children. These other order types are not analyzed in this report.

³⁰ Colorado Works cases may have orders against more than one non-custodial parent.

Exhibit V.1: Child Support Orders Among Active Colorado Works Cases, FFY 2007



Source: ACSES and CBMS administrative records

In comparison to child support receipt among welfare recipients nationally, receipt of child support among Colorado Works families is relatively high. In Colorado, 41 percent of Colorado Works families have a child support order, whereas a 2005 study that relied on a variety of samples of welfare recipients to measure the percentage of TANF families who had child support orders found that only around one-fourth to one third of current welfare recipients nationally had child support orders. Similarly, the share of Colorado Works cases with a support order where the non-custodial parents made payments appears to be high at 53 percent in Colorado versus 43 percent nationally.³¹

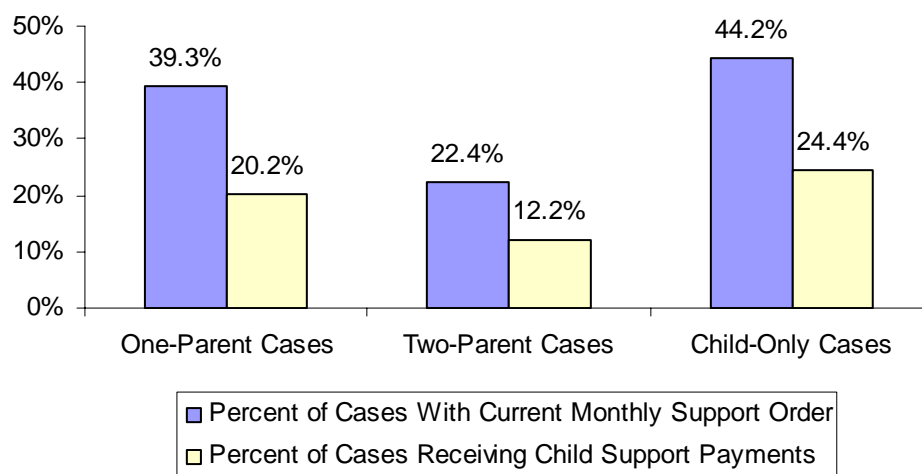
Rates of orders and payments vary somewhat by family type, as *Exhibit V.2* shows. The percentage of current Colorado Works cases with child support orders was highest among child-only cases (44 percent), and lowest among two-parent cases (22 percent). While there is insufficient data to fully explore the reasons for this variation, a potential explanation is that it may reflect an expected variation in the number of non-custodial parents associated with the different family types. Colorado Works recipients must file for child support against any non-

³¹ National figures are from Miller, Cynthia, Mary Farrell; Maria Cancian, and Daniel Meyer, *The Interaction of Child Support and TANF Evidence from Samples of Current and Former Welfare Recipients*, MDRC and the Lewin Group, 2005. Findings from this study relied on data from the 1996 panel of the Survey of Income and Program Participation (SIPP), a survey of low-income individuals, along with data from several evaluations. There may be differences between the data sources (self-reported data in the SIPP versus administrative data sources used in this report) and periods analyzed that affect these comparisons between Colorado and national figures.

custodial biological parent. Thus, a single biological parent on a one-parent Colorado Works case must file for child support on her child’s other biological parent, while a non-biological guardian on a child-only Colorado Works case must file for child support against *both* biological parents. Given that child-only cases are more likely to have orders filed against multiple biological parents than other types of cases due to case composition, one might expect the rates of child support orders and payment receipt to vary among Colorado Works cases by family type. Similarly, one might expect two-parent cases to have a lower number of child support orders than other types of cases, as there is a greater probability that both biological parents will be on the case.

Interestingly, there was little variation by family type in the rate at which noncustodial parents made payments among those cases with an active order; child support payments were made in between 52 and 55 percent of active orders among each case type in an average month. The percentage of all cases where child support payments occurred is highest for child-only cases, at 24 percent, versus 20 percent for one-parent cases and 12 percent for two-parent cases.

Exhibit V.2: Child Support Orders and Payment Receipt Among Colorado Works Cases by Case Type, FFY 2007



Source: ACSES and CBMS administrative records

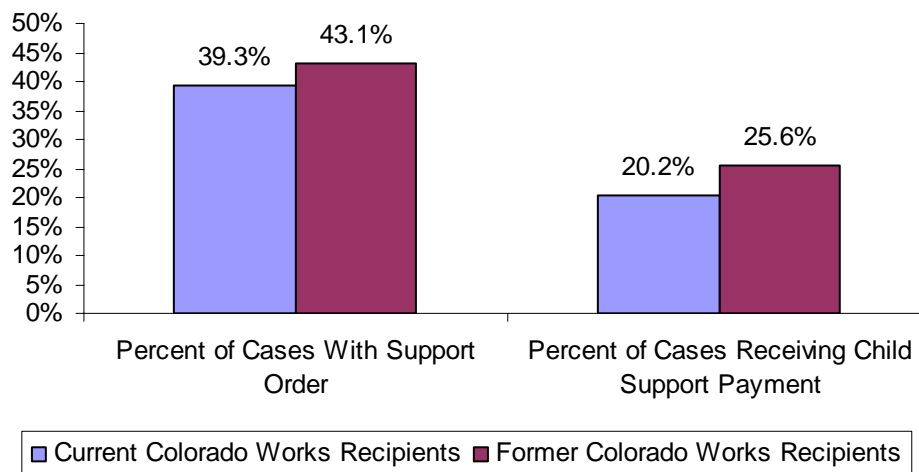
C. Child Support Orders Among Former Colorado Works Cases

When families exit TANF, child support can serve as an important source of income by providing additional funds to the family that aids its transition to self-sufficiency. Since Colorado does not have a pass-through for child support to families who are current TANF recipients, most families exiting Colorado Works will not have received direct child support payments prior to exit. These previous payments would have gone to recoup TANF program costs and some Child Support Enforcement administrative costs.

To explore differences in child support payments between current and former TANF families, *Exhibit V.3* shows the percentage of current and former one-parent Colorado Works cases that had child support orders and where payments occurred in an average month between October 2006 and September 2007. In this analysis, “former” Colorado Works cases are defined as cases

that received a basic cash assistance payment from Colorado Works at some point during the prior twelve months, but did not receive a payment in the month of analysis. The analysis is limited to one-parent cases to ensure that differences between leavers and current recipients are not driven by differences in family type. Former TANF recipients were 4 percentage points more likely than current TANF recipients to have a child support order and were about 5 percentage points more likely to have a noncustodial parent who was paying child support. This 5 percentage point difference means that former cases are 25 percent more likely to have a payment made than current cases.

Exhibit V.3: Child Support Orders Among Current and Former One-Parent Colorado Works Cases, FFY 2007



Source: ACSES and CBMS administrative records

During an average month in FFY 2007, the median monthly child support owed to custodial parents on Colorado Works cases was \$224 (*Exhibit V.4*). The monthly support owed to former Colorado Works families was similar but slightly higher, at \$247. The vast majority of Colorado Works cases were owed a monthly payment of less than \$550 (90 percent of current Colorado Works parents and 87 percent of former Colorado Works parents).

Exhibit V.4: Monthly Child Support Amount Owed to Current and Former Colorado Works Families, FFY 2007

	Current Colorado Works Families	Former Colorado Works Families
Median Monthly Child Support Amount Owed (\$)	224	247
Monthly Child Support Amount Owed Is (%):		
\$1 - \$50	12.4	9.4
\$51 to \$150	22.4	20.8
\$151 - \$250	21.2	20.5
\$251 - \$350	16.5	17.6
\$351 - \$450	10.3	11.0
\$451 - \$550	6.9	7.8
More than \$550	10.3	12.8
Average Monthly Colorado Works Cases With One or More Order	4,886	5,724

Source: ACSES and CBMS administrative records

D. Arrears Owed to Current and Former Colorado Works Families

When a non-custodial parent fails to pay his or her support order amount in full, he or she begins to accumulate arrears (i.e., back payments owed). If the non-custodial parent comes into compliance with his or her monthly support order and pays the monthly amount in full, payments over the full amount of the order will begin to pay down the arrears that he or she owes to the state.

In the vast majority of Colorado Works cases with child support orders, one or more non-custodial parent owed arrears. As *Exhibit V.5* shows, arrears were owed in 94 percent of current Colorado Works cases with orders and 92 percent of former Colorado Works cases with orders.

In those cases where arrears were owed, the median amount owed was over \$1,100 higher for current Colorado Works cases than former cases, at \$5,274 and \$4,138 respectively. In only about one out of seven to eight cases (12 percent of current Colorado Works cases and 15 percent of former cases) were the arrears owed \$500 or less, roughly equal to two months of the median monthly support order. In roughly one third of cases (34 percent of current cases and 29 percent of former cases) the arrears owed were in excess of \$10,000. While this figure may seem staggering, it is important to note that arrears accumulate over many months (and in some cases, years), and that the amount of arrears owed to a Colorado Works family may be from multiple non-custodial parents if there are multiple children on the case.

Exhibit V.5: Monthly Child Support Order Amounts Owed to Current and Former Colorado Works Families, FFY 2007

	Current Colorado Works Families	Former Colorado Works Families
Cases Owed Arrears (%)	93.5	91.6
Median Arrears Owed (\$)	5,274	4,138
Of Cases Owed Arrears, Percent of Cases Owed (%):		
\$1 - \$500	12.3	14.5
\$501 - \$1,000	7.9	9.2
\$1,001 - \$3,000	18.5	19.6
\$3,001 - \$5,000	10.2	11.0
\$5,001 - \$7,500	9.2	9.4
\$7,501 - \$10,000	7.7	7.2
\$10,001 - \$15,000	11.1	9.9
\$15,001 - \$20,000	7.1	6.3
More than \$20,000	16.0	12.9
Average Monthly Colorado Works Cases	4,886	5,724

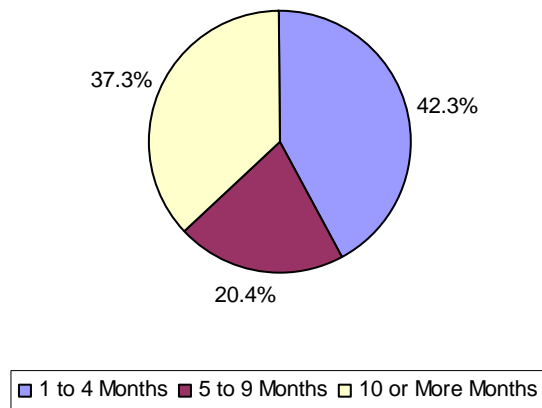
Source: ACSES and CBMS administrative records

E. Duration of Child Support Payments Among Cases Newly Receiving Payments

For many cases where the non-custodial parent made child support payments, the parent did not consistently make payments in every month. *Exhibit V.6* presents analysis that explores payment of child support owed to current and former TANF cases where child support payments started at some point during the first three quarters of FFY 2007.³²

³² To ensure a consistent follow-up period for the spell analysis, the research sample for these calculations was limited to the first three quarters of the federal fiscal year (October 2006 to June 2007). With the data currently available, this allows follow-up of at least ten months after the initial child support payment. To make comparisons possible with previous national research on this topic, the analysis only includes cases that meet the three following conditions: (1) the case was a one-parent case and (2) the case had not received payments in the prior month (3) the case had not yet been included in the research sample in a previous month of FFY 2007.

Exhibit V.6: Months of Continuous Child Support Payment Among Cases Newly Receiving Payments, FFY 2007



Source: ACSES and CBMS administrative records

The most common duration of uninterrupted child support payment was four months or less, with 42 percent of cases in this category. This finding is similar to national findings using data from the SIPP that in 39 percent of cases where payments were made, they were made for four or fewer continuous months during the first spell of payment.³³ The percentages of payments occurring for 10 or more consecutive months (37 percent) and five to nine consecutive months (20 percent) also closely mirrored national findings that showed the percent of cases in these categories to be 36 and 24 percent, respectively.

³³ Miller, Cynthia, Mary Farrell; Maria Cancian, and Daniel Meyer. *The Interaction of Child Support and TANF Evidence from Samples of Current and Former Welfare Recipients*, MDRC and the Lewin Group, 2005.

VI. Work Participation Requirements

This chapter examines work participation in Colorado Works. Specifically, it focuses on how well the state is meeting the federal requirements for its work participation rate, and what factors contribute to Colorado's success.

Key findings of this chapter include:

- **There have been strong increases in Colorado's work participation rates, with annual gains since 2005.** Between FFY 2005 and FFY 2008, Colorado's all-families participation rate increased by 12 percentage points, and is moving nearer to the federally required rate. Analysis of CBMS administrative records shows Colorado achieving an all-families rate of 35 percent for SFY 2008 through May. The two-parent rate has also increased but is still well below the 90 percent required by the federal government.
- **Most large counties have around one third of work-eligible cases or more contributing to the all-families rate.** Among the ten largest counties, Denver and Larimer counties have shown the biggest increases in the last year in their all-families rates, moving from 28 percent to 39 percent and 24 percent to 39 percent, respectively. Adams County currently has the highest rate at 51 percent.
- **One-parent teenage cases and one-parent cases with children under the age of six continue to be the cases that contribute in the highest proportion towards the state's all-families rate.** In FFY 2008, 55 percent of one-parent teenage cases included in the calculation of the all-families rate participated in work activities for enough hours to count towards the rate, as did 44 percent of one-parent cases with children under the age of six. There still remains a substantial gap between the work participation rates of the one-parent cases with younger children and of those with a youngest child over the age of six; only 18 percent of one-parent cases with a youngest child over the age of six participated in work activities for enough hours to count towards the all-families rate.
- **Most individuals contributing to the state's work participation rate in one month tend to do so again in the next month; similarly, relatively few individuals not participating in activities for enough hours to contribute to the rate in one month do so in the next.** Sixty-two percent of those who contributed towards Colorado's work participation rate in one month of FFY 2008 (by participating in work activities for enough hours) also contributed towards the rate in the following month. In comparison, only 20 percent of new cases participated in work activities for enough hours to contribute towards the rate. Of those who participated in work activities but did not fulfill the number of hours required to be counted towards the rate, around one fourth contributed towards the state's rate in the following month. Among cases not participating in any work activities in a month (and not exempted from work requirements), only 7 percent contributed towards the rate in the next month. In this last group, another 5 percent began work activities but not for enough hours to be counted towards the rate. One third of cases not participating in work activities at all left the caseload in the following month.

A. Background

The TANF program requires states to have 50 percent of “work-eligible” recipient families and 90 percent of work-eligible, two-parent families participating in approved work-related activities or risk a reduction in their TANF block grant. The 50 percent requirement is known as the all-families work participation rate, while the 90 percent requirement is the two-parent rate.³⁴

There are 12 federally countable activities that fall into two categories: core and non-core. Core activities include unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, on-the-job training (OJT), job search and job readiness assistance, community service programs, vocational educational training, and providing child care services to an individual who is participating in a community service program. Such activities are intended to give direct experience for gaining employment. Non-core activities include job skills training directly related to employment, education directly related to employment, and satisfactory attendance at a secondary school or in a course of study leading to a certificate of general equivalence. Non-core activities focus on longer-term training and education.

Work participation requirements only apply to a specific subset of Colorado Works families which are known as work-eligible. This subset does not include cases where all adults who might otherwise be working are caring for a family member with a disability, or child-only cases where the child is not living with a work-eligible adult.³⁵ All other cases are considered work-eligible.

While work-eligible cases generally count in the participation rate calculation, the state is permitted to “disregard” from the calculation certain cases that are not fulfilling work participation requirements (and would therefore count against the state’s rate). Examples of cases that can be disregarded include cases with a single work-eligible parent who is caring for a child under the age of one (which may be disregarded from the work participation calculation for up to twelve months), and some cases in sanction status. For simplicity, this chapter uses the

³⁴ For more information on the topics discussed in this chapter, see Mueller, Mike, Bret Barden, Sam Elkin, and Mary Farrell, *Understanding Program Participation: Findings from the Colorado Works Evaluation*, The Lewin Group, December 4, 2007. As described below, the federal rules allow states to exclude certain work-eligible cases who are not meeting work requirements from the work participation rate calculation, so states can in practice achieve the 50 percent threshold with somewhat less than 50 percent of work-eligible cases meeting participation requirements.

³⁵ There are a variety of reasons why an adult might be excluded from the case. The most common reason is that the child is living with a relative who does not have financial responsibility under the law to support the child. In this situation, the caretaker’s income and assets are not considered in determining eligibility for TANF. However, when a parent who is not receiving assistance lives with a child who is receiving assistance, the parent is generally included in the work participation rates unless they meet specified exceptions. These exceptions include (1) An alien parent who is ineligible for TANF based on immigration status, (2) A parent receiving Supplemental Security Income (SSI) or (3) A minor parent who is not the head of a household.

term “work-eligible caseload” to refer to the cases included in the work participation calculation.

Since 2005, Colorado has focused on implementing new strategies to increase its work participation rates. This comes in response to the Deficit Reduction Act of 2005 (DRA), which made several changes to TANF as established under PRWORA. One specific change modified a clause known as the caseload reduction credit. The change has major ramifications for states and their work participation rate requirements. Previously, the case reduction credit allowed states to discount their required work participation rate by the percentage their caseload had declined since 1995. For example, if Colorado had experienced a 40 percent drop in its overall caseload, their effective work participation rate requirement would only be 10 percent. DRA modified this option by resetting the base year for this calculation from 1995 to 2005. Because Colorado, as well as the majority of states, had experienced dramatic caseload reductions in the late 1990’s and as a result had faced required participation rates of 0 percent under PRWORA, Colorado had prioritized other issues over the work participation rate. With DRA, Colorado had to reexamine its approach to work participation in order to avoid financial penalties to its TANF block grant.

B. Findings

Colorado’s work participation rate has increased in each FFY since 2005 (see *Exhibit VI.1*).³⁶ While the rates produced using CBMS administrative records yield somewhat lower estimates of Colorado’s work participation rate than ACF’s numbers, the results still show a consistent trend of year-on-year gains.³⁷ Following the passage of DRA in 2005, Colorado’s all-families rate increased from 26 percent in FFY 2005 to 30 percent in FFY 2006. Now, looking forward to the results for FFY 2007 and FFY 2008, it appears that Colorado’s all-families rate will be moving into the mid- to high-30’s or low-40’s based on the increases observed in analysis of the CBMS administrative records. While Colorado may not yet be at the target 50 percent for the all-families rate, the state is progressing towards that goal.³⁸

³⁶ Federal fiscal years run from October to September.

³⁷ This discrepancy is largely due to issues stemming from working with the universe of CBMS administrative records versus the ACF sample. The quarterly ACF sample of 300 random cases from Colorado Works is reviewed by county offices to guarantee that all hours are accurately recorded. Among the universe of administrative records, the same level of detail regarding hours of participation may not exist.

³⁸ These figures differ somewhat from what was presented in earlier reports since there have been recent rule changes by ACF that modified how certain excluded categories are treated. In particular, the program no longer considers cases with adults caring for a disabled child or family member as work-eligible and as a result does not include these clients in calculating the work participation rate. This analysis applies today’s regulations backwards to past years of data.

Exhibit VI.1: Summary of Work Participation Rates in Colorado

	Reported Rates From the Administration for Children and Families		Findings From the Analysis of the Universe of Colorado Works		U.S. Rates	
	All-Families Work Participation Rate	Two-Parent Family Work Participation Rate	All-Families Work Participation Rate	Two-Parent Family Work Participation Rate	All-Families Work Participation Rate	Two-Parent Family Work Participation Rate
FFY (%)						
2005	25.8	32.1	23.0	30.4	33.0	42.6
2006	30.0	35.2	25.9	35.1	32.5	45.9
2007	-	-	29.5	38.7	-	-
2008*	-	-	35.0	-	-	-

Source: CBMS administrative records, ACF work participation rates

* Includes only October 2007 - May 2008

As Colorado Works is a county-administered program, it is useful to examine the work participation rates at the county-level as local administrators often determine policies that affect the rates. In particular, it is useful to review the rates among the ten largest counties in Colorado, which comprise over 85 percent of the work-eligible caseload. Currently, these counties are Adams, Arapahoe, Boulder, Denver, El Paso, Jefferson, Larimer, Mesa, Pueblo and Weld. *Exhibit VI.2* shows the all-families rates in these counties in FFY 2007 and FFY 2008.

Exhibit VI.2: Work Participation Rates in the Ten Largest Counties in Colorado, FFY 2007 and FFY 2008

County	2007		2008*	
	All-Families Work Participation Rate (%)	Work-Eligible Caseload Size	All-Families Work Participation Rate (%)	Work-Eligible Caseload Size
Adams	46.2	162	51.0	163
Arapahoe	23.7	920	27.4	438
Boulder	20.2	168	14.6	135
Denver	28.3	1027	39.3	945
El Paso	37.9	1109	42.5	828
Jefferson	24.5	554	29.5	330
Larimer	23.5	357	39.2	218
Mesa	37.2	181	42.4	103
Pueblo	31.3	306	29.9	264
Weld	37.8	101	40.1	92
Colorado	29.4	5,825	35.0	4,277

Source: CBMS administrative records

* Includes only October 2007 - May 2008

Eight of the ten largest counties have had gains in their all-families rates since FFY 2007. Denver and Larimer Counties had particularly dramatic increases, with rates moving from 28 percent to 39 percent and 24 percent to 39 percent, respectively. As Denver County has one of the largest work-eligible caseloads in Colorado, its individual gains substantially impact the overall all-families rate for Colorado. In addition to these gains, many counties are sustaining high levels of work participation; Adams, El Paso, Mesa, and Weld counties all achieved rates above 40 percent, with Adams having the highest rate at 51 percent.

Not all counties are having as much success in raising their work participation rate. Boulder County already had the lowest rate among the ten largest counties in FFY 2007 (20 percent). In FFY 2008, Boulder's rate further declined by 5 percentage points to 15 percent.

The number of hours and the activities in which a client needs to participate to fulfil work participation requirements may vary depending on several important case characteristics. The factors used to determine a client's work participation requirement include the number of adults on the case, the age of the adults, the age of the youngest child on the case, and receipt of federally subsidized child care assistance. *Exhibit VI.3* illustrates the different levels of weekly participation required in order to fulfil the all-families and the two-parent work participation requirements.

Exhibit VI.3: All-Families and Two-Parent Work Participation Rate Requirements

	Fulfilling All Families Work Participation Requirement		Fulfilling Two-Parent Family Work Participation Requirement	
	Weekly Core Hours*	Total Weekly Hours	Weekly Core Hours*	Total Weekly Hours
Rate Requirement Categories Based on Demographic Characteristics				
One-parent family:				
Youngest child under the age of six	20	20	-	-
Youngest child at or over the age of six	20	30	-	-
Two-parent family:				
Not receiving federally subsidized child care	20	30	30	35
Receiving federally subsidized child care	20	30	50	55

Source: PRWORA

* If the parent is a teenager, then participation in a high school or GED program counts as 20 core hours whereas for other parents the time is considered non-core. In addition, teenage parents also have a one-to-one credit of core hours for time spent in education directly related to employment, which is normally non-core.

In *Exhibit VI.4*, the average monthly work participation status among the work-eligible caseload is broken out according to the different rate requirement categories. Among all categories, the percentage fulfilling the all-families requirements between FFY 2006 and FFY 2008 has increased. Across the years, single, teenage parents achieved the highest all-families rates; so far, in FFY 2008, 55 percent of these cases have fulfilled the federal work participation requirements. Forty-four percent of non-teenage, one-parent cases with a child under the age of six were meeting the federal work participation requirements, an eight percentage point increase since FFY 2007 and a 13 percentage point increase since FFY 2008.

A substantial gap remains between the one-parent cases with younger children and those with a youngest child over the age of six. Despite rising 4 percentage points in the past two years, only 18 percent of these cases with older children have been fulfilling the all-families rate requirements in FFY 2008. This may be in part because this group faces a higher work hours requirement than other one-parent cases. Also noteworthy among this group is the decrease in the percentage of cases not participating at all (from 46 percent in FFY 2006 to 31 percent in FFY 2007) and the increase in the percentage of cases that are exempt (from 27 percent in FFY 2006 to 41 percent in FFY 2008).

Exhibit VI.4: Decomposition of the Work Participation Rate by Requirements faced by Clients

Rate Requirement Categories Based on Demographics	Fulfilling All-Families Work Participation Requirement (%)	Fulfilling Two-Parent Family Work Participation Requirement (%)	No Federally Countable Activity Hours Logged, Not Exempt From Requirements (%)	Participating but Without Enough Hours, Not Exempt From Requirements (%)	Exempt From Work Participation Requirements (%)	Work-Eligible Caseload Size
FFY 2006						
One-parent family:						
Teenage parent	46.1	-	44.8	5.5	3.6	294
Non-teenage parent with their youngest child under the age of 6	31.3	-	43.2	14.2	11.4	3,655
Non-teenage parent with their youngest child at or over the age of 6	14.6	-	45.9	12.5	27.0	2,512
Two-parent family:						
Receiving federally subsidized child care	52.8	37.2	9.8	19.9	17.5	78
Not receiving federally subsidized child care	27.2	34.9	36.3	11.4	25.2	822
Total work-eligible caseload	25.9	35.1	43.0	13.0	18.0	7,360
FFY 2007						
One-parent family:						
Teenage parent	47.6	-	42.3	6.7	3.5	181
Non-teenage parent with their youngest child under the age of 6	36.3	-	36.5	13.7	13.6	2,521
Non-teenage parent with their youngest child at or over the age of 6	16.3	-	37.0	12.8	33.9	1,617
Two-parent family:						
Receiving federally subsidized child care	52.9	36.3	9.8	17.8	19.4	47
Not receiving federally subsidized child care	29.1	38.9	32.4	9.3	29.3	459
Total work-eligible caseload	29.5	38.7	36.2	12.7	21.6	4,825
FFY 2008*						
One-parent family:						
Teenage parent	55.4	-	34.5	5.7	4.4	128
Non-teenage parent with their youngest child under the age of 6	44.1	-	31.0	9.5	15.3	1,916
Non-teenage parent with their youngest child at or over the age of 6	18.4	-	30.7	10.3	40.6	1,179
Two-Parent Families**	33.8	**	24.9	9.3	32.0	343
Total work-eligible caseload	35.0	**	30.5	9.6	24.9	3,565

Source: CBMS administrative records

* FFY 2008 figures calculated using data from October 2007 through May 2008.

** Child care data needed to calculate the FFY 2008 two-parent rate is not available as of publication.

Exhibit VI.5: Time to Initial Engagement and Fulfilling the Work Participation Rate Requirements for New Work-Eligible Cases

	Jan - Mar 2005	Apr - Jun 2005	Jul - Sep 2005	Oct - Dec 2005	Jan - Mar 2006	Apr - Jun 2006	Jul - Sep 2006	Oct - Dec 2006	Jan - Mar 2007	Apr - Jun 2007	Jul - Sep 2007	Oct - Dec 2007	Jan - Mar 2008	Apr - May 2008
Months to Engagement (%)														
0	25.2	23.9	25.6	26.0	28.4	29.3	27.9	31.8	40.6	43.4	39.2	38.7	43.6	44.2
1	8.5	8.7	11.4	10.0	12.2	10.2	10.4	10.0	11.7	9.4	11.7	12.5	10.5	3.8
2	6.0	5.4	4.6	5.3	5.4	5.9	5.6	5.2	4.7	3.5	4.0	4.1	4.4	-
3 to 5	7.1	8.4	7.5	8.2	5.5	6.7	7.8	9.4	7.4	5.0	4.9	4.9	-	-
6 to 8	4.3	4.6	3.5	4.2	2.6	3.4	3.9	3.4	2.1	1.9	2.0	-	-	-
9 to 11	2.0	2.1	2.1	1.7	1.8	1.7	2.2	1.7	1.0	1.6	-	-	-	-
Never engaged in the first year	47.0	47.0	45.6	44.7	44.1	42.8	42.2	38.6	32.5	35.3	-	-	-	-
Months to Meet the All-Families Rate (%)														
0	13.8	13.2	13.0	13.1	15.0	15.7	14.8	18.0	18.5	22.9	20.0	21.6	25.6	27.4
1	5.2	5.0	6.7	5.7	6.4	5.6	5.3	6.0	7.4	6.9	8.1	7.4	8.6	4.1
2	5.0	4.5	5.2	5.5	5.9	5.7	5.9	4.1	6.0	6.1	5.7	5.2	5.3	-
3 to 5	7.1	8.2	8.2	8.5	7.5	8.3	7.8	9.1	10.6	8.4	7.5	7.3	-	-
6 to 8	4.2	4.1	3.8	4.7	3.3	3.3	4.9	6.1	3.8	2.5	2.7	-	-	-
9 to 11	3.0	2.8	2.4	2.4	2.0	2.7	3.2	1.7	1.1	1.8	-	-	-	-
Never met requirements in the first year	61.7	62.2	60.7	60.1	60.0	58.7	58.1	55.1	52.6	51.5	-	-	-	-
Average Number of Months of Receipt in First Year of Assistance	6.3	6.3	6.5	6.1	5.9	5.7	5.7	5.4	5.3	5.1	-	-	-	-
Total New Work-Eligible Cases	3,628	2,962	2,750	2,610	2,317	1,918	1,738	1,455	1,278	1,203	1,064	1,090	1,100	613

Source: CBMS administrative records

Exhibit VI.5 echoes the improvement observed in Exhibit VI.4. This exhibit shows the number of months it takes for new cases to become engaged in any work activity and the number of months it takes for new cases to meet their work participation requirements. Between January 2005 and March 2005, only 25 percent of the caseload was engaged in a work activity in their first month of assistance, while only 14 percent met the all-families rate requirements within one month. Most recently in April 2008 and May 2008, over 44 percent of the work-eligible caseload was engaged in their first month of assistance, while 27 percent met the rate requirements. This represents the highest level of initial engagement to date. However, throughout the period covered by the exhibit, over half of cases never meet the requirements.

Exhibit VI.6 shows the percent of work-eligible clients that remain in the same work participation status from one month to the next during FFY 2008. Sixty-two percent of individuals that meet the all-families work participation rate requirements continue to meet the requirements in the next month. This means that over half of clients that contribute to the work participation rate can be counted on to contribute to the rate again in the next month. Of the remaining cases who meet the federal requirements, 17 percent leave the work-eligible caseload, 8 percent drop down to zero participation, and 5 percent continue participation but without meeting the requirements.

Exhibit VI.6: Persistence of Work Participation Status Month-to-Month, FFY 2008

	Following Month's Work Participation Status					
	Disregarded From Rate Calculation	Exempt From Participation	No Participation - Not Exempt	Participating, Not Meeting the Rate Requirements	Meeting the All-Families Rate Requirements	Left Work-Eligible Caseload*
Current Month's Work Participation Status (%)						
Not receiving assistance (i.e., new to caseload in the next month)*	16.5	16.9	36.3	10.4	19.9	-
Disregarded from Rate Calculation	58.4	1.5	2.8	0.6	11.3	25.4
Exempt from participation	1.9	73.6	1.2	0.4	5.5	17.3
No participation - not Exempt	4.2	2.0	49.0	5.1	6.7	33.1
Participating, but not meeting rate requirements	2.1	2.3	23.3	32.1	24.3	15.9
Meeting the all-families rate requirements	5.3	3.2	8.0	5.0	61.8	16.7

Source: CBMS administrative records

*Includes a small number of cases disregarded from the caseload for the purposes of the work participation rate calculation (e.g., cases where an adult is caring for a disabled family member).

Around one third of cases participating but not meeting the rate requirements continue in this status in their next month of assistance. Twenty-three percent of this cohort discontinue participation altogether in the next month, and another twenty-four percent participate at a level that fulfills the work participation requirements. Sixteen percent of those participating without meeting the requirements leave the work-eligible caseload, which is nearly the same exit rate as observed in those meeting the requirements.

Twelve percent of cases that are not participating in a given month move on to participate in work activities. Nearly half continue non-participation without exemption, while one third exit the work-eligible caseload. This high exit rate could be due to sanctioning or case closure practices in response to non-participation. Another reason for the high exit rates could be that these cases are new clients with short-term needs who end up leaving the caseload before they have been matched with a work activity.

VII. Employment Outcomes of Colorado Works Participants and Leavers

One of the primary outcomes of interest in studying the Colorado Works program is the extent to which clients are able to move towards self-sufficiency through work. This chapter provides information on employment and earnings for Colorado Works participants, both while they are receiving assistance from the program and after they have left it.

Key findings of this chapter include:

- **About one third of current Colorado Works recipients engage in unsubsidized employment in each quarter.** In the period from the first quarter of 2005 to the first quarter of 2008, between 31 percent and 38 percent of Colorado Works recipients worked in the same quarter in which they received payments, according to Unemployment Insurance earnings records. (The quarterly data do not show whether they were enrolled in Colorado Works at the same time that they were working.) Median earnings are very low – between \$990 and \$1,230 in each quarter – which partially reflect limits on how much families can earn while remaining on Colorado Works. Earnings amounts declined over this period by 13 percent from \$1,133 in the first quarter of 2005 to \$991 in the first quarter of 2008. Employment rates declined slightly over the period. These trends may represent a changing composition of the cases that make up the Colorado Works caseload following its dramatic decline, though demographic characteristics do not demonstrate a substantial change during the period.
- **About three quarters of individuals who leave Colorado Works work in the year they exit; their earnings are low but they rise somewhat over time.** Between 73 and 74 percent of individuals who left Colorado Works in the first two quarters of 2005 worked in the year after they left the program. Among those who left in the first quarter of 2005, median earnings of those who worked were \$6,300 in the first year. These low annual earnings levels in part reflect inconsistent employment among many leavers; on average, this group only worked slightly more than two quarters during the first year after leaving. By the third year after leaving, the share employed had fallen to 66 percent, but median earnings of those working were 38 percent higher, at \$8,600.
- **Employment is inconsistent for most leavers.** In an analysis of the employment experiences of individuals leaving Colorado Works between January 2005 and June 2006, only one fifth worked in every quarter during the two years following their exit. About half of those who worked at all during the two years (eight quarters) following their exit worked five quarters or fewer.
- **A substantial share of leavers do not appear to have any earnings or Colorado Works benefits to support them at least part of the time.** About two out of five of individuals who left Colorado Works in early 2005 did not have either earnings or Colorado Works payments in the following quarter, and the percentage increased somewhat in subsequent quarters. Of Colorado Works leavers who spent at least one quarter in this “no welfare, no work” category within their first two years (eight quarters) following their exit from Colorado Works, about one fifth stayed in this category all eight quarters. Close to half spent at least four of eight quarters in this category. What

income sources support these individuals is a topic that the research team will explore in a future, more detailed study of Colorado Works leavers.

A. Employment and Earnings of Enrolled Colorado Works Clients

About one third of Colorado Works participants work in the same quarter they receive welfare.³⁹ *Exhibit VII.1* shows employment rates of those on Colorado Works between the first quarter of 2005 and the first quarter of 2008, as indicated by UI wage records. On average during this period, 35 percent of those on Colorado Works in each quarter had some earnings reported in the UI data. The employment rates varied between 31 and 38 percent.

Exhibit VII.1: Quarterly Employment and Earnings among Adult Colorado Works Clients Receiving Basic Cash Assistance

	Employment (%)	Year-Over-Year Change in Employment (Pct Points)	Median Earnings (\$)	Year-Over-Year Change in Earnings (\$)	Number of Adult Clients
2005 Q1	33.0	--	1,133	--	9,975
2005 Q2	35.7	--	1,154	--	9,326
2005 Q3	38.2	--	1,155	--	8,507
2005 Q4	36.7	--	1,227	--	8,629
2006 Q1	34.6	1.6	1,063	-70	8,713
2006 Q2	37.2	1.5	1,145	-9	7,723
2006 Q3	38.1	-0.1	1,064	-91	6,920
2006 Q4	37.2	0.5	1,147	-81	6,474
2007 Q1	31.3	-3.4	994	-69	5,646
2007 Q2	36.7	-0.5	1,116	-29	4,737
2007 Q3	34.7	-3.3	1,098	34	4,043
2007 Q4	34.6	-2.5	1,089	-58	3,945
2008 Q1	31.7	0.5	991	-3	3,626

Sources: CBMS administrative records; UI wage records

Notes: Median earnings are of BCA recipients with earnings in quarter.

Dollar amounts have not been adjusted for inflation.

³⁹ The analysis in this section relies on unemployment insurance wage records, which provide data on earnings by quarter, so the data do not reveal whether welfare receipt and earnings actually occur in the same month, but whether they occur in the same quarter. As a result, in interpreting the findings, it should be taken into account that the figures in part reflect earnings received by some participants in the month or two before enrolling in Colorado Works or after exiting.

UI wage records provide information on employment and earnings at the individual level, not the case level. Thus, employment rates are presented as a percentage of the number of all adults on Colorado Works cases, not the number of cases. If more than one adult on a case has earnings, their earnings are not combined when presenting earnings levels. Throughout this chapter, the term “individuals” is used to denote adult members of the Colorado Works eligibility unit.

Employment rates generally appear to increase in the second and third quarters of the year and decrease in the first and fourth quarters, though the small numbers of observations do not allow a definitive assessment of whether seasonal factors affect the trends. To abstract from seasonal patterns and identify any more fundamental trends in the data, *Exhibit VII.1* presents year-over-year changes in the employment rate. There have been recent declines in the employment rate; the employment rate was lower in each quarter of 2007 than it had been in the same quarter of 2006.

Median earnings of those who work in the same quarter that they receive assistance through Colorado Works are low, ranging from just under \$1,000 to about \$1,200 in the period shown. By way of comparison, a person working 40 hours per week for \$7 an hour earns \$3,640 in a quarter, and the 2008 poverty guideline for a family of three is equivalent to \$4,400 per quarter. Since UI wage data is only available as quarterly totals, it is unclear the extent to which this reflects inconsistent or part time work versus low hourly wages, though the low levels suggest that both are involved. Median quarterly earnings of those on welfare gradually declined over the period shown. Year-over-year changes in median earnings were negative in all but one quarter, and over the entire period, earnings declined by \$142, or 13 percent.

The drivers of the trends in employment and earnings are unclear. Caseload decline has been substantial, with a total reduction in the number of adult clients of 64 percent between the first quarter of 2005 and the first quarter of 2008. One possible explanation of the decline in median earnings is that as the caseload has declined, those who remain on Colorado Works may be those who face the biggest challenges to obtaining and retaining employment. Administrators in some counties have expressed this perception, but this analysis cannot confirm whether it is actually the case. Given the magnitude of changes in the caseload, it is perhaps surprising that changes in the employment rate are as modest as they are. However, as seen in Chapter 2 of this report, demographic characteristics of Colorado Works cases have also not changed substantially during the period of caseload decline (though there was a modest increase in the percentage of cases with a reported disability).

There are some variations in employment and earning trends among the different regions of the state. *Appendix Exhibit A.4* presents employment rates and earnings broken out by region. All regions saw substantial caseload declines over the period, ranging from 52 to 79 percent decreases, but the employment rate among Colorado Works clients in the Eastern Plains increased by 7 percentage points between the first quarter of 2005 and the first quarter of 2008 while the employment rate in the other four regions all declined. Similarly, clients in the Eastern Plains saw increases in median earnings while median earnings decreased in the other regions. State-level statistics closely track those of the Front Range since the Front Range represents about 80 percent of the adult clients.

B. Employment and Earnings among Colorado Works Leavers

Employment and earnings of those who leave Colorado Works are important in understanding the program's outcomes and the conditions of the families it has served. A focus on leavers is particularly important given the substantial declines in caseloads in recent years. Looking at individuals who left Colorado Works in early 2005, last year's annual report found that "About two thirds of those leaving Colorado Works are employed at some point in the first year after

leaving the program, though earnings are low.”⁴⁰ It also found that the share who worked at some point in the second year after leaving was slightly lower than in the first year, while quarterly earnings among those working increased. This report incorporates an additional year of data, which allows a presentation of employment outcomes in the third year after leaving, as well as a comparison to later cohorts of leavers.⁴¹

Exhibit VII.2 shows statistics on employment and earnings of two cohorts of individuals for whom three years of follow-up data are available – those who left Colorado Works in the first and second quarters of 2005. The statistics generally match the findings of last year’s report. About half of leavers had earnings in the quarter in which they left Colorado Works (52 percent in the earlier cohort and 54 percent in the second), and close to three-fourths (73 percent for the earlier cohort and 74 percent in the second) had earnings within their first year after leaving. These earnings were generally very low; of those with any earnings in the first year after leaving, median annual earnings were \$6,300 to \$6,400. These low annual earnings levels are due in part to inconsistent employment among many leavers; on average, this group only worked slightly more than two quarters during the first year after leaving, and many likely worked inconsistently even within these quarters.

The share of leavers with earnings declined modestly in the second year by 5 percentage points, and declined again in the third year, but by a smaller amount (2 to 3 percentage points). Nonetheless, about two thirds of leavers in these cohorts (66 percent) had earnings in the third year.

Earnings, though still very low, increased substantially over this period. In the cohort of those leaving in the first quarter of 2005, the median earnings of those working in their third year after was \$2,357 (38 percent) higher in the third year after leaving than the median earnings in the first year. For the cohort of those leaving in the second quarter of 2005, the increase was \$2,685 (42 percent). While it cannot be determined from UI records whether higher wages or more hours of work caused this increase in earnings, the table shows that it does not reflect an increase in the number of quarters with earnings. Indeed, the table shows that average quarters of earnings was slightly lower in the third year after leaving (2.0 quarters) than in the first year (2.1 quarters).

Since the earnings shown in Exhibit VII.2 are medians among just those with earnings in each year, which is a changing group from quarter to quarter, it is possible that changes in the composition of this group could affect the apparent trends in median earnings. For example, if those with the lowest earnings in the first year do not work at all in later years, they would not be factored into the calculation of median earnings in the later years, and there may be an increase in median earnings even though nobody’s earnings actually increased. A background calculation (not presented in the table) removes this effect by looking just at those leavers in

⁴⁰ Barden, Bret, Sam Elkin, Mike Mueller, and Rachel Wright, *Colorado Works Evaluation 2007 Annual Report*. October, 2007. Prepared for the Colorado Department of Human Services.

⁴¹ The analysis of leavers in this report differs from last year’s analysis by focusing on cohorts of those who leave Colorado Works in a particular quarter. Last year’s analysis focused on a cohort of those who left in a two quarter period.

both cohorts (2005Q1 and 2005Q2) who had some earnings in both the first year and third year after leaving. It finds that their median earnings increased by \$2,221 on average, or 30 percent.

Exhibit VII.2: Employment Outcomes of Colorado Works Leavers

	Cohort (Quarter of Exit from Colorado Works)	
	2005 Quarter 1	2005 Quarter 2
Percentage Employed		
Employment (%)		
Quarter of exit	52.2	53.8
Quarter 1 of 2008	48.2	47.7
Ever employed during (%):		
First year after exit (includes quarter of exit)	73.2	73.7
Second year after exit	68.3	68.8
Third year after exit	65.9	66.1
First three years after exit	87.0	86.5
Average quarters of employment of those working:		
First year after exit (includes quarter of exit)	2.1	2.1
Second year after exit	2.0	2.1
Third year after exit	2.0	2.0
First three years after exit	6.1	6.2
Employed all quarters of first three years after exit (%)	13.4	14.1
Median Earnings		
Median quarterly earnings of those working (\$)		
Quarter of exit	2,313	2,456
Quarter 1 of 2008	3,582	3,633
Median annual earnings, post-exit (\$)		
First year after exit (includes quarter of exit)	6,284	6,385
Second year after exit	7,208	7,880
Third year after exit	8,641	9,070
Number of Individuals	3,497	4,211

Sources: CBMS administrative records; UI wage records

Note: Dollar amounts have not been adjusted for inflation.

The choice of cohort could potentially influence trends in employment and earnings. For example, changing economic conditions may mean that those leaving Colorado works in 2005 faced a tighter or more generous labor market than those who left in 2006. In addition, the characteristics of those who leave Colorado Works may differ from year to year, particularly as

caseload levels have continued their steep decline (though, as the introduction showed, demographic characteristics were for the most part stable over this period).

Exhibit VII.3 examines whether the cohort choice matters. It shows employment rates for cohorts of leavers who left Colorado Works in each quarter between 2005 Q1 and 2008 Q1 and their median earnings. There have been some changes over this period. For example, employment rates in the first year after leaving have varied between 73 percent and 76 percent over this period. However, second year employment rates are consistently lower than first year rates, by 3 to 5 percentage points for each cohort where there are two years of data. Similarly, over this period, median earnings in each cohort are consistently higher in the second year after leaving than in the first year, by amounts ranging between \$760 and \$1,784 (or between 11 percent and 28 percent).⁴² Continuing to track this type of information over longer periods as more data become available will provide more information on the extent to which the time periods covered affect the trends observed.

Exhibit VII.3: Employment and Earnings Outcomes by Leaver Cohort

Cohort (Quarter of Exit from Colorado Works)	Percentage Employed (%)			Median Earnings (\$)		
	First Year After Exit (Includes Quarter of Exit)	Second Year After Exit	Third Year After Exit	First Year After Exit (Includes Quarter of Exit)	Second Year After Exit	Third Year After Exit
2005 Q1	73.2	68.3	65.9	6,284	7,208	8,641
2005 Q2	73.7	68.8	66.1	6,385	7,880	9,070
2005 Q3	74.4	69.3	--	7,055	7,815	--
2005 Q4	75.6	70.8	--	6,791	8,047	--
2006 Q1	73.4	69.8	--	6,838	8,282	--
2006 Q2	73.8	69.7	--	6,269	8,053	--
2006 Q3	75.3	--	--	6,416	--	--
2006 Q4	75.8	--	--	6,225	--	--
2007 Q1	75.8	--	--	6,231	--	--
2007 Q2	75.3	--	--	6,175	--	--

Sources: CBMS administrative records; UI wage records

Note: Dollar amounts have not been adjusted for inflation.

⁴² Again, changes in median earnings among those with earnings may be affected by a changing composition of who has earnings. Looking at just those who have earnings in both their first year and second year after exit confirms that earnings increased for those working. Among this group, median earnings increased from the first to the second year by between 5 percent and 22 percent, depending on the cohort.

1. Employment Stability

While the previous exhibit shows that most leavers are working in any given quarter after exit, it does not show how consistently these individuals sustain employment. To get a sense of this, *Exhibit VII.4* shows a distribution of the number of quarters in which leavers have earnings within a two year period after exiting. This is shown for each cohort for which two years of follow-up data are available. Patterns are roughly similar among the cohorts. About one fifth of leavers (18 to 21 percent, depending on the cohort) had earnings in all eight quarters; about three fifths (62 to 64 percent) had earnings in some quarters but not all of them; and the remainder (16 to 18 percent) had earnings in none of them. These results show that even for those with some work, employment was inconsistent. About half of leavers with some earnings within their first two years of exiting had earnings in five or fewer quarters. Only two fifths of those with some earnings had earnings in seven or eight quarters.

Exhibit VII.4: Consistency of Employment by Leaver Cohort

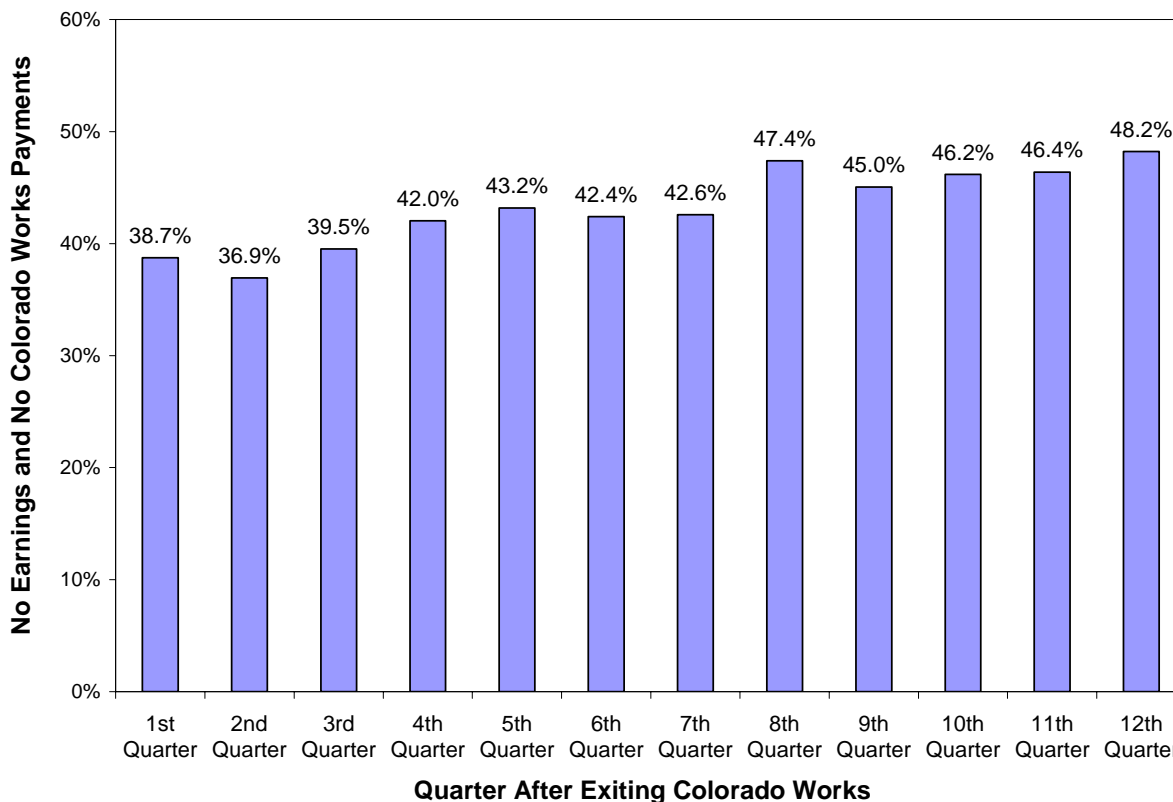
	N	Quarters Worked in Two Years Following Welfare Exit (%)								
		0	1	2	3	4	5	6	7	8
Cohort										
2005 Q1	3,497	18.2	9.0	8.7	7.8	7.9	8.0	9.3	11.0	20.1
2005 Q2	4,211	17.8	8.6	9.1	7.5	7.9	8.2	9.3	10.8	20.7
2005 Q3	4,192	17.5	8.7	8.5	7.8	7.4	8.4	10.1	11.5	20.3
2005 Q4	3,700	16.4	8.1	8.8	8.3	8.1	8.2	9.9	12.3	20.0
2006 Q1	3,616	17.7	8.6	7.9	8.3	8.6	7.9	8.8	12.4	19.8
2006 Q2	4,026	17.4	8.2	8.8	8.1	9.3	8.2	9.8	11.8	18.4

Sources: CBMS administrative records; UI wage records

2. No Welfare, No Work

There is a substantial share of Colorado Works leavers who administrative data show as not having earnings or Colorado Works benefits for one or more quarters after exiting the program. Of individuals who left Colorado Works in the first quarter of 2005, 39 percent did not have earnings or Colorado Works payments in the following quarter, and this percentage increases over time. (See *Exhibit VII.5*) It is unclear how individuals in this “no welfare, no work” group support themselves without either earnings or cash assistance.

Exhibit VII.5: Leavers With No Earnings and No Colorado Works Payments by Quarter After Exiting TANF (2005 Q1 Cohort)



Sources: CBMS administrative records; UI wage records

Some leavers without work or income from Colorado Works may have left the state, some may be receiving SSI, others may be living with a spouse or family member who is providing for the family, some may be working in jobs not covered by quarterly UI wage records, and still others may have unknown means of support. Lewin is currently conducting a study that will provide more insight into this question based on a survey of Colorado Works leavers. Findings from that study will be reported next year; this section presents some basic findings from the UI wage data.

As had been found in last year’s annual report, Exhibit VII.5 shows that the share of leavers with neither earnings nor participation in Colorado Works increases for several quarters after exit. For the cohort of individuals who left Colorado Works in the first quarter of 2005, the percentage without welfare or work increased from 39 percent in the first quarter after exit to 48 percent in the 12th quarter after exit. Background calculations on cohorts who left between 2005 Q1 and 2006 Q4 show consistent year-over-year increases in the percentage of leavers without welfare or work. (See *Appendix Exhibit A.5.*)

While the data show that a substantial number of Colorado Works leavers fall into the no welfare, no work category, one question is whether individuals in that category tend to stay in it or whether they move between that category and another (either work, welfare, or both).

Exhibit VII.6 looks at the experiences of Colorado Works leavers who spent at least one quarter

in the no welfare no work category within their first two years (eight quarters) following the quarter in which they left welfare. (Statistics in the table cover all cohorts for whom two years of follow-up data are available; i.e., cohorts leaving at some point between the first quarter of 2005 and the first quarter of 2006.) It shows that one fifth of this group (20 percent) stayed in the no welfare, no work category all eight quarters. Close to half (48 percent) spent at least four of eight quarters in this category.

Many of this group worked, though few did so for many quarters. Somewhat over a third (38 percent) spent at least four quarters working and not on welfare. Further, very few of this group returned to Colorado Works for extended periods. Only 14 percent had two or more quarters where they participated in Colorado Works and had no earnings, and only 8 percent spent more than two quarters where they both were on Colorado Works and had some earnings.

Exhibit VII.6: Work and Welfare Experiences of Colorado Works Leavers With at Least One Quarter With No Earnings or Colorado Works Payments

	No Earnings and No Colorado Works Payments	Earnings Only	Colorado Works Payments Only	Both Earnings and Colorado Works Payments
Number of Quarters During Two Years Following Quarter of Exit (%)				
0	---	28.8	78.3	83.7
1	17.8	11.7	7.6	8.3
2	13.3	11.2	6.3	4.9
3	11.3	10.2	3.5	2.0
4	10.0	9.1	2.2	0.7
5	9.5	9.2	1.3	0.3
6	9.4	9.2	0.6	0.1
7	8.7	10.6	0.3	0.0
8	20.0	---	---	---
Total	100.0	100.0	100.0	100.0
Number of Individuals in Cohorts Leaving Colorado Works Between 2005 Q1 and 2006 Q1 With at Least One Quarter of No Earnings and No Colorado Works Payments Among the Eight Quarters After Leaving				14,372

Sources: CBMS administrative records; UI wage records

Appendix A: Appendix Tables

Appendix Exhibit A.1: Contracting in 2005 and 2008

	2005	2008	Percentage Point Change
Contracted Services (%)			
Eligibility	0.0	3.6	3.6
Initial assessment	15.4	8.9	-6.5
Case management	12.3	20.0	7.7
Diversion cases	10.8	7.1	-3.6
Employment search	53.8	50.0	-3.8
Education	61.5	62.5	1.0
Formal assessment	56.9	51.8	-5.1
Preventive non-case	44.6	25.5	-19.2
Childcare processing	13.8	10.7	-3.1

Source: County surveys in 2005 and 2008

Note: Questions in the 2005 and 2008 survey differed somewhat. In 2005, respondents were asked whether activities and functions were performed as "in-house services," through an "interagency agreement," through a "financial contract," or via "informal referral." For this table, counties are considered to have contracted out services in 2005 if they said services were provided through financial contract or interagency agreement. In 2008, respondents were only asked whether each service was "contracted out" or not.

Appendix Exhibit A.2: Work and Employment Strategies in 2005 and 2008

	2005	2008	Percentage Point Change
Work and Employment Services (%)			
Work experience	85.5	82.8	-2.7
ESL classes	67.7	58.6	-9.1
Job skills workshops	64.5	58.6	-5.9
Basic computer skills	59.7	46.6	-13.1
Mentors/job coaches	38.7	34.5	-4.2
Subsidized employment	35.5	36.2	0.7
Job developer	30.6	32.8	2.1
Job retention/advancement	30.6	24.1	-6.5

Source: County surveys in 2005 and 2008

Note: Includes only categories where a direct comparison between 2005 and 2008 surveys is possible.

Appendix Exhibit A.3: Family Services in 2005 and 2008

	2005	2008	Percentage Point Change
Family Services (%)			
Home visits	51.6	58.6	7.0
Responsible fatherhood	12.9	37.9	25.0
Other parenting-skills training	80.6	72.4	-8.2
Family planning	75.8	58.6	-17.2
Youth development	41.9	43.1	1.2
Respite to parents	29.0	19.0	-10.0

Source: County surveys in 2005 and 2008

Appendix Exhibit A.4: Quarterly Employment Rates and Earnings of Current Colorado Works Participants by Region

	2005				2006				2007				2008
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Employment of those BCA Recipients on All Three Months of a Quarter (%)													
Central Mountains	35.3	38.8	41.4	38.6	33.7	37.9	35.3	34.2	26.9	32.7	25.9	26.1	33.6
Eastern Plains	27.4	34.8	37.6	34.2	30.4	34.2	40.8	33.9	29.7	35.4	34.9	36.3	33.9
Front Range	33.0	34.8	37.5	36.6	34.5	36.8	37.3	37.1	31.4	36.7	34.4	34.7	31.6
San Luis Valley	31.1	38.9	33.6	35.3	28.3	33.8	41.9	33.7	30.8	35.5	37.5	32.2	26.2
Western Slope	35.8	41.8	44.6	38.9	41.3	44.8	44.9	43.4	32.9	40.8	42.6	38.0	34.0
Total, State	33.0	35.7	38.2	36.7	34.6	37.2	38.0	37.2	31.3	36.7	34.7	34.6	31.7
Median Earnings of those with Employment (\$)													
Central Mountains	1,007	1,267	1,306	1,062	1,036	724	1,160	997	918	1,190	1,195	844	806
Eastern Plains	1,095	1,010	983	1,071	875	1,095	989	1,060	1,143	1,497	1,057	1,298	1,462
Front Range	1,203	1,175	1,172	1,271	1,105	1,170	1,054	1,166	992	1,079	1,084	1,088	997
San Luis Valley	711	871	1,035	888	1,182	921	934	1,192	903	996	1,134	882	604
Western Slope	1,028	1,183	1,112	1,287	881	1,155	1,169	1,096	1,018	1,369	1,198	1,146	810
Total, State	1,133	1,154	1,155	1,227	1,063	1,145	1,064	1,147	994	1,116	1,098	1,089	991
Sample Size for Employment Statistic (note: unit of analysis is the individual, not the case)													
Central Mountains	363	335	292	264	264	203	170	152	167	168	112	115	128
Eastern Plains	470	463	439	444	434	395	353	301	323	291	241	204	224
Front Range	7913	7401	6815	6984	7098	6357	5757	5440	4624	3823	3351	3284	2950
San Luis Valley	305	280	232	255	254	225	186	187	182	166	104	121	130
Western Slope	924	847	729	682	663	543	454	394	350	289	235	221	194
Total, State	9,975	9,326	8,507	8,629	8,713	7,723	6,920	6,474	5,646	4,737	4,043	3,945	3,626

Sources: CBMS administrative records; UI wage records
 Note: Dollar amounts have not been adjusted for inflation.

Appendix Exhibit A.5: Cohort Analysis of Colorado Works Leavers Without Earnings or Colorado Works Participation

Cohort	Number of adults	Quarters After Exit											
		1	2	3	4	5	6	7	8	9	10	11	12
Employment Rates (%)													
2005 Q1	3497	38.7	36.9	39.5	42.0	43.2	42.4	42.6	47.4	45.0	46.2	46.4	48.2
2005 Q2	4211	38.1	37.7	40.8	40.6	40.9	41.8	45.7	45.1	46.2	46.4	48.9	--
2005 Q3	4192	38.7	39.0	38.9	39.6	41.7	45.0	43.2	43.4	43.5	46.2	--	--
2005 Q4	3700	39.1	37.9	38.0	38.9	44.1	42.1	42.6	43.7	46.6	--	--	--
2006 Q1	3616	39.8	38.6	39.6	43.8	42.0	42.6	43.3	47.6	--	--	--	--
2006 Q2	4026	39.0	39.4	44.3	42.6	42.3	42.8	45.7	--	--	--	--	--
2006 Q3	3960	38.8	43.1	41.0	41.4	41.7	45.1	--	--	--	--	--	--
2006 Q4	3487	42.8	40.8	40.8	41.3	44.3	--	--	--	--	--	--	--
2007 Q1	3215	39.6	39.2	39.4	44.2	--	--	--	--	--	--	--	--
2007 Q2	3025	40.5	38.9	42.8	--	--	--	--	--	--	--	--	--
2007 Q3	2704	39.2	41.5	--	--	--	--	--	--	--	--	--	--
2007 Q4	2239	44.6	--	--	--	--	--	--	--	--	--	--	--

Year-Over-Year Changes in Employment Rates (Percentage Points)

Cohort													
2005 Q1	3497	.	.	.	.	4.4	5.5	3.1	5.3	1.9	3.8	3.8	0.8
2005 Q2	4211	.	.	.	.	2.8	4.0	4.9	4.4	5.3	4.6	3.2	.
2005 Q3	4192	.	.	.	.	3.0	6.1	4.3	3.8	1.8	1.1	.	.
2005 Q4	3700	.	.	.	.	5.0	4.1	4.6	4.8	2.5	.	.	.
2006 Q1	3616	.	.	.	.	2.2	4.0	3.7	3.8	.	.	.	.
2006 Q2	4026	.	.	.	.	3.4	3.4	1.4	.	.	.	.	.
2006 Q3	3960	.	.	.	.	2.9	2.0	.	.	.	.	.	.
2006 Q4	3487	.	.	.	.	1.5	.	.	.	.	.	.	.
2007 Q1	3215	.	.	.	.	.	.	.	.	.	.	.	.
2007 Q2	3025	.	.	.	.	.	.	.	.	.	.	.	.
2007 Q3	2704	.	.	.	.	.	.	.	.	.	.	.	.
2007 Q4	2239	.	.	.	.	.	.	.	.	.	.	.	.

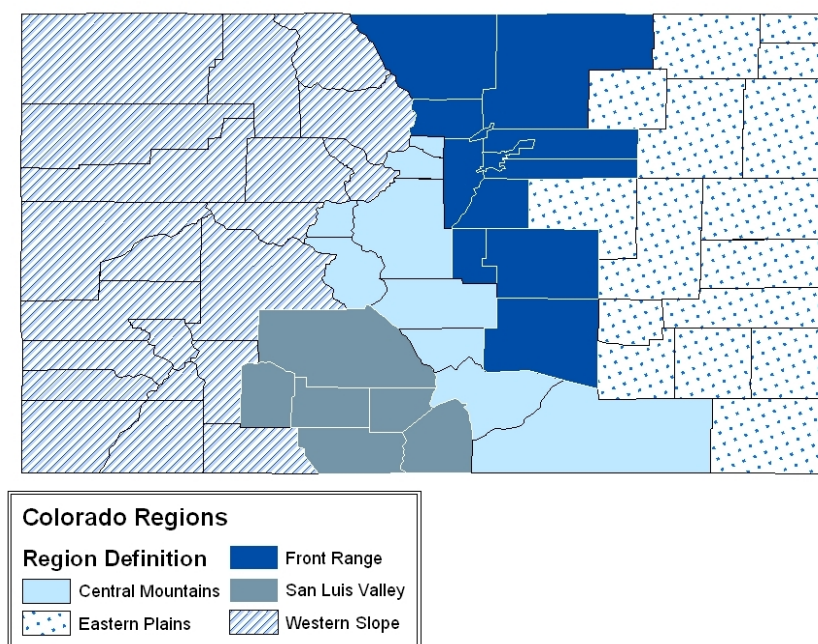
Sources: CBMS administrative records; UI wage records

Appendix B: Regional Definitions

The regional definitions used in this report are those designated by the State Demography Office under the Division of Local Affairs. They are: the Central Mountains, Eastern Plains, Front Range, San Luis Valley, and Western Slope (see *Exhibit B.1*).

The **Central Mountains** region accounts for nine counties in central southern Colorado.⁴³ These include Chaffee, Clear Creek, Custer, Fremont, Gilpin, Huerfano, Lake, Las Animas, and Park. The area has several tourist counties depending heavily on the skiing and summer resort industries. In addition, the region has more rural areas focused on agriculture, ranching, and mining.

Exhibit B.1: Colorado Sub-State Regions



Source: Division of Local Affairs, State Demography Office

The **Eastern Plains** occupies the eastern third of Colorado, which includes the following counties: Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma. The economy in this region is largely agricultural and the area generally has low population density. The agricultural sector is currently facing challenges such as drought. Many manufacturing jobs have left the area.

The **Front Range** region is the most densely populated region in Colorado. It includes Adams, Arapahoe, Boulder, Brookfield, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, Teller and

⁴³ This discussion of regional variation draws from the long-term economic and population forecasts for Colorado performed by the Colorado State Demography Office, under the Department of Local Affairs. (See, for example, *Colorado Long-Term Economic and Population Forecast*. Presentation to Metro Roundtable Interbasin Compact Committee. April 2006.

http://www.dola.state.co.us/dlg/demog/presentations/MetroRoundtable4_06.pdf

Weld, which account for metropolitan areas of Denver, Boulder, Colorado Springs, Fort Collins, Greeley and Pueblo. The basic industries in the Front Range include high-tech manufacturing, energy-related fields, technology and telecommunications, regional services, and tourism.

The **San Luis Valley**, like the Eastern Plains, is largely agricultural. It includes Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache. Of the five regions, the San Luis Valley has the smallest population.

The **Western Slope** contains nearly half of the land area of Colorado and includes Archuleta, Delta, Dolores, Eagle, Garfield, Grand, Gunnison, Hinsdale, Jackson, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, and Summit. This region has the largest share of Colorado's tourism industry; however, it also has some urban areas, mainly Grand Junction. A refocus on the oil shale in the Piceance Basin has increased employment in the mining and energy industries.