



**COLORADO**  
Department of Human Services



# Regions 8 and 10 Conference

**Colorado Department of Human Services**

**Reggie Bicha, Executive Director**

**May 18, 2017**

**At the *Colorado Department of Human Services*,  
we are people who help people:**

- Thrive in the community of their choice
- Achieve economic security through meaningful work
- Prepare for educational success throughout their lives



# Development of U.S. Social Security/Welfare Programs

**1935:** Social Security Old-Age Insurance; Unemployment Insurance; Public Assistance programs for needy aged, and blind; Aid to Families with Dependent Children

**1937:** Public Housing

**1939:** Social Security Old-Age and Survivors Insurance

**1950:** Aid to the Permanently and Totally Disabled

**1956:** Social Security Disability Insurance

**1960:** Medical Assistance for the Aged

**1964:** Food Stamp Program

**1965:** Medicare and Medicaid Programs

**1972:** Supplemental Security Income Program

**1974:** Special Supplemental Food Program for Women, Infants, and Children

**1975:** Earned Income Tax Credit

**1981:** Low-Income Home Energy Assistance

**1996:** Temporary Assistance for Needy Families



# The Changing 21<sup>st</sup> Cen. Context – Technology & Family Structure

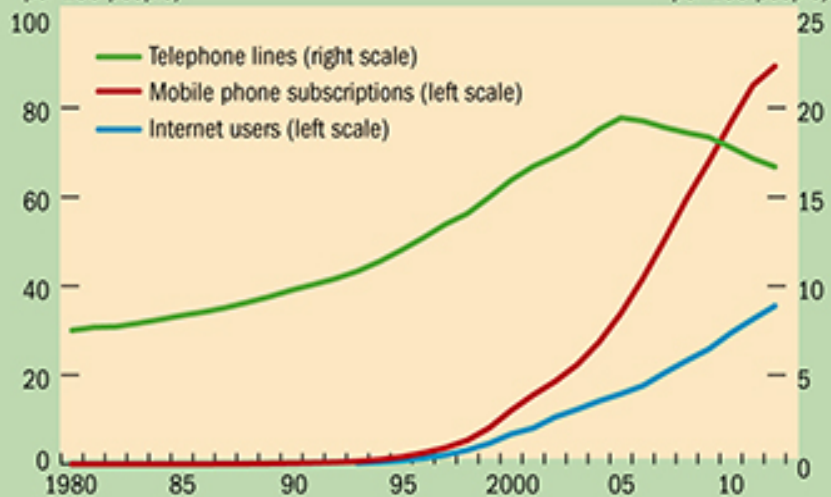
Chart 1

## New ways to communicate

Internet and mobile phone use has grown dramatically, while some customers are ditching landlines.

(Internet and mobile phone users, per 100 people)

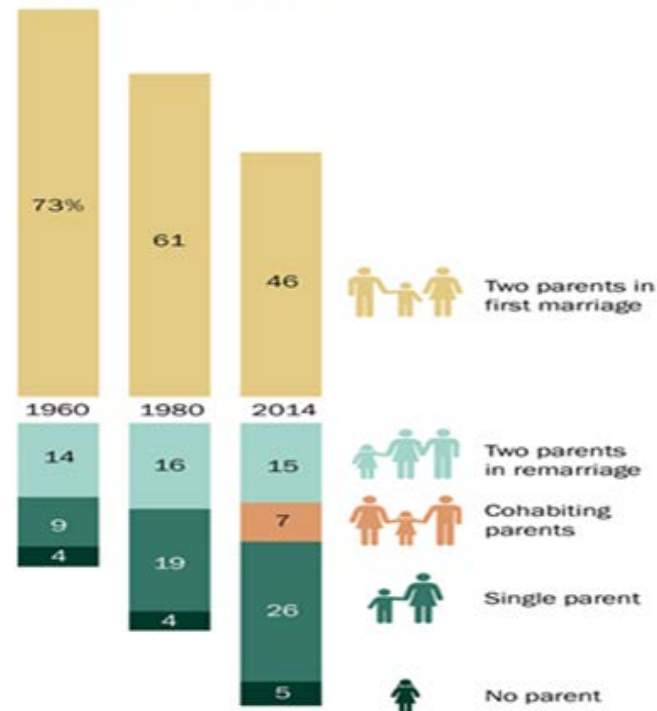
(telephone lines, per 100 people)



Source: World Bank, World Development Indicators database.

## For children, growing diversity in family living arrangements

% of children living with ...



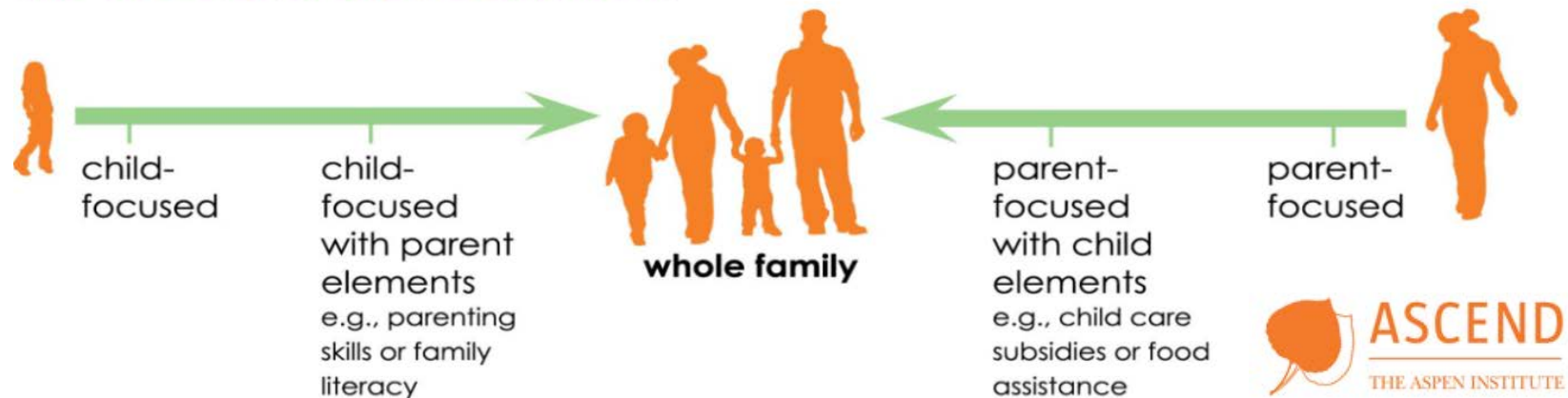
Note: Based on children under 18. Data regarding cohabitation are not available for 1960 and 1980; in those years, children with cohabiting parents are included in "one parent." For 2014, the total share of children living with two married parents is 62% after rounding. Figures do not add up to 100% due to rounding.

Source: Pew Research Center analysis of 1960 and 1980 decennial census and 2014 American Community Survey (IPUMS)

PEW RESEARCH CENTER

# The Two-Generation Approach at CDHS

## The Two-Generation Continuum



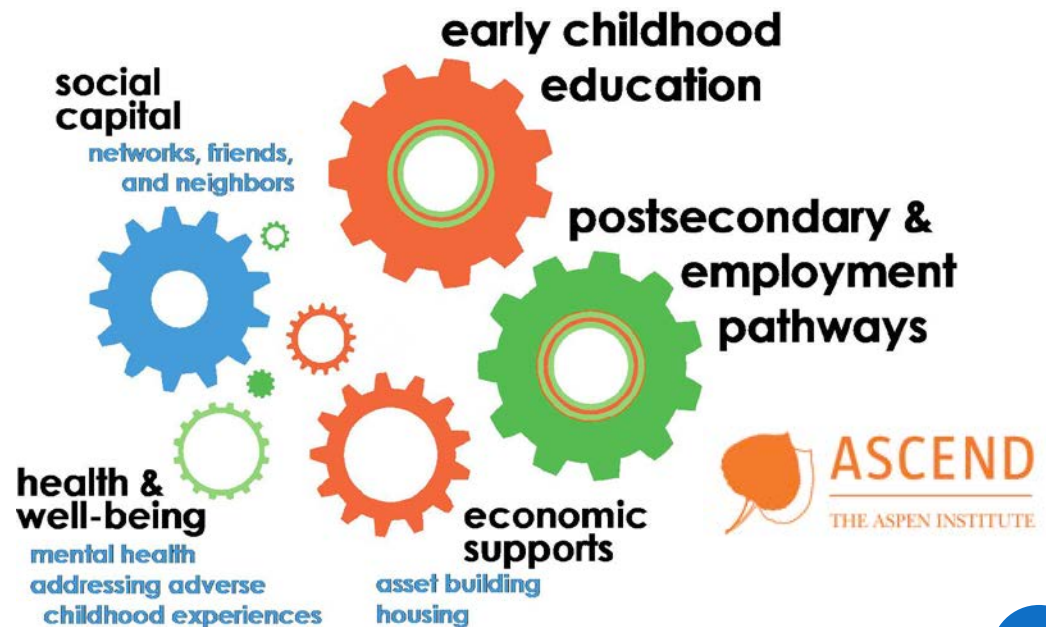
**VISION:** System-wide integration of two-generation approaches, which provide opportunities for and meet the needs of children and their parents together

# The Two-Generation Approach at CDHS

**PROBLEM:** Policies and programs that address the needs of children and parents separately leave either the child or parent behind and dim each family's chance at success.

**SOLUTION:** Policies and programs that address the needs of children and their parents together, which harness the family's full potential and put the entire family on a path to permanent economic security.

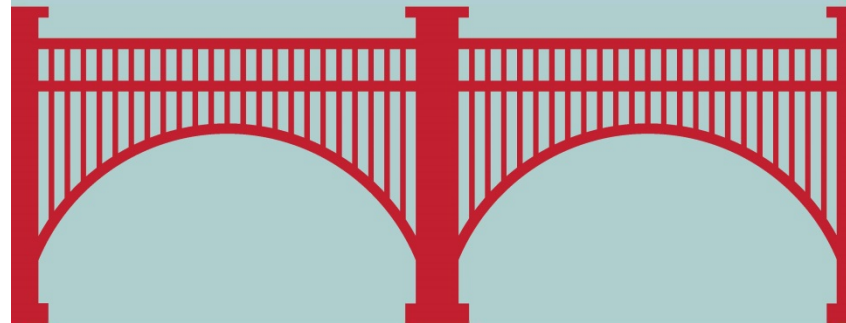
## The Five Components of the Two-Generation Approach





# WHAT IT'S WORTH

STRENGTHENING  
THE FINANCIAL  
FUTURE OF FAMILIES,  
COMMUNITIES  
AND THE NATION



# ENDING “WELFARE AS WE KNOW IT”

## Redesigning Public Assistance through the Lens of Financial Health and Economic Mobility

**Reggie Bicha and Keri Batchelder**

*Colorado Department of Human Services*

In 1996, President Clinton declared the “end of welfare as we know it.” The occasion was the signing of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), a response to the bipartisan call for welfare reform. This new law was intended to move people from “welfare to work” by restructuring federal public assistance and replacing the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program. Initiated in 1935 as part of the New Deal, Aid to Dependent Children (ADC, later changed to AFDC) provided welfare payments to needy children from poor families, but by the 1990s, it failed to provide adequate focus or supports to help people move into employment, and it handcuffed generations of families to poverty. In contrast, TANF imposed greater restrictions on the disbursement of federal assistance, including a new 60-month lifetime limit on TANF benefits and work participation requirements.

But did “ending welfare as we know it” adequately move America and its most vulnerable people forward? If the success of welfare reform is measured solely by the reduction in welfare caseloads, it was, unquestionably, a success (see Figure 1). Millions of Americans moved into the labor market, many for the first time. Childhood poverty rates initially declined. Yet, welfare reform also led to new problems and failed to resolve the economic mobility issues plaguing AFDC. America finds itself, nearly 20 years after welfare reform, with dramatically reduced welfare rolls and an



# Welfare Reform

## Aid to Families with Dependent Children (AFDC)

- 1935 – New Deal
- Welfare payments to needy children from poor families
- Lacked adequate focus or supports for employment
- Handcuffed generations of families to poverty



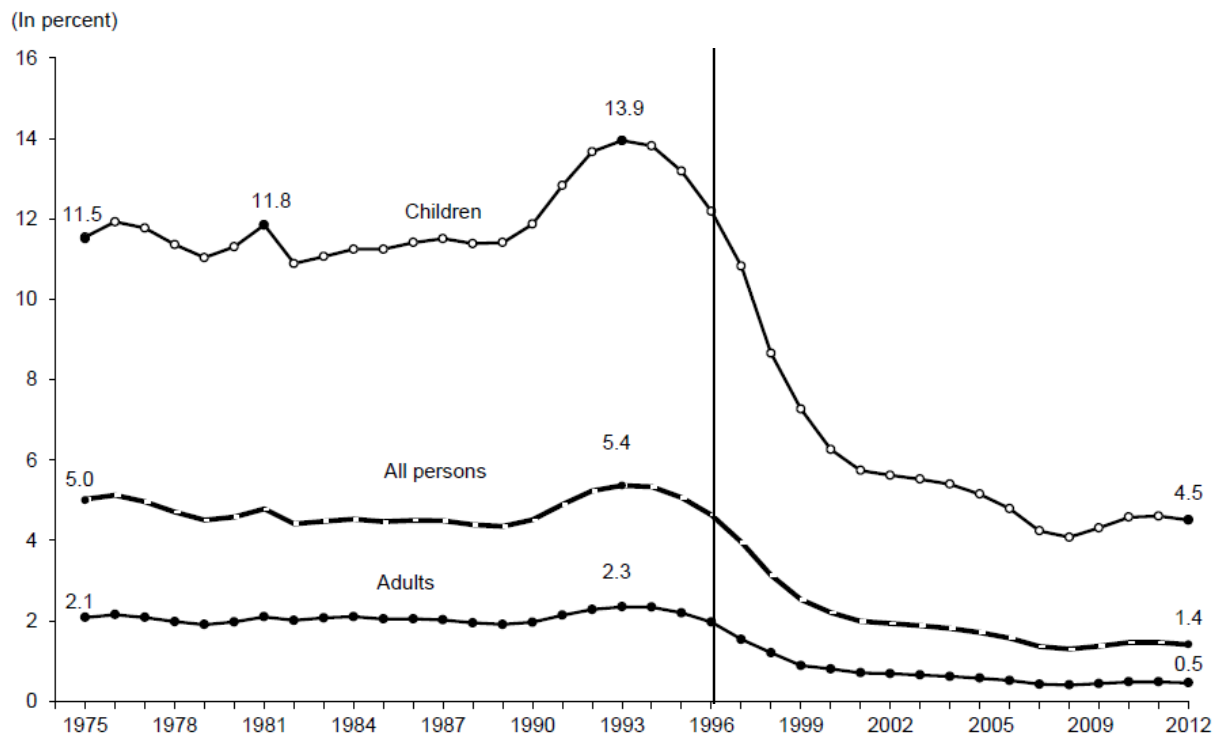
## Temporary Assistance for Needy Families (TANF)

- 1996 – Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)
- Focused on “welfare to work”
- 60-month lifetime limit on TANF benefits
- Work participation requirements



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# Percentage of the Total Population Receiving AFDC/TANF: 1975-2012

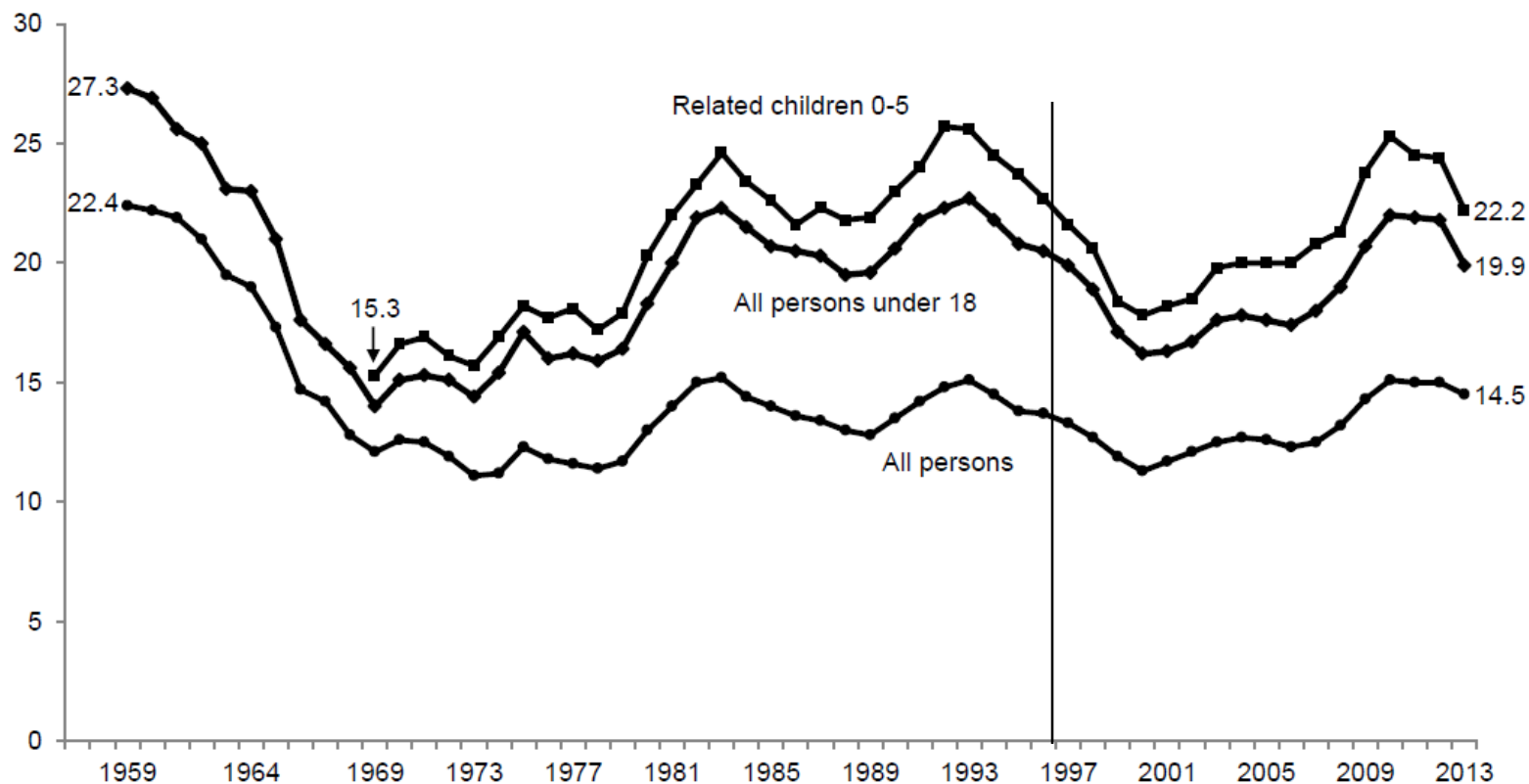


Note: See Appendix A, Tables TANF 2, TANF 12 and TANF 14, for more detailed data on reciprocity rates, including reciprocity rates by calendar year. Recipients are expressed as the fiscal year average of monthly caseloads from administrative data, excluding recipients in the territories. Tribal TANF recipients also are excluded. Child recipients include a small number of dependents ages 18 and older who are students. The average number of adult and child recipients in 1998 and 1999 are estimated using data from the National Emergency TANF Data Files and thereafter using the National TANF Data Files. Beginning in 2000, the data include both TANF and SSP (Separate State Program) recipients who have comprised as much as 11 percent of total recipients.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance. Population denominators for the percentage in each category are from the U.S. Census Bureau (available online at <http://www.census.gov>).

# Poverty Rates, 1959-2013

(In percent)



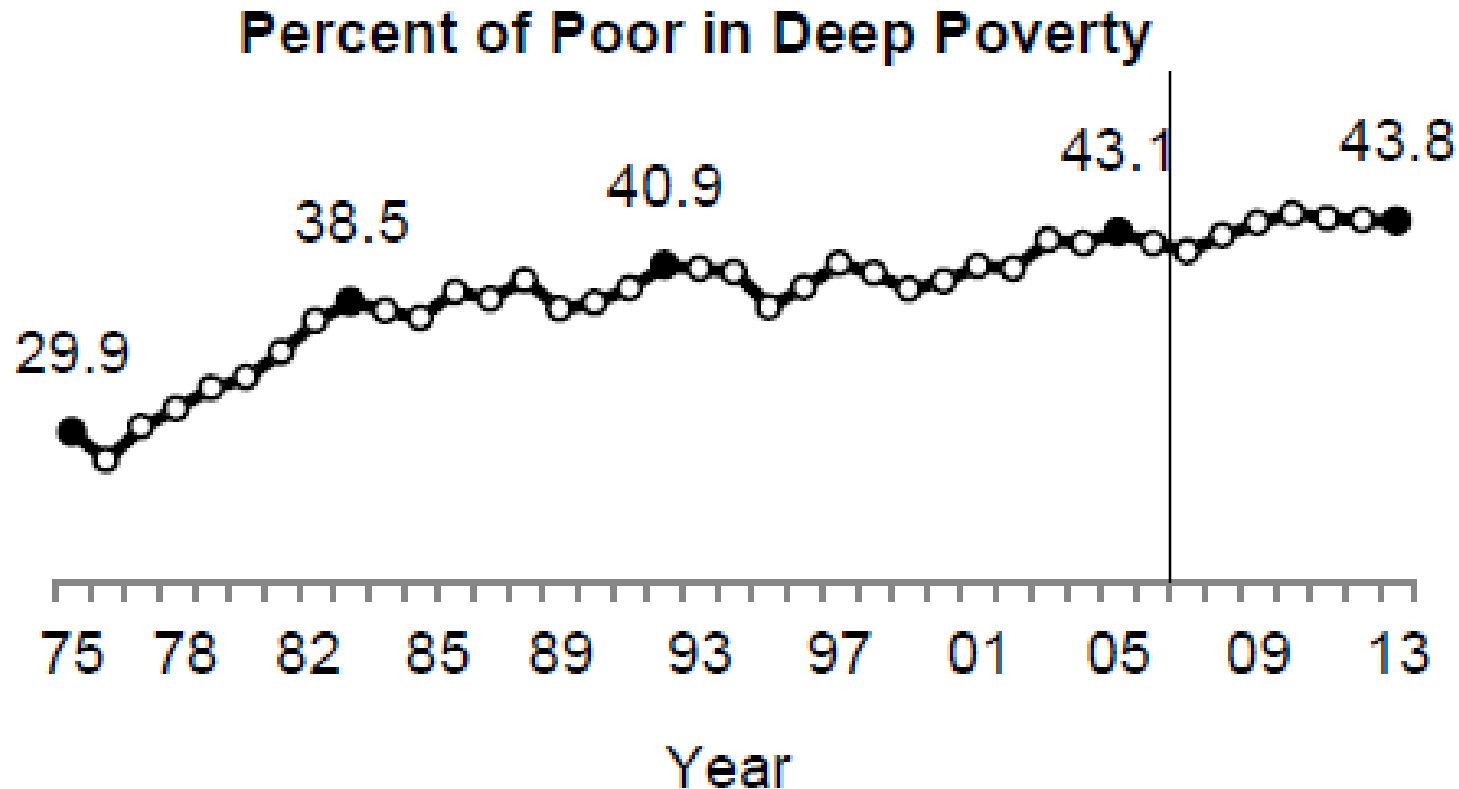
Note: All persons under 18 include related children (own children, including stepchildren and adopted children, plus all other children in the household who are related to the householder by birth, marriage, or adoption), unrelated individuals under 18 (persons who are not living with any relatives), and householders or spouses under age 18.

Source: U.S. Census Bureau, "Income, Poverty, and Health Insurance Coverage in the United States: 2013," *Current Population Reports*, Series P60-249, and data published online at <http://www.census.gov/hhes/www/poverty.html>.



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# Deep Poverty Rates, 1975-2013




Source: U.S. Department of Health and Human Services




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# Welfare Reform: Wrong Goal???



“Ending  
Welfare as we  
Know It”



Moving Families  
From Welfare to  
Prosperity Through  
Work

# Employment, Earnings & Retention

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# States, programs and participants should be focused on:



Getting a job

A good-paying job

Sustaining that job or  
advancing to a  
better job  
(career advancement)



“If you work 40 hours a week, 52 weeks a year, in the richest nation in the world, you should not have to live in poverty.”

-Senator Edward Kennedy



# Work Participation Rate

- Welfare reform (1996) instituted the Work Participation Rate (WPR) as its measure of success.
- Evaluates how well states engage families receiving assistance in work activities.
- Encourages states to focus services on job-ready individuals or individuals who might not need as much assistance.
- WPR measures process, not results.

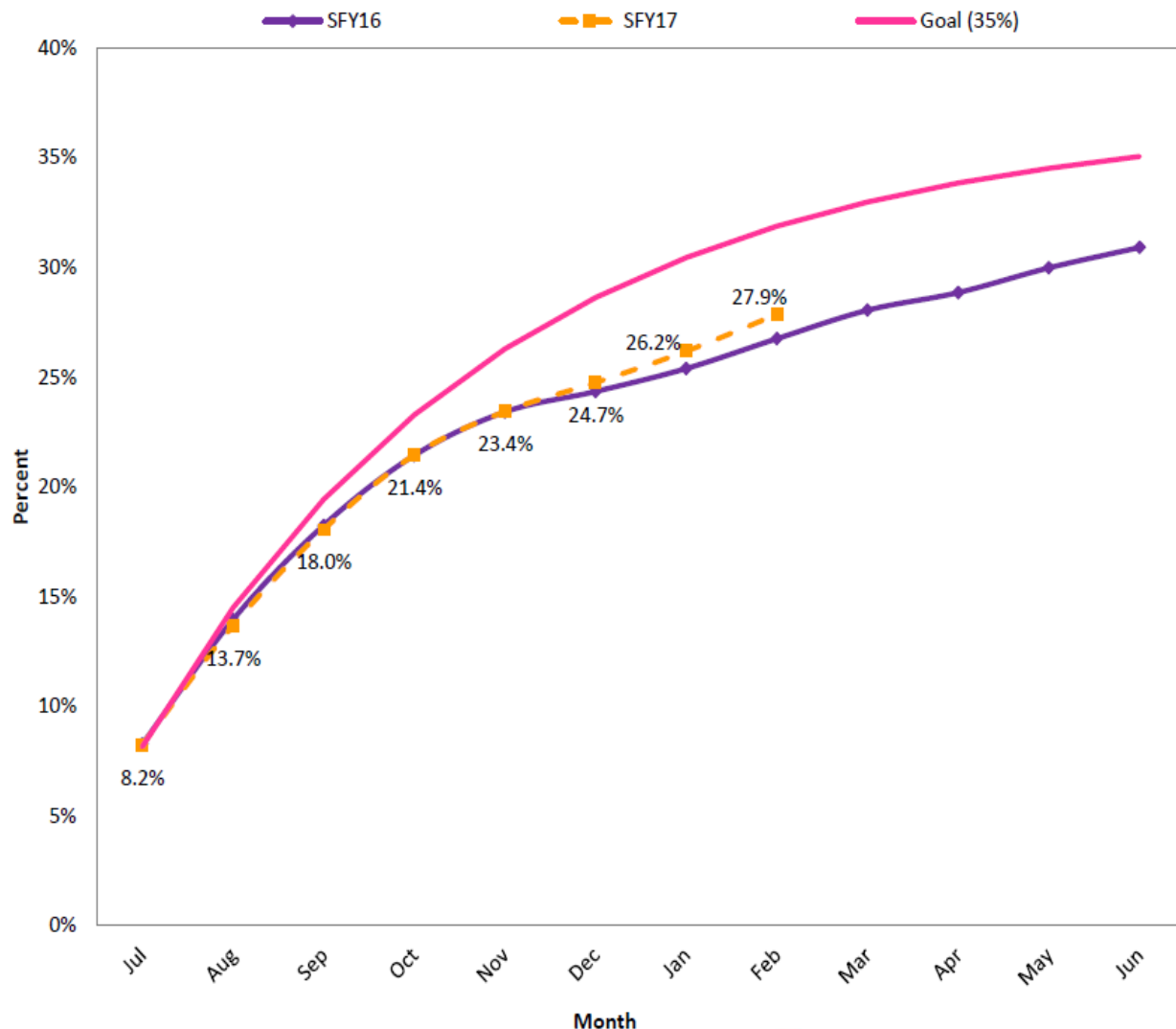




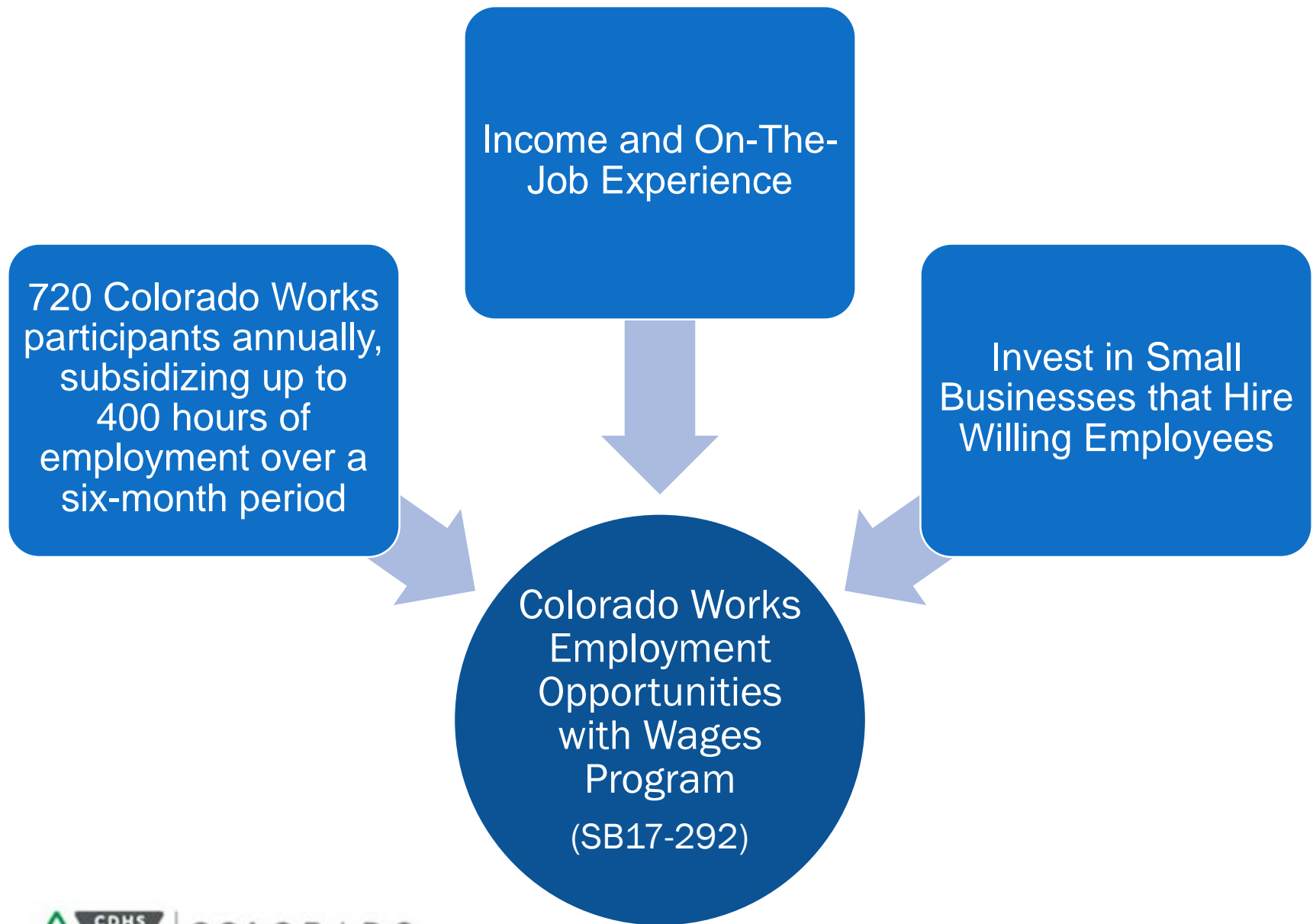
# Entered Employment, Cumulative

**Numerator:** Number of individuals who gained employment year to date  
Current numerator: 6,593

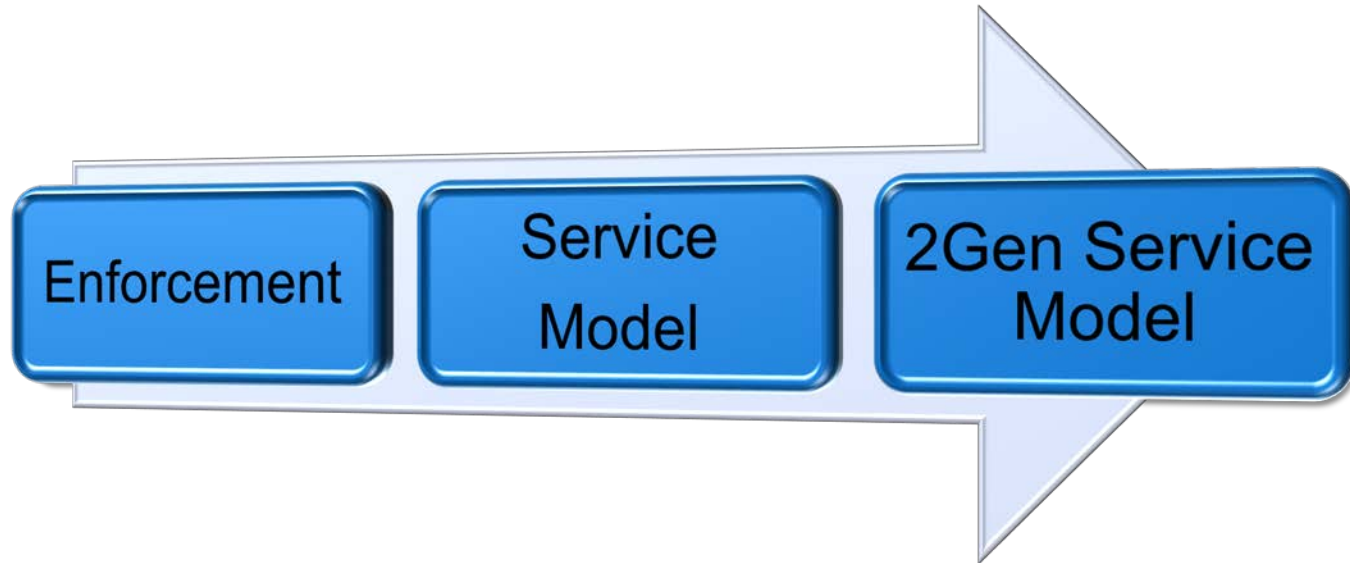
**Denominator:** Number of individuals enrolled in Workforce Development year to date who are not in the same employment activity continuously year to date (i.e., not already employed)  
Current denominator: 23,672



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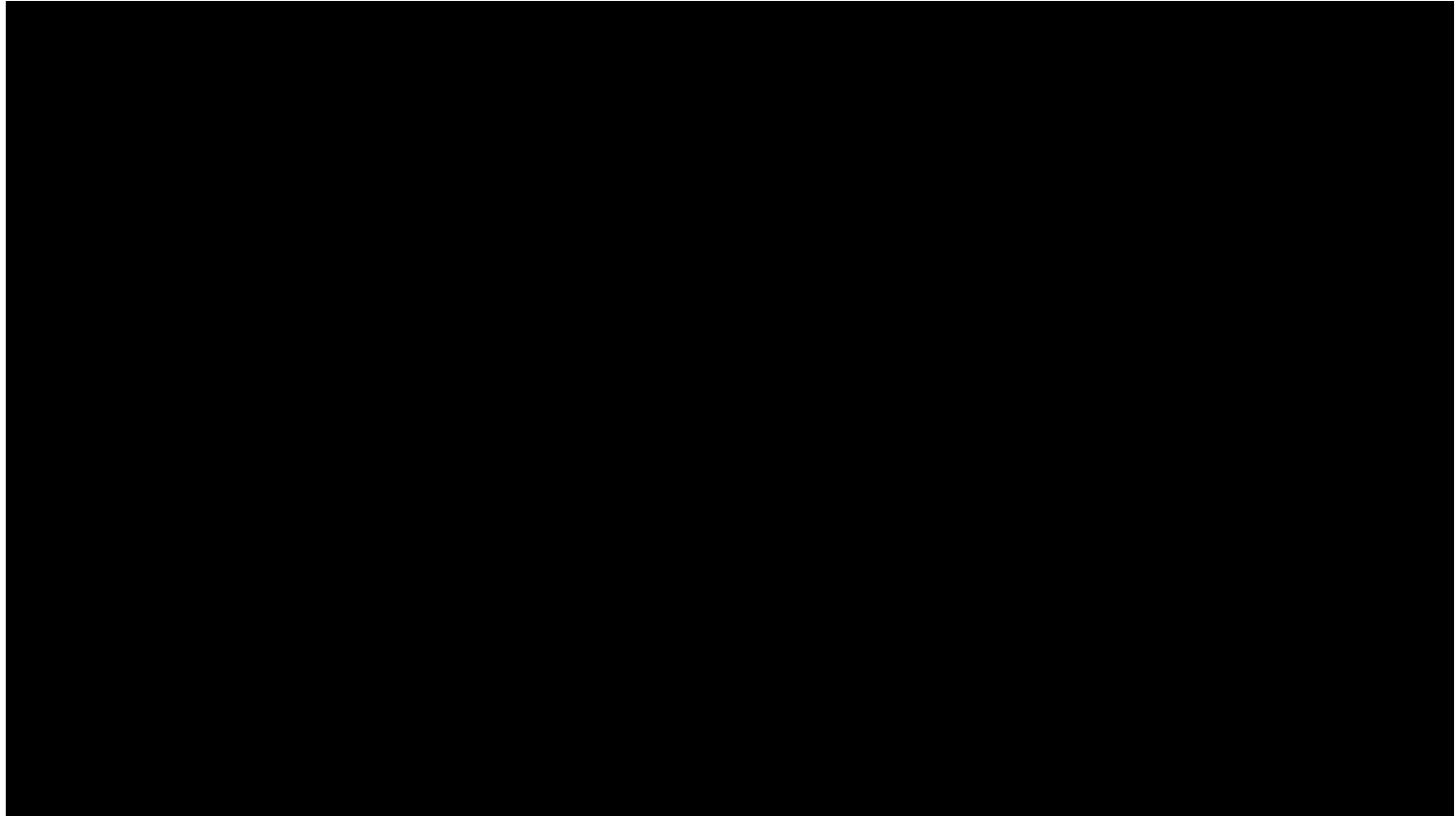
# Modifying the Child Support System is Part of the Equation



***Shift the Child Support Program from strictly and solely an enforcement and parent-focused system to one that connects families to services & interventions that benefit every family member.***



# Colorado Parent Employment Project (CO-PEP)



Arapahoe County family shares CO-PEP experience



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925 individuals have been placed in subsidized employment

754 individuals have secured unsubsidized employment at an average wage of \$12.35/hour



69% of participants were receiving at least one cash benefit when they entered the ReHire program

77% of these individuals decreased their benefit amount or discontinued public assistance



# CO-PEP & ReHire Colorado

13% of ReHire participants had an open child support case in the month they started in the ReHire program. Among these participants:

- The percentage of non-custodial parents who made regular, monthly child support payments more than doubled...from 12% to 41%
- The percentage of ReHire participants who had made no child support payments was cut in half, decreasing from 38% to 19%.
- The average monthly child support payment increased 53%



# Child Support Pass-Through

For parents receiving public assistance and child support, most states and the federal government “hold back” all or a portion of the child support collected to cover expenses of the public benefit

Several states have allowed for child support pass-through...allowing a portion of the child support payment to go directly to the parent and child and reducing the amount held back for government

Research has shown that pass-through policies:

- Increase child support payments
- Increases child well-being
- Reduces child abuse and neglect
- Reduces length of time on public assistance

Colorado is the only state in the country to give the full amount of current child support directly to parents that receive TANF benefits. From April 1 to May 15, **\$542,238** in child support has been distributed to 3,007 families.



# Job Training and Vocational & Postsecondary Education

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# Education and Job Training

- Nationally, by 2020, 65% of all jobs in the economy will require postsecondary education and training beyond high school.
- 2010 study found that, nationally, fewer than 8% of “work-eligible” adult TANF participants were engaged in education or training activities.
- A study of six states found that 87% of former welfare participants who graduated from two- or four-year colleges were still off welfare 6 years later.







“Work does not mean sitting in a classroom. Work means work...Ask any of my brothers and sisters what ‘work’ meant on our family’s dairy farm. It didn’t mean sitting on a stool in the barn, reading a book about how to milk a cow. ‘Work’ meant milking cows.”

-Senator Phil Gramm





# CareerWise Colorado

Tomorrow's Talent Today



CareerWise's mission is to create opportunities for youth and businesses across Colorado by developing and supporting an innovative, sustainable youth apprenticeship program. Through this business-led, student-centered model, CareerWise brings together public and private stakeholders to ensure that students have access to the skills and knowledge they need for financial and academic success, and that businesses have access to highly-trained talent.



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# Our current education system leaves many potentially talented students behind

■ Do not

## Colorado's education system



Students start high school

100



Students reach graduation

77

23



Enroll in college

44

33



Return for a second year

35

9



Students receive a post-secondary degree<sup>1</sup>

23

12



Immediately enter employment in Colorado

18

5

System works for  
only 18%-23% of  
students



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<sup>1</sup> Certificate, associates or bachelor's degree within 150% of allotted time

SOURCE: The Colorado Talent Pipeline Report 2015

# STRENGTHENING

# FAMILIES

*Department of Labor grant to help  
CCA and CCD Students Change*



**ARE YOU INTERESTED IN ONE  
OF THE FOLLOWING CAREER  
TRAINING PROGRAMS:**

- HEALTH CARE
- ADVANCED MANUFACTURING
- TECHNOLOGY



**COME VISIT US!**

We can assist you with  
your childcare needs,  
provide academic coaching,  
and employment support,  
all at a low cost.

<https://www.ccaurora.edu/SWFI>



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# Financial Aid Exemption Policy



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# Building Wealth

## Money Management

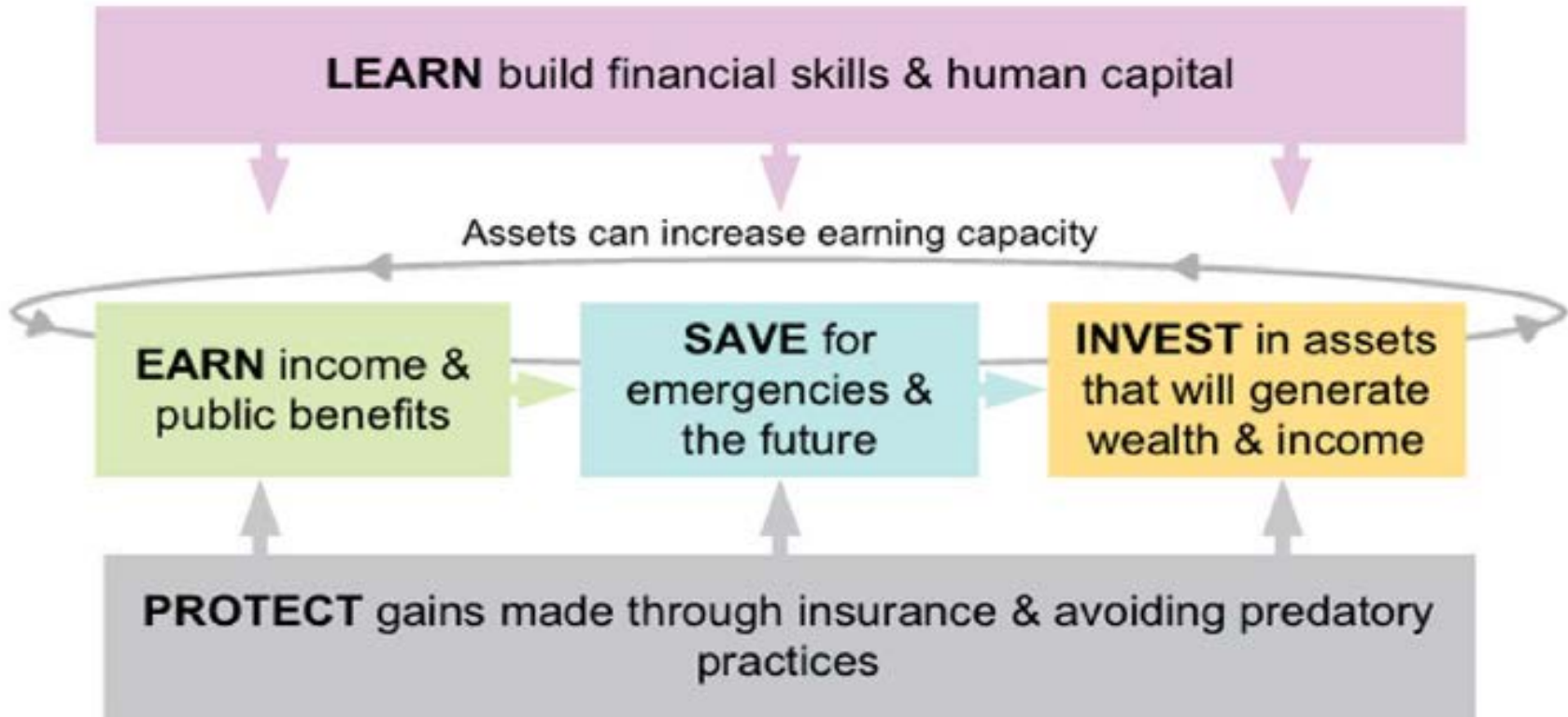


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# Building Wealth

## Household Financial Security Framework



Source: CFED, 2010

# Benefits to Being Banked

## 1. Protection

- Safeguard against theft and fraud through financial institutions
- Reduce vulnerability to discriminatory or predatory lending services
- Increase access to lower cost loan options

## 2. Accessibility

- Conduct basic financial transactions, like using checks to pay bills or debit cards for transactions and ATM withdrawals
- Establish a credit history to increase the ability to have applications approved for competitive interest rates for credit cards and loans, rental housing, and car and home purchase

## 3. Accumulation

- Plan for an emergency or long-term financial security in a safe, federally-insured savings vehicle that has the ability to gain interest
- Expand opportunities to grow assets and build economic security by saving hundreds of dollars spent on alternative financial services



# From EBT Cards to Bank Cards

- More and more employers pay wages through direct deposit
- Allows beneficiaries the flexibility to receive their benefits in any location
- Reduces stigma
- Use prepaid debit cards or direct deposit for unemployment insurance benefits...why not other benefits?



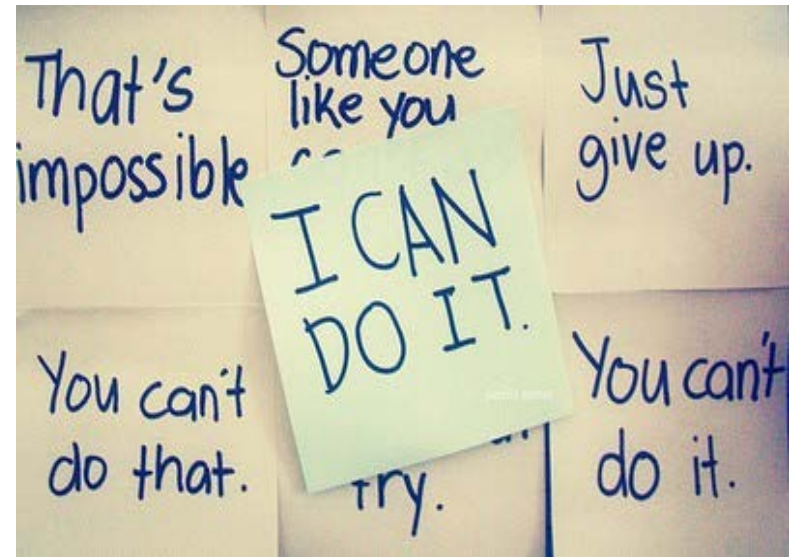
# Children's Savings Accounts: Growing Savings, Building Aspirations

## The Financial Value



- Accessible savings products for low-income families
- Incentives to save
- Covers gaps in financial aid

## The “Asset Effect”



- Builds parents' expectations for their children
- Grows children's aspirations
- Fosters belief that higher education is affordable and attainable

# Children's Savings Account Pilot Program



ASPIRE TO COLLEGE  
C O L O R A D O  
SAVING | GROWING | LEARNING



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# Building Wealth

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## Asset Limits



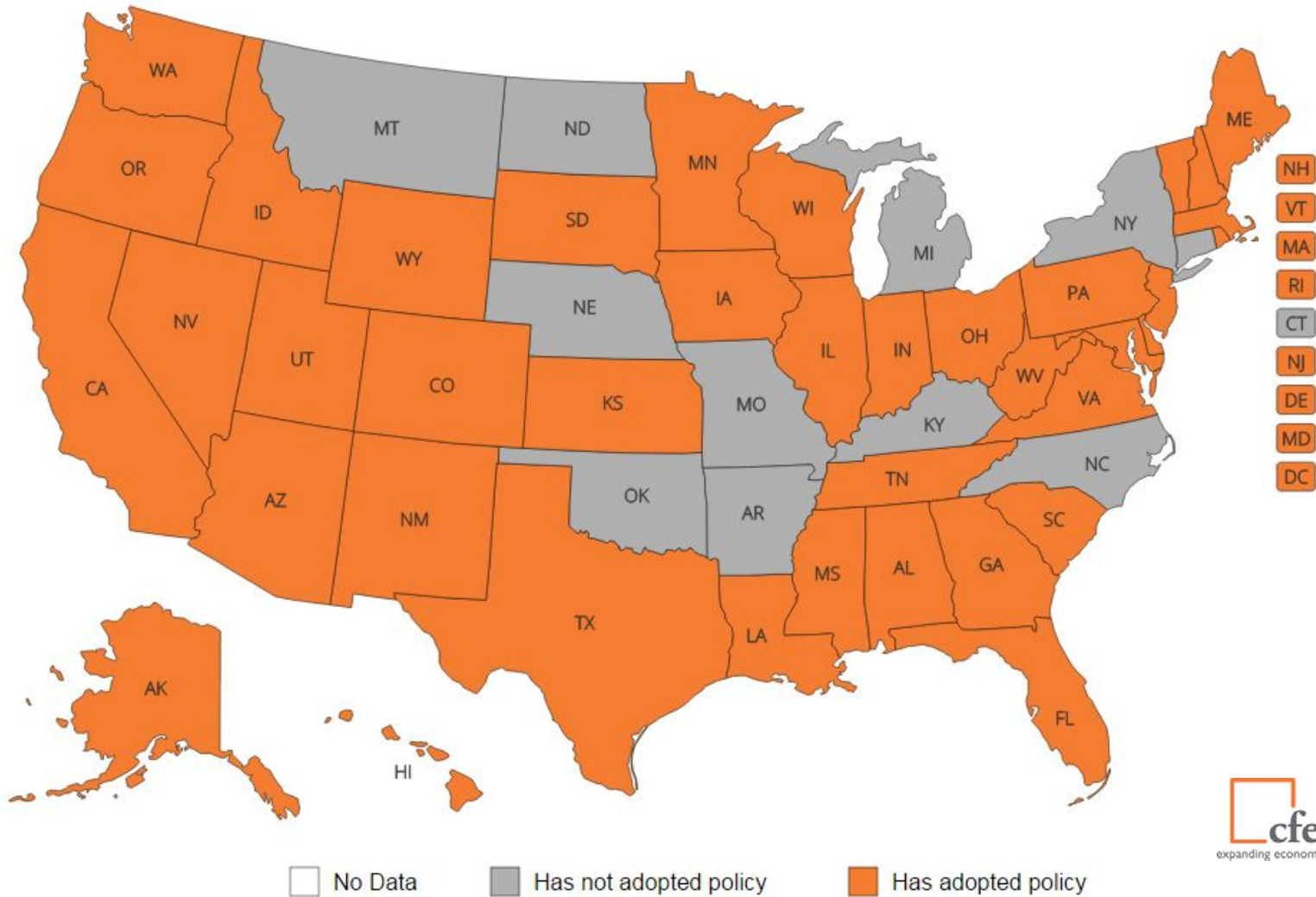


# Federal Asset Limits



# State Asset Limits - LIHEAP

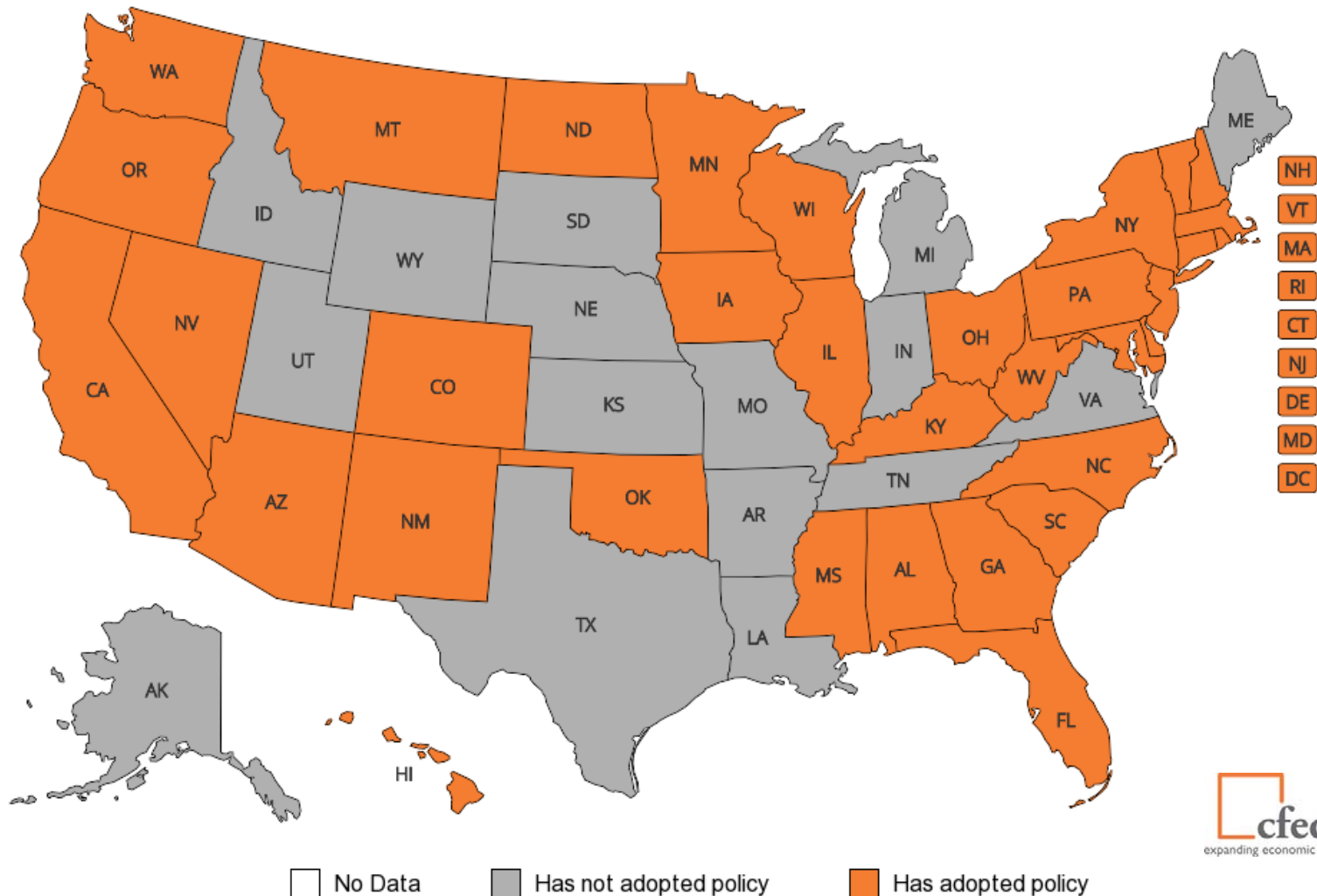
## 39 States & D.C. Have Eliminated Asset Test in LIHEAP





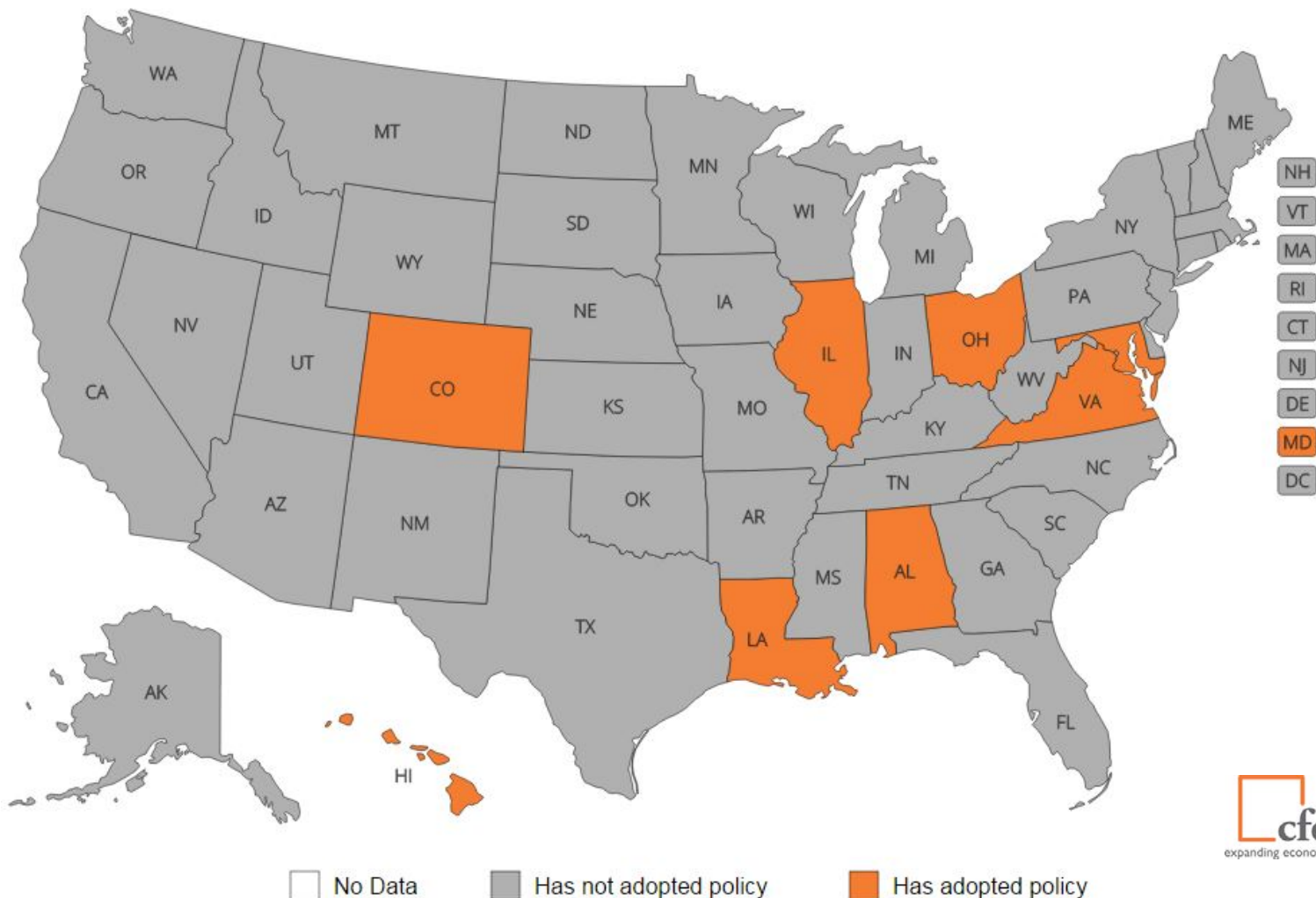
# State Asset Limits - SNAP

## 34 States & D.C. Have Eliminated Asset Test in SNAP



# State Asset Limits - TANF

8 States Have Eliminated Asset Test in TANF



cfed  
expanding economic opportunity



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# What States Can Do

The federal government has the power to eliminate all asset limits in TANF or SNAP, but has not exercised that authority to date. Instead it allows states to make their own decisions.

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- Eliminate TANF, SNAP and LIHEAP asset limits
- Increase asset limits and/or index them to inflation
- Exempt certain classes of assets from their asset tests in the TANF program

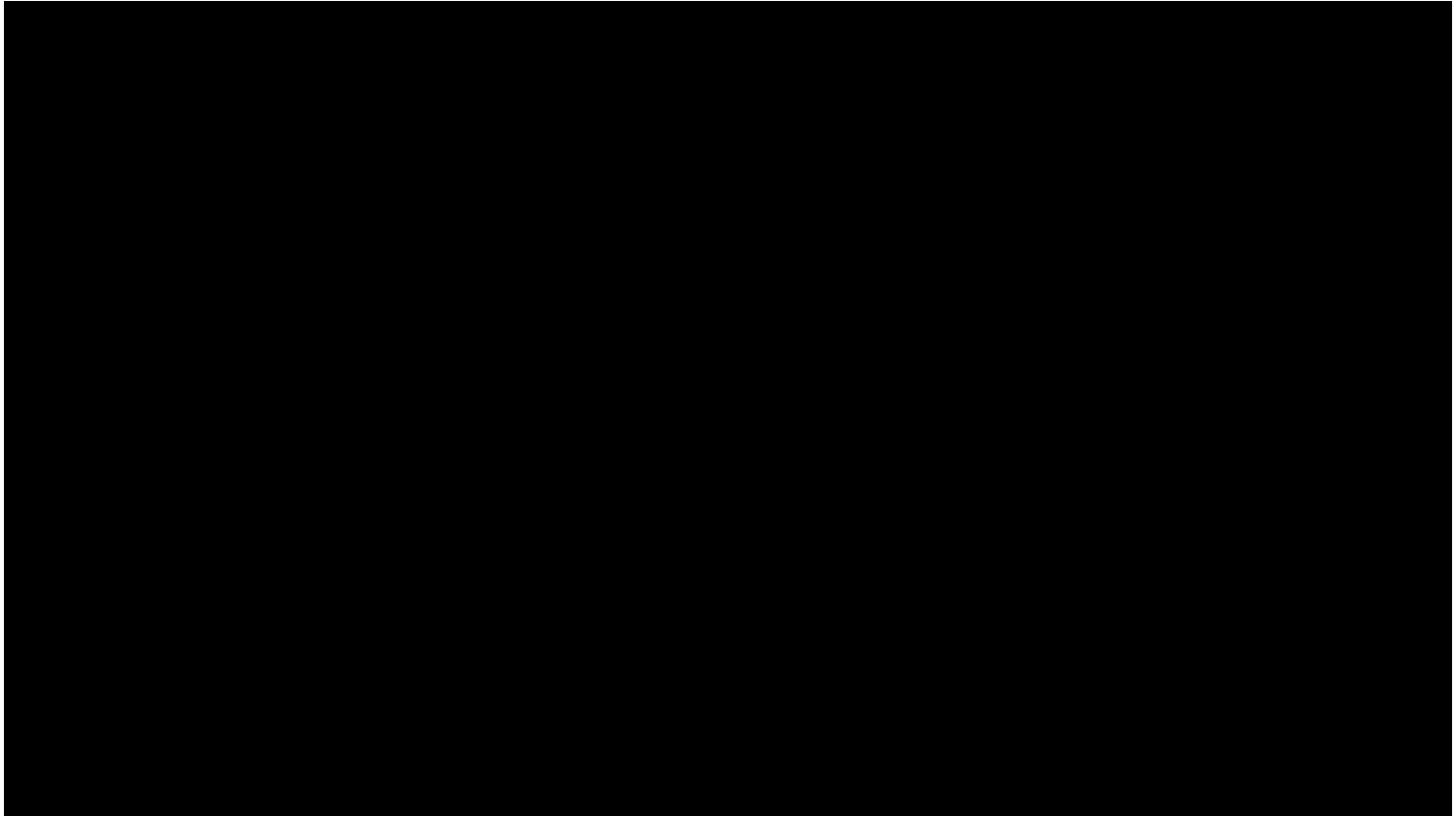
# Building Wealth

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## Cliff Effect



# Colorado Parent Rynn Bell



Rynn shares why the cliff effect is the scariest part of public assistance



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# The Cliff Effect

## IMPACT OF LOSING WORK SUPPORT BENEFITS AS INCOME RISES

(Single parent with two children, one preschool-aged and one school-aged)



Source: National Center for Childhood Poverty/Columbia University

In this Colorado-based scenario, a single working parent with two children is shown breaking even with a combination of wages and work support benefits that include child care assistance, food stamps, Medicaid and income tax credits. However, as the parent's earnings rise, she begins to lose benefits, with child care assistance the largest by far.

The cliff effect occurs when even a modest increase in income leads to a complete termination of a benefit and a large net loss to the family.

# CCCAP Cliff Effect Pilot Program: Parent Fee Example

## ***Family Details:***

- Household Composition: Single Parent; 1 child
- Household FPL at Redetermination = 187%
- Household Income at Redetermination Annual = \$30,000; Monthly = \$2,500

The first 3 months of the parent fee are system generated and defined in CCCAP rule. After the 3<sup>rd</sup> month, the county determines parent fee as a percentage of monthly gross income and increases parent fee 1 percentage point every 6 months.

Months	Parent Fee (as a Percent of Monthly Gross Income)	Parent Fee in Dollars	As determined by:
1-3	13%	\$ 325.00	CCCAP Rule
4-6	14%	\$ 350.00	County Cliff Effect Pilot Policy
7-12	15%	\$ 375.00	County Cliff Effect Pilot Policy
13-18	16%	\$ 400.00	County Cliff Effect Pilot Policy
19-24	17%	\$ 425.00	County Cliff Effect Pilot Policy



# Transitional Food Program

## Before TFA



Colorado Works ✓  
Food Assistance ✓

Income Change →



Colorado Works ✗  
Food Assistance ↓ ✗

## After TFA



Colorado Works ✓  
Food Assistance ✓

Income Change →



Colorado Works ✗  
Food Assistance ✓



I believe the  
**BEST**  
**Social**  
**Program**  
is a **JOB**



- Ronald Reagan



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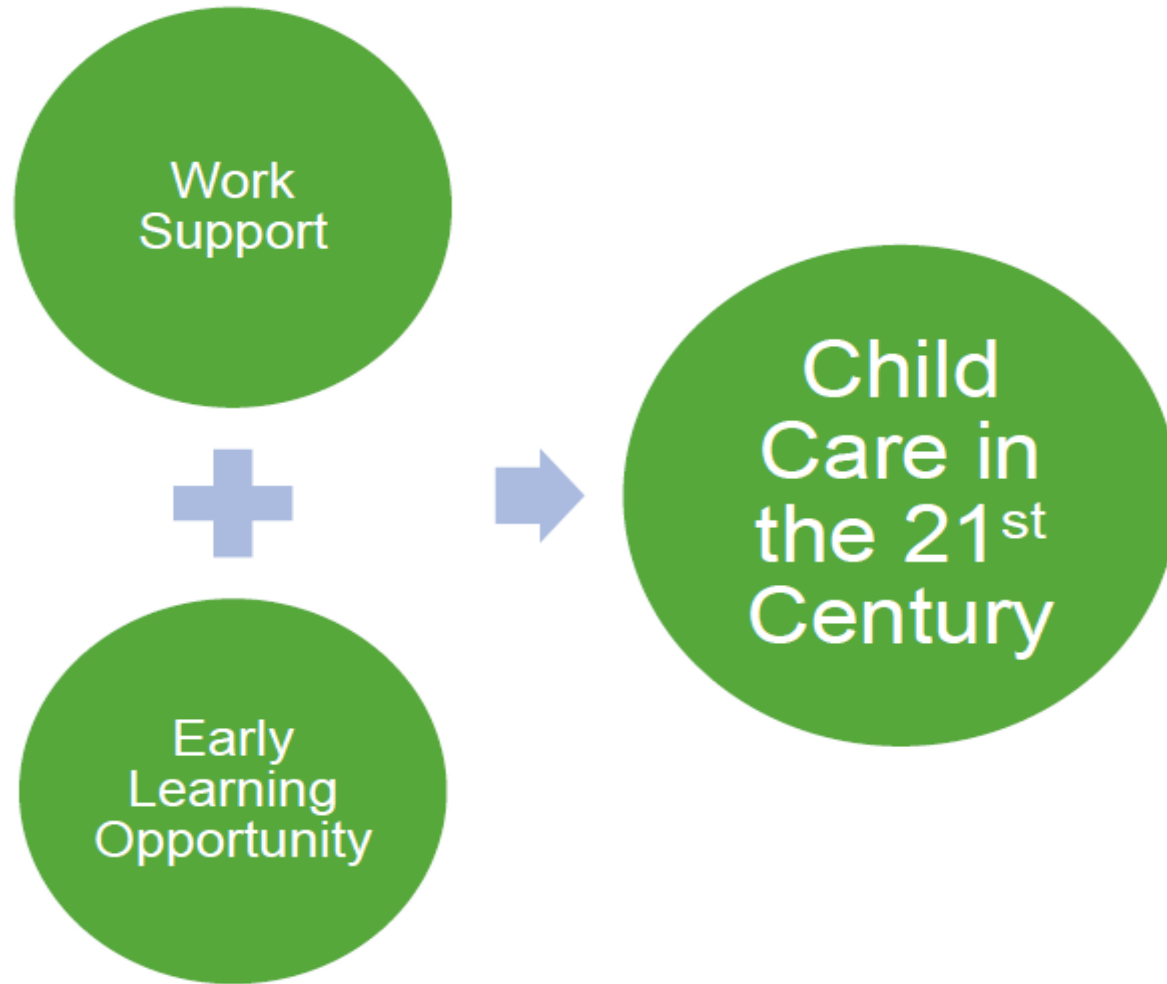
# Quality Child Care & Early Learning Opportunities

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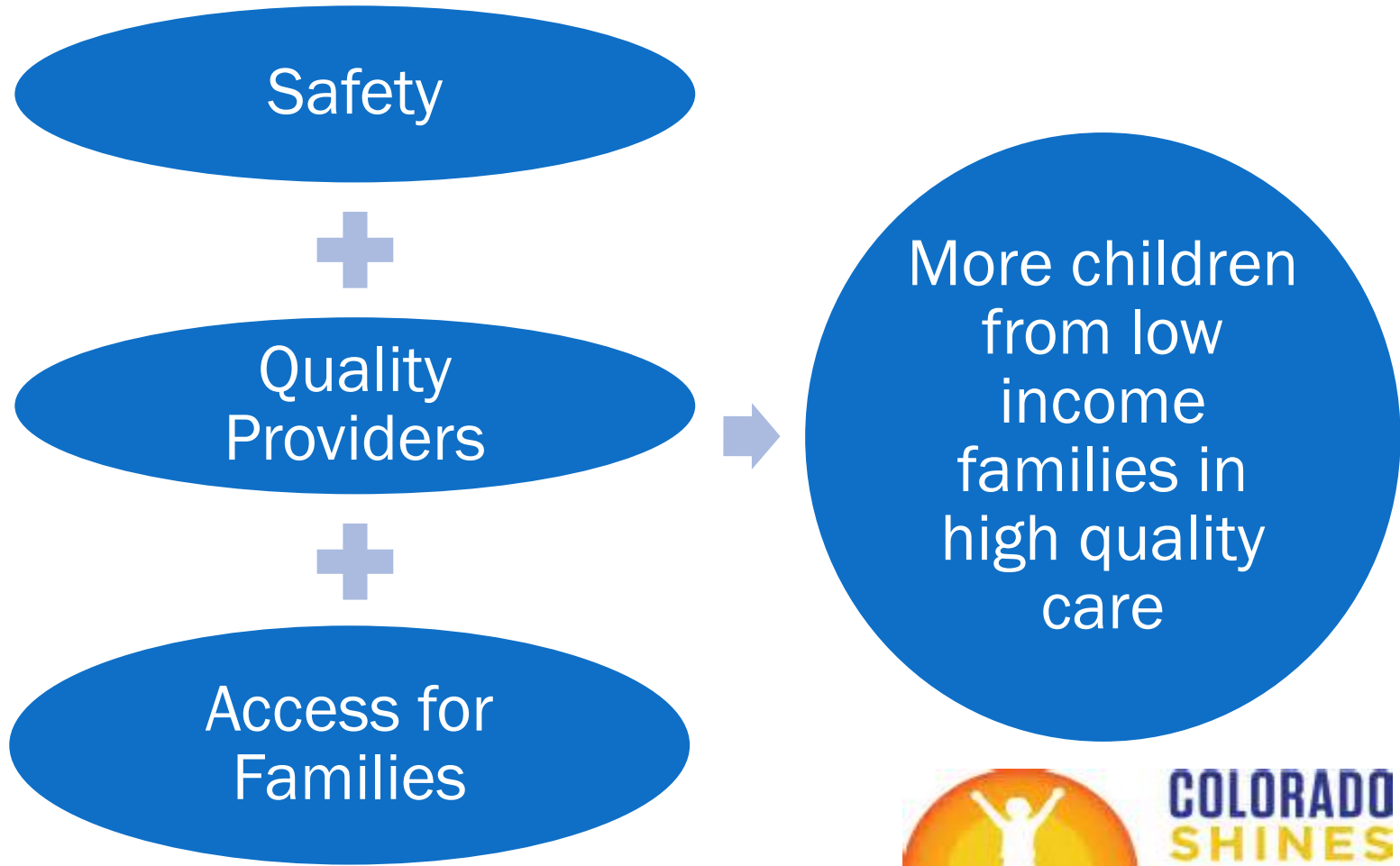


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# Colorado's Child Care Approach



# Colorado's Child Care Strategy



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START EARLY  
START STRONG  
QUALITY EARLY LEARNING

# Colorado Shines

- Statewide Quality Rating and Improvement System (QRIS) for child care launched in 2015
- **Goal: Assess, enhance and communicate level of quality in licensed early learning programs serving children birth to five**
- Includes early childhood workforce training & competency
- Colorado was the 5<sup>th</sup> state to integrate the quality rating and improvement system with child care licensing.
- As of April 30, Colorado has 38 5-star rated facilities across the state.



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START EARLY  
START STRONG  
QUALITY EARLY LEARNING

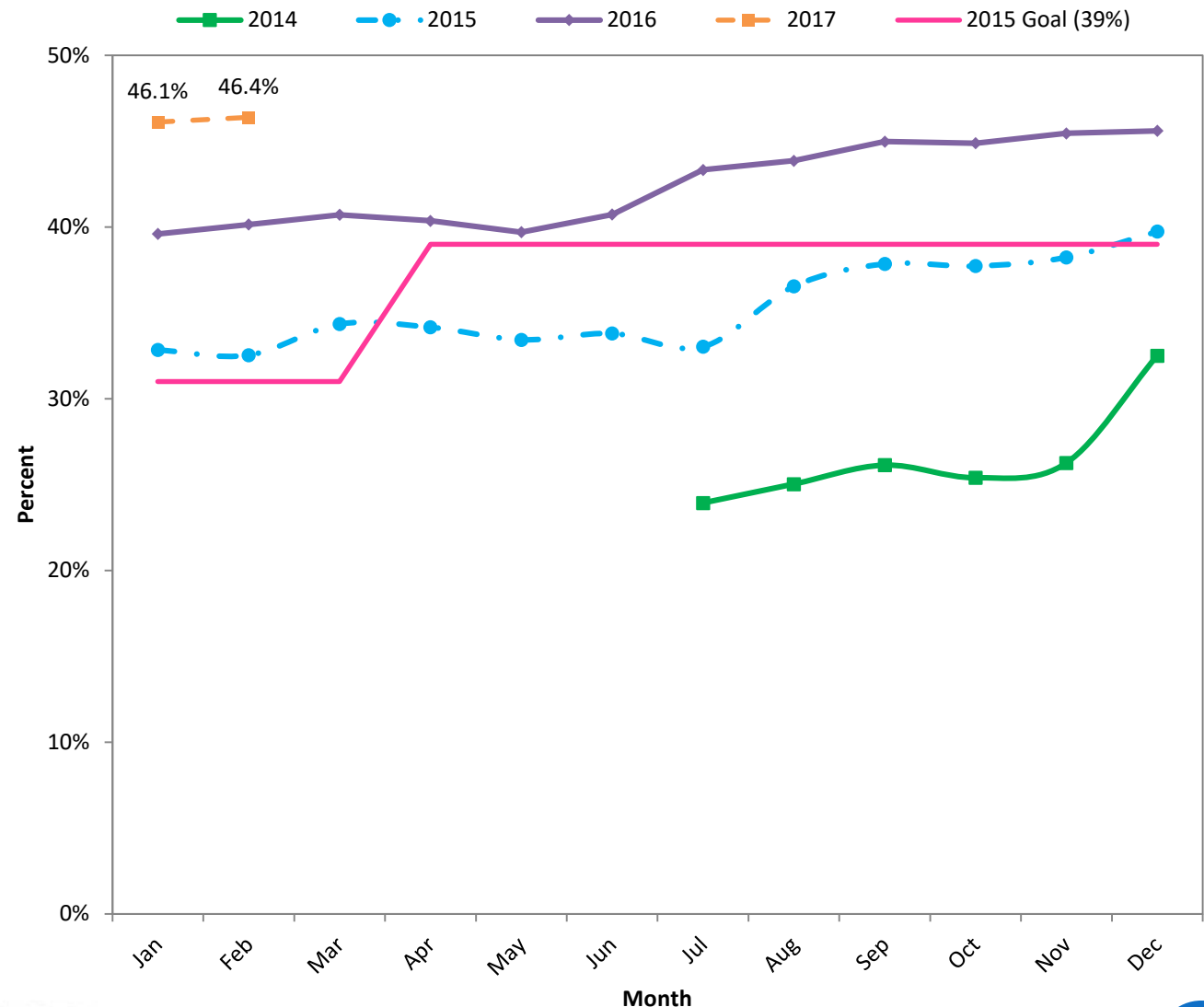


# Children in the Colorado Child Care Assistance Program, Under Age Five, in Top Quality Rated Facilities

**Numerator:** Total number of children, under five years old, who utilized CCCAP at a child care facility with a current quality rating greater than Level Two at least once during the given month

**Denominator:** Total number of children, under five years old, who utilized CCCAP at a child care facility at least once in the given month

Average Monthly Denominator: 9,990



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## **House Bill 14-1317**

### **Modifications to the Colorado Child Care Assistance Program**

#### **Increased Access**

Expanded Eligibility for Families

Tiered Reduced Co-Pays based on Quality

Tiered Reimbursement

Cost Modeling

Focus on Incentivizing Quality



# New Goals for a New Century



Employment, Earnings & Retention

Job Training and Vocational & Postsecondary Education

Building of Wealth: Money Management:

Building of Wealth: Asset Limits

Building of Wealth: Cliff Effect:

Quality Child Care & Early Learning Opportunities







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# Questions?

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***Executive Director***

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