

# **THE DEVOLUTION EXPERIENCE**

A Look at Welfare Reform in Colorado

March 2003

A Collaborative Project of The Colorado Center on Law and Policy, Catholic Charities Archdiocese of Denver, University of Denver Graduate School of Social Work and the Colorado Chapter-National Association of Social Workers

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## **I. EXECUTIVE SUMMARY**

### **Purpose of Report**

The purpose of this report is to better understand and describe in detail the realities of “devolution” in Colorado. Devolution, the transference or delegation of control, authority, and responsibility for various federal government programs, began in the early 1980’s. Congress further advanced the devolution movement with its passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996. Congress gave the states the authority as well as the extraordinary flexibility to create, design and implement their own welfare programs with little oversight by the federal government.

In Colorado, Senate Bill 120, passed during the 1997 legislative session, established the Colorado Works Program (CW) that extended the state’s authority and control to all 63 counties (now 64). In this report the authors will describe devolution in Colorado and its impact on counties, the Colorado Department of Human Services (CDHS) and service providers and will make recommendations about how a county-devolved system can be more responsive and accountable. The study has been conducted and the report written by a team of advocates. Their knowledge and experience with the Colorado Works Program will be reflected throughout.

### **Methodology**

This report has been spearheaded by the Colorado Center on Law and Policy and Catholic Charities Archdiocese of Denver. These two organizations partnered with other key community leaders including Jean East, PhD. University of Denver School of Social Work, Christine Pertusi, LCSW, Colorado Chapter-National Association of Social Workers, Bragg Hemme and Jonathan Bender, law students from the University of Denver School of Law, Amy Smith Edwards and Christy Belz, MSW students from the University of Denver and Amy Metzdorf-Hill, MSW student, New Mexico Highlands University. The team also consulted with Peggy Cuciti, PhD., Center For Human Investment Policy, at the University of Colorado – Denver, and Suzette Tucker-Welch, Colorado Fiscal Policy Institute.

Given the intent and scope of this study, the research team decided that a representative sample of counties from around the state would be selected for a broad look at devolution in practice. Seven criteria for county selection were identified. These included geography, both rural and urban mix, representation of each state region, economy, size of TANF caseload, inclusion in the state evaluation plan (State Auditors Office and Berkeley Policy Associates), unique devolution features, and strong representation from the 10 largest counties.

Based on these criteria, 11 counties were chosen and included:

Metro/ Large Counties: Denver, El Paso, and Arapahoe/Douglas  
Front Range Rural: Weld  
Western Slope/ Four Corners: Mesa, Montezuma  
Southern/ San Luis Valley, Central Mountain: Pueblo, Alamosa, Huerfano  
Eastern Plains: Morgan  
Mountain/Resort: Garfield

In order to gain a variety of perspectives about devolution, key stakeholders were identified as participants to be included in the study. Those who were invited to participate included county directors, county case managers, and service providers in the county as well as the State Department of Human Services (CDHS). The county directors were invited because of their understanding of the goals of individual county programs and big picture thinking about the role of devolution at the county level. Case managers were chosen because of their on-the-ground reality of working with families in a devolved model. Service providers have the perspective of working with families who often participate in the county programs. Local providers are often in a position of contracting with counties as well. CDHS was also asked to participate to contribute the perspective of the supervisory agency managing a devolved model.

Once the counties were selected, the design for seeking the necessary data included four strategies: (1) surveys of county directors or TANF administrators, (2) in-person structured interviews with directors, caseworkers, and the state directors, (3) phone interviews with service providers in the selected counties, and (4) a review of Colorado Department of Human Services documents on file for each county.

The research team designed the interview protocols for both the written survey interview and the in-person interviews. The interviews included both closed and open-ended questions. The county director survey instrument was developed with the goal of having specific questions that could be answered by each county director. The questions were designed to be able to compare county responses regarding the basics of how devolution was being implemented, as well as opinions about the pros and cons of devolution. The in-person interview questions were designed specifically for four stakeholder groups: county directors, county caseworkers, CDHS, and service providers. The service provider interview was also modified by the New Mexico Highlands School of Social Work, as part of a student research assignment. Each interview outline can be found in the Appendix.

### ***Response from County Officials***

The project was announced at several public meetings during September and October 2001. Letters inviting counties and CDHS to participate were sent in mid October. Some responses from counties came immediately after the letters were sent. Some counties, however, chose not to respond at all. Initially counties were hesitant to participate in the study for several reasons. Those who responded at first raised concerns that the purpose of the study was to attempt to undo the devolution model and

that the conclusions of the study had already been decided before the report was written. The association of counties, Colorado Counties Inc. (CCI) communicated that counties were concerned and were unlikely to participate in the study. CCI wrote a letter to counties warning them about participating in the study. CCI's concern was that the study leaders were viewed as advocates for low-income families, so any study of this kind was unlikely to be objective. CCI was assured that the study would be conducted using objective analysis and again the counties were invited to participate.

The project team members contacted some of the counties individually to determine their responses to the request for participation. Two counties agreed to participate in the study after questions were answered about the scope and purpose of the study. Two other counties decided they would participate in the study but set out their terms for participation. Both counties responded that they would not answer the survey questions in writing and that they would not answer the interview questions. Instead they would each plan a site visit for our study team in order to demonstrate how their devolution model worked. These counties felt the site visit would better explain local devolution. After those contacts, the study team determined that the counties that had not responded should be given an additional opportunity to participate. Another letter was written in response to some of the concerns that had been raised. No other counties agreed to participate and only two of the selected counties sent letters declining to participate.

The low participation in the study by county officials was a significant stumbling block to the project. The Center On Budget And Policy Priorities was consulted and it was decided to move forward with only four counties actively participating in the survey and interviews. The researchers recognized that the low participation of counties would mean that the study would not be representative of the state, specifically with smaller counties and rural counties missing. The limited participation would also mean that varying opinions on county versus state roles that might have been gathered in a larger sample could not be described. Geographic differences also could not be analyzed in this report. At the same time, researchers believed that with 4 counties, valuable information on variations in county philosophy policy, process, service provision and the impact of devolution could be obtained. Additionally, a large amount of information was available from the review of CDHS documents from all 11 counties and the service-provider interviews from all 11 counties.

### ***Review of State Documents***

CDHS maintains documentation of county reports required by them. To obtain this data, two law students were assigned to go to CDHS to copy, review and analyze the files from the 11 selected counties. The data from the 11 counties was also analyzed by Suzette Tucker-Welch, an independent research analyst otherwise associated with the Colorado Fiscal Policy Institute, a project of CCLP. A matrix for each county was developed that delineated which documents from each county were present in the file, what information was available, and the basic content of that information. This data

analysis is presented in Section IV along with the observations and comments of the analyst. The research team believed these observations, by an analyst not otherwise involved in this specific project or in welfare reform advocacy, should be included.

### ***Service Provider Interviews***

A second year graduate student from the New Mexico University of Highlands School of Social Work conducted the service provider interviews. As noted earlier, the interview questions were designed with input from both the project team and the university faculty (*See Appendix*).

The research team selected the service providers to be interviewed in the 11 counties. Two types of agencies were selected, those with county contracts and those without county contracts but known to serve low-income populations. After an initial list of agencies was identified, the student called agencies about participation and also asked for referrals to other agencies, in effect using a snowball sampling procedure. A total list of 29 agencies was identified. Each agency was mailed a letter of intent explaining the project.

As was the case with county agencies, the pressure on service providers to not be involved in the project had an impact on their participation. For example, one service provider scheduled an interview, but subsequently declined after being pressured by the county not to participate. The provider even argued that they ought to participate, noting their successful program. Ultimately from the list of twenty-nine agencies from the 11 selected counties, twenty-one service providers from 10 counties agreed to participate. Five service providers could not be scheduled during the interview period, so a total of 17 interviews are represented in this study.

The data from the service provider interviews were analyzed by two students who worked under the supervision of Dr. Jean East. The New Mexico University of Highlands student, who carried out the interviews, analyzed the quantitative data and a second graduate student from the University of Denver analyzed the qualitative data under the supervision of Dr. Jean East.

### ***About the Research Team***

#### ***Maureen S. Farrell, Esq. Colorado Center on Law and Policy***

Ms. Farrell is the Executive Director of the Colorado Center on Law and Policy (CCLP). Prior to her work at CCLP, Ms. Farrell engaged in policy and legal advocacy on issues related to welfare reform at Catholic Charities from 1996-1998 and since through CCLP. During the previous 10 years (1986-1996), she practiced law as a staff attorney in the areas of consumer, domestic relations/domestic violence, housing, and public benefits law at the Legal Aid Society of Metropolitan Denver (nka Colorado Legal Services).

***Steffanie Clothier, Esq., Public Policy Director, Catholic Charities Archdiocese of Denver***

Ms. Clothier spent the last 15 years doing advocacy and organizing work on a variety of issues including environmental issues, international human rights issues and poverty issues. For the past six years while at Catholic Charities, she worked exclusively on poverty issues including welfare reform, child care and health care issues affecting low-income families and children. Ms. Clothier graduated from The University of Denver College of Law in 1996 and was admitted to the Colorado Bar. She received an Equal Justice Fellowship from the National Association for Public Interest Law to work on state implementation of welfare reform in Colorado (1996-98).

***Jean East PhD, University of Denver, Graduate School of Social Work***

Dr. East is an Associate Professor at the University of Denver, Graduate School of Social Work. Dr. East has worked in the Denver community for over 30 years in the administration of Human Services as well as in research and teaching. Her research interest is in welfare reform and the issues facing low-income women. Her expertise is in qualitative data methods. Recently, Dr. East was honored by her peers as Social Worker of the Year.

***Christine Pertusi, ACSW, LCSW, Colorado Chapter-National Association of Social Workers***

Ms. Pertusi is a Licensed Clinical Social Worker with extensive experience in family and children's services and in education and training services for low-income women. Since 1996 she has been a volunteer advocate on welfare reform and poverty issues. She has served on a legislative welfare reform task force as well as the Governor's Task Force on Welfare Reform.

The four members of the research team have all been consistently and directly involved in welfare reform advocacy since 1996. Three team members were part of the original legislative task force convened to work on the development of the Colorado Works Program. All three later served on the Governor's Task Force on Welfare Reform, Co-chaired by Ms. Clothier and the author of Colorado's welfare legislation, former Senator Mike Coffman. All of the research team have been involved at various levels in the implementation of the Colorado Works Program through the rule-making process of the State Board of Human Services and in numerous "working groups" and other meetings with the State Department of Human Services and counties. Additionally, the research team has collaborated on and coordinated advocacy efforts around welfare and poverty issues with a coalition of community non-profits, service agencies and current and former welfare participants.

A consulting member of the research team was Peggy Cuciti, PhD., Center For Human Investment Policy at the University of Colorado-Denver. Her expertise is in quantitative research. Another consulting member of the team was Suzette Tucker-Welch, M.S. Industrial Psychology. Ms. Welch, affiliated with the Colorado Fiscal Policy Institute, has twenty years of experience in both qualitative and quantitative research in industry and academics.

### ***Other Contributors***

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### ***Structure of the Report***

This report has six major sections. The first section, the Executive Summary, includes the purpose of the study, the methodology, information about the research team and conclusions and recommendations. The second section gives a brief background and history of Colorado's devolved welfare program, Colorado Works. Section III, The Devolution Experience As Described By Counties, looks at the meaning of devolution from the county officials' and caseworkers' perspectives, then considers diversity in the implementation process and finally looks at innovations in a devolved system. Section IV describes the analysis of 11 county plans. Section V examines the impact of devolution on service providers. Section VI focuses on evaluation and accountability in Colorado's devolution model.

Sections III, IV, V and VI have Section Summaries with the researchers' major findings in each section.

In this report the Colorado Department of Human Services will be referred to as CDHS or the State Department. Throughout the report, the sources of information will be identified. Researchers' recollections and observations from their extensive experience with the program will be included and identified as such.

### **Report Conclusions and Recommendations**

#### ***Conclusions***

From an analysis of the verbal and written responses of participating administrators, caseworkers and service providers, information from the annual state evaluations, an analysis of county documents provided to CDHS, an interview with a CDHS official and the researchers' extensive experience with the Colorado Works program, they have reached the following conclusions:

- A. *Human Services administrators who participated in the study take a very positive view of Colorado's devolution model. For the most part, administrators seem comfortable with a limited number of standards and policies, such as eligibility for basic cash assistance and cash assistance levels, determined at the state level while all other policies and programmatic decisions are determined at the local or county level. Administrators place a high value on the flexibility devolution allows as it enables them to develop programs that are innovative and responsive to local needs. This research team believes that the views expressed by the sample group are generally shared by other county officials throughout the state. A few counties have made it clear that a higher level of devolution would be desirable. The research team has observed that in legislative hearings and other public meetings county officials consistently resist any proposals, statutory or regulatory, that reduce in any way the current level of local control.*
- B. *County administrators value having control over funding decisions. Such decisions, they indicate, enable them to develop new programs, coordinate existing programs more effectively and address specific local needs. At the same time, variations in funding and a lack of control over the decisions of the TANF Allocations Committee are ongoing concerns.*
- C. *The flexibility inherent in Colorado's devolution model results in wide variations in program philosophy, design, and goals as well as significant inconsistency in the provision of services and work supports from county to county. Administrators noted that variations could be detrimental to clients but overall they highly value the flexibility and see it as positive for all stakeholders. On the other hand, the research team and other community advocates are concerned about the issues of fairness and consistency, given the wide variations in the provision of services and work supports.*
- D. *The implementation of Colorado Works at the local level varies significantly and is influenced by county commissioners, county administrators and to a large degree, by individual caseworker discretion. Both administrators and caseworkers acknowledge the challenge of customizing services and at the same time attempting to treat clients with fairness and consistency.*
- E. *The interviewed caseworkers' view of devolution is that of a "mixed bag". They value their ability to provide a wider array of services and to have more discretion over decisions affecting clients. On the other hand, they are frustrated by caseload size and complexity, the focus on work participation rates and inadequate training for their greatly expanded responsibilities. While caseworkers claim that most services are routinely provided to all families, they acknowledge that their decisions and discretion are influenced by individual case situations and their own personal philosophy.*

- F. *Caseworker discretion is a key factor in the implementation of welfare reform; a county devolved system increases this discretion. A caseworker's decision-making ability is a key factor in determining client / family access to services and assistance. Caseworkers and service providers both commented on this as an advantage and a disadvantage.*
- G. *While not directly related to devolution, the work participation rate established by the federal legislation and endorsed in Colorado's work first philosophy is a concern to administrators, caseworkers and advocates. It appears the rates drive many program decisions in many counties. In addition, it is the only mandated performance measure.*
- H. *Given the level of decision-making left to the discretion of caseworkers, the importance of comprehensive caseworker training, clearly stated policies and other forms of guidance are critical to successful client outcomes. In Colorado's devolved model, some counties provide extensive training and detailed guidance but there appears to be a wide variation in the amount of training provided at the county level and in the availability of clear and detailed guidance, for example through county rules or policies.*
- I. *The flexibility devolution allows has made it possible for counties to create new visions such as "eliminating poverty and family violence" and to develop innovative programs. Examples of these innovations are in locally designed transportation systems, mentoring programs, new models of kinship care, special family supportive services, and collaborative TANF-Child Welfare services. The research team believes that, in fact, the opportunity to be creative and locally responsive is the greatest advantage in any devolved model. However, this research was unable to determine how widespread these innovative programs are. Currently there does not appear to be any system in place to determine this or to evaluate the effectiveness of these programs. CDHS disseminates information on Best Practices but there is no clear indication of whether counties choose to adopt recognized innovations or Best Practices.*
- J. *From their experience, the research team notes that while the flexibility inherent in Colorado's model has resulted in some outstanding and innovative programs, it has also resulted in 64 different programs that vary widely in their quality and effectiveness. At one extreme are programs focused on providing, within resource limits, all of the supportive services and assistance families need to move to economic independence. At the other extreme are programs focused exclusively on quick entry into employment and caseload reduction, with others, we suspect, falling somewhere in between. From the advocates' perspective, the challenge for Colorado is to determine how to "raise the bar" for all counties thus ensuring that all participants, no matter where they reside, will have a real opportunity to succeed.*

- K. *Devolution has impacted service providers by increasing the demand for them to provide both direct services and assistance to clients who are having difficulty obtaining benefits and services from the counties. This is especially true for those who have been sanctioned or terminated from the CW program. For clients needing to access services, service providers are finding they must provide information about the county programs and must assist clients in accessing the services and work supports. They are also finding they need to play more of an advocacy role given the complexity of county processes and the differences in county programs and philosophies. Varying interpretations of policy by county staff and the absence of consistency and objectivity in service provision are also problematic for some service providers. The position of some service providers is that more standards set at the state level would help to reduce the problems caused by inconsistent service provision.*
- L. *Relationships between service providers and counties have become very important with devolution. Relationships not only impact the ability of providers to obtain contracts that enable them to provide services but also impact clients' opportunities to access services and assistance. For some providers, collaboration and hence relationships between them and the counties have improved while for others relationships have deteriorated. Advocacy for clients sometimes negatively impacts a service provider's ability to obtain or maintain contracts.*
- M. *Colorado's devolution model clearly places more emphasis on flexibility than on accountability. Counties, by negotiating Memorandums of Understanding (MOUs) rather than performance contracts and performance measures, have sent a clear signal about the limited monitoring and enforcement role they believe CDHS has as a result of devolution. This research team believes that had the original statutory requirements for performance contracts and specific performance measures been implemented, a higher standard of accountability would exist and success would be measurable.*
- N. *The analysis of 11 county plans indicates a wide variation in (1) the work supports and services available to clients, (2) the criteria used in determining what services are provided, and (3) the amount and clarity of information shared with CDHS on counties' programs and policies.*
- O. *Colorado has one of the most extensive state evaluations in the nation. It provides valuable information on state trends and makes recommendations for programmatic changes or adjustments. However, the research team believes that a significant limitation of the state evaluation is the inability to examine and evaluate specific county programs. Yet another limitation is the lack of clarity about whether CDHS has the authority to require counties to act on the recommendations when appropriate.*

- P. *Some counties monitor or track various aspects of their programs and a very limited number use “outside” evaluators. It also appears that a significant number of counties have no evaluation or accountability measures in place.*
- Q. *CDHS’ ability to monitor and oversee county programs as well as track county program data is hampered by its current data collection system, wide variations in the amount of information counties share with CDHS and the sheer volume of information to be managed. Advocates believe, however, that even without major information systems changes, CDHS has the capacity to analyze the data counties provide and that CDHS could use it to meet their oversight responsibilities.*
- R. *The lack of consistent and comprehensive information at the state level significantly contributes to CDHS’ inability to properly oversee and supervise the Colorado Works Program. CDHS is not able to ensure that counties and their contractors are in compliance with federal and state laws as well as regulations and cannot ensure that counties and their contractors are actually achieving the goals of welfare reform other than work participation rates. This is especially true since CDHS has had limited staff to actually do site visits in counties on any regular basis. The researchers understand that there is now a plan to do periodic visits, however the implementation of that plan seems less likely given Colorado’s budget crisis.*

## **Recommendations**

As stated earlier, the four members of the research team came to the Devolution project with a great deal of knowledge and experience with all major aspects of the Colorado Works Program. Undeniably, their varied experiences as advocates have influenced their view of Colorado’s devolved model. The following recommendations flow from data encountered in the research process as well as their experiences:

- ***The flexibility devolution allows, in any model, must be balanced with equal accountability.*** This balance has not been achieved in Colorado’s devolution model. Some Colorado counties have used their flexibility to develop programs that are effective, innovative and responsive to local needs. But, there is great inconsistency in the *quality* of county programs and in the services and assistance available to Colorado’s most vulnerable families. This research team believes that these inconsistencies and gaps in service delivery would be greatly reduced and the overall program greatly enhanced with some changes in the current model. These changes would focus on increasing accountability while maintaining a high level of flexibility.
- ***The first step in achieving this balance should be the development of a “broad” vision for the state program, to be achieved if possible, though a***

**collaborative effort between counties and CDHS.** The vision for Colorado might be eliminating poverty, strengthening vulnerable families, and investing in child and family well-being. While employment and meeting federal work participation rates would remain a major focus of the program, this broader vision would also focus on what families actually need to overcome the barriers that keep them from retaining employment and reaching an income level that would eliminate the need for assistance. If CDHS and counties are unable to develop a broader vision that would be applicable statewide, then the Legislature should do so.

- **Once a common vision is established, specific statewide goals and outcomes should be developed as soon as possible in a non-adversarial atmosphere.** In Colorado this should be recognized as the most important step toward achieving accountability. In this model, counties should have the flexibility to achieve the goals and desired outcomes “in their own way” with locally designed programs.
- **In a county devolved model, CDHS should have consistent and clear access to standardized information that enables it to monitor, oversee, and track county progress in reaching established goals and desired outcomes.** CDHS must have an appropriate data collection and management system capable of making this enormous amount of information usable to both CDHS and the counties. It also must have adequate staff to carry out its statutory responsibilities.
- **In a devolved model, a great deal of the decision-making that directly impacts clients is made at the caseworker level, therefore some standards for comprehensive training, at the state and county levels, should be determined by CDHS or the Legislature.** Thus, all training would include standard components, for example, around case management, domestic violence, adult and child mental health problems, substance abuse, learning and other disabilities, etc. Additionally, in all counties, caseworkers should have access to specialized staff to assist them in dealing with domestic violence, mental health, substance abuse, disability issues and other major barriers. Counties should be responsible for providing front-line staff adequately detailed guidance available through policy manuals and county rules, as well as regular access to supervisory staff.
- **The issue of fairness and consistency in the provision of work supports and services should be addressed by counties and their contractors.** One solution could be a menu of the most basic work supports and services that would be available in all counties. How these work supports and services would be provided and whether additional services would be available, would be determined at the local level. The problems of inequity and inconsistency could be further minimized by the adoption of a statutory provision which requires that

at all times what is in the “best interest of the client” be honored when determining the services and work supports to be provided.

- ***Innovative programs and practices should be, evaluated, encouraged and shared with all counties, for example, on the CDHS website.*** CDHS and counties could work together to develop incentives that would enhance county performance.
- ***Since service providers are playing a significant role in providing direct services to clients and in helping clients access services, their participation in program and policy development should be considered essential.*** Their front-line contact with clients places them in a position to provide valuable information to counties on unmet needs and on the gaps in important program information. Such information includes the services and assistance available to clients, domestic violence and ADA protections, the right to appeal and the processes available to do so. Service providers should be part of a large-scale effort spearheaded by CDHS and the counties to ensure that important information, like that mentioned above, is available to families.
- ***CDHS should encourage and seek out feedback about county welfare programs from local service providers that serve welfare clients when monitoring county programs. CDHS should ensure that the identities of the providers will be kept confidential to the extent possible in order to encourage this feedback.*** Since the advent of county devolution, some service providers find themselves, often by necessity, involved in advocating for their clients in addition to contracting with counties to provide services to county residents. Doing both has created a heightened tension that sometimes negatively impacts the service provider-county relationship. For example, a county may terminate a service provider contract if that service provider often raises legitimate concerns about the county program or processes that come to their attention when advocating for their clients. Similarly, service providers who provide assistance and/or services to former or current county welfare clients sometimes find themselves unable to obtain county contracts because of their advocacy on behalf of clients.
- ***The improved inter-agency collaboration that some service providers are experiencing should serve as a model for state/county relationships.*** The formal contractual arrangements between counties and service providers, the clearly defined processes used by service providers to ensure that clients receive services fairly and objectively and the reporting of outcomes, should all be modeled in the relationship between the state and counties.
- ***Finally, the issue of leadership by the county commissioners and the human services administration should be addressed.*** Counties and/or CDHS should invest in leadership training for commissioners and human services administrators. From their experience, the research team has come to

recognize that a significant factor in the creativity and effectiveness of a county program is the professional experience and orientation of the commissioners and the administrator as well as the vision and philosophy on the delivery of human services.

## II. BACKGROUND - COLORADO WORKS PROGRAM

Colorado's response to the social and political movement to "end welfare as we know it" and to the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was SB 97-120, which in part established the Colorado Works Program, effective July 1, 1997. Following a national trend, Colorado's legislation identified three major purposes:<sup>1</sup>

- To assist participants in ending their dependence on government benefits by promoting job preparation, work and marriage;
- To develop strategies and policies which would ensure that participants are in work activities as soon as possible, thereby allowing the state to meet or exceed work participation rates specified in federal law; and
- To provide counties with increased responsibility for the design and administration of Colorado Works.

The program's name, "Colorado Works," reflects its "work-first" philosophy with an emphasis on employment and employment-related activities and a de-emphasis on education and training. This "work-first" model was strongly supported by most counties as they approached the development of their county programs. The *devolution of authority and control* over the Colorado Works Program to all 63 counties, an explicit purpose of the Colorado Works program, was also strongly supported by counties.

Provisions of SB 97- 120 that demonstrate the delegation of authority and control to counties include but are not limited to:

- *Diversion Programs:* A state diversion program is authorized by statute. Counties may opt to give applicants a one-time cash grant or other assistance. Counties are also given the option of setting up their own county diversion programs with their own eligibility criteria for those who do not qualify for Colorado Works basic cash assistance program.
- *Other Assistance:* Counties have the option of offering "other assistance," in addition to basic cash assistance, to promote sustainable employment. "Other assistance" may include any amount of cash assistance, other services and/or work supports.
- *Assessment and Individual Responsibility Contracts:* All program participants must have an Assessment and an Individual Responsibility Contract (IRC). Assessments may be conducted in any way the county chooses.
- *Allowable Work Activities:* Counties may determine and define county allowable work activities.
- *Contracts:* Counties may contract with private, public, or non-profit entities to provide welfare-related services.

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<sup>1</sup> C.R.S. Section 26-2-705.

- *Designated Funds*: A short-term emergency fund and a long-term reserve fund were created; reserve funds may also be retained at the county level under various circumstances.
- *Sanctions / Terminations*: Rules regarding sanctions for non-compliance with the IRC are set by the State Board of Human Services. Counties may set up their own policies on sanctions for non-cash assistance. Full family sanctions are authorized, but Food Stamps and Medicaid may not be sanctioned. Participants may be terminated in lieu of being sanctioned if there is demonstrable evidence of refusal to comply.

### **Follow-up Legislation to Colorado Works 1998-2002**

In the four years following passage of SB 97-120, there have been a number of significant statutory changes to Colorado Works, including the adoption of bills authorizing the domestic violence waiver (which requires among other things that counties provide referrals for services and information about waivers to domestic violence victims), community resources investment assistance, recommended exit interviews for all participants, budgetary changes, and a substantial increase in the earned income disregard. The state legislature also approved, on a conditional basis, a state Earned Income Tax Credit that is equal to 10 percent of the federal credit.

### **State Evaluation - Evaluating a Devolved Program**

An important feature of the Colorado Works program was added in 1998 when legislation providing funding for a five-year evaluation of Colorado Works was passed. The State Auditor's Office, after accepting input from community representatives and state officials on areas to be evaluated, chose a California-based research group, Berkeley Policy Associates (BPA). An interim report was issued in March 1999 and annual reports in November 1999, November 2000, and two in 2001. (Part 1, issued August 2001 dealt with Diversion Programs and Work Activity Participation, and Part 2, released in November 2001, tracked Caseload Trends, Employment Outcomes, and Post-Exit Supportive Services.) In December 2002, a report, in two parts, was released. Part I of this report dealt with TANF and Colorado Works Expenditures, Caseload Trends, and TANF-Funded Child Welfare Activities. Part II focused on Child Care Assistance to Colorado Works and Other Low Income Families.

Results of all evaluations are reviewed by a Legislative Audit Committee. The Welfare Oversight Committee, an interim committee of the legislature, has also reviewed the evaluations. The state evaluation reports are very comprehensive and provide valuable information. One disadvantage, however, of a statewide evaluation in a state with such a high degree of county devolution is that data regarding the actual practices of most individual counties is necessarily very limited. BPA chose 15 counties as field site counties and some data have been included in reports that capture innovative practices in these counties. However, no thorough evaluation of individual counties is included.

The evaluation of Colorado Works is described in more detail in the Evaluation Section on page 65.

## **Devolution: A Significant Part of the Colorado Story**

Devolution has been a defining feature of the Colorado Works program. It has resulted in 63 (now 64) county programs whose only common characteristics include statewide eligibility standards and minimum cash benefits levels for the basic cash grant aspect of the program. Basic cash grants are equivalent to the former AFDC grants. Colorado's devolution model has also resulted in a wide variation in the provision of services and other assistance by counties.

Numerous examples are described in the Berkeley Policy Associates (BPA) reports. According to the March 1999 interim state BPA evaluation, for example, in the provision of non-cash assistance, of 41 counties studied, 36 reported providing transportation assistance, 30 reported providing education, 22 employment and skills training, 19 job readiness activities, 16 housing and shelter assistance, 16 relocation assistance, 13 life skills and financial management, 11 TANF-funded family and individual counseling, and 11 cash incentives.<sup>2</sup>

The November, 1999, BPA evaluation of the 15 field study counties highlighted some of the innovative and varied practices counties developed in the area of transportation assistance, such as van services contracted through a community provider (3 counties), and programs that lead to automobile ownership (2 counties). Other counties offered bus passes (8 counties) and vouchers for gasoline.<sup>3</sup>

Other innovative practices<sup>4</sup> developed by counties include family support services such as home visits, parent education, model parenting skills, and opportunities for counseling. A number of counties offer a variety of job readiness classes and some have mentoring programs. The variation in county policies is also evident in the area of child-only cases, where services range from a basic cash grant only in many counties, to a wide variety of supportive services in others. Child-only cases are those in which the parent is not in the household and the caretaker is not receiving a cash grant. According to the November 2000 state BPA report, 10 of the 15 field study counties have developed specialized services to support adult heads of households. Nine counties use "other assistance" payments to children in child-only cases. Examples of supportive services might include additional financial assistance that can be used for respite care, school supplies, counseling, clothing, special classes, bus passes, rent, moving expenses or summer camp. One county uses a collaboration model between the TANF and Child Welfare Divisions to better serve at-risk families.

The variation in county policies/plans on the use of state diversion is clearly reflected in the range of average payments in State Fiscal Year 2000.<sup>5</sup> Of 13 counties considered

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<sup>2</sup> Evaluation of The Colorado Works Program, Berkeley Policy Associates, March 1999, p. 78 Figure 5-2.

<sup>3</sup> Berkeley Evaluation, November, 1999, p. 55 (Colorado's evaluation of Colorado Works is contained in a series of reports compiled by Berkeley Policy Associates. Footnotes will hereinafter refer to reports as Berkeley Evaluation with the appropriate year)

<sup>4</sup> Excerpts from Berkeley Evaluation, November 2000, p. 41-42.

<sup>5</sup> Berkeley Evaluation, August, 2001, p. 12 Exhibit 2.2.

(Berkeley Report, August 2001), the average state diversion payment ranged from a low of \$646 to a high of \$2414 with a statewide average at \$1086.

As a result of this county diversity, Colorado residents in one county who move to another county find that they may face a substantial difference in the services and benefits provided as well as in program requirements, sanctions and restrictions.

In this devolved model, the role of the Colorado Department of Human Services is one of general responsibility. The state department role outlined in the Colorado Works statute describes the Department's responsibility as overseeing the program statewide to ensure compliance with state and federal laws and regulations, especially those related to work participation rates. C.R.S. Section 26-2-104, the Colorado Public Assistance Act, also indicates CDHS is the single state agency responsible for administering or supervising the administration of public assistance programs including the Colorado Works program. Thus there can be no doubt that CDHS is ultimately responsible for the Colorado Works Program and for ensuring compliance with federal and state laws including SB 120 and PRWORA. In addition, CDHS provides training, allocates some TANF funds based on a statutory formula and recommendations from an allocations task force, and develops automated systems and model forms.

It is interesting to note that in the November 2000 BPA report it is suggested that some counties would benefit from "more explicit direction" from CDHS.<sup>6</sup> The report also urged CDHS to adopt performance measures related to improvements in program operations, including job preparation activities, post-program supportive services and employment retention.

### **Litigation**

After numerous unsuccessful efforts were made to resolve problems related to defective sanction notices, a class action case was filed to finally resolve the defects. The case that was filed, Weston v. Hammons, challenged the form sanction notices prepared and disseminated by CDHS for the counties' use. Two counties, as well as CDHS, were sued. Denver County promptly agreed to correct its notices, while the state and Adams County defended the notices in Denver District Court. The notices were found to violate state regulations and deprive participants of due process of law. Adams County appealed this decision to the Colorado Court of Appeals, which affirmed the lower court. (Weston v. Cassata, decided July 5, 2001). Adams County argued that under Colorado Works there was no "legal entitlement" to assistance. Significantly, the Court of Appeals found that, despite this language, Colorado Works participants who receive basic cash grants are still entitled to the protections of the Constitution and due process. The Colorado Supreme Court subsequently denied, as did the U.S. Supreme Court, Adams County's Petitions for Certiorari.

Despite this success, even when a court rules that one county notice or policy is invalid, that decision is not necessarily binding on other counties. As a result, participants and

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<sup>6</sup> Berkeley Evaluation, November 2000, page ix – x.

their counsel may be forced to litigate the same issue in numerous county courts, unless the State Department chooses to intervene more directly. This case demonstrates the difficulty a devolved system presents when attempting to remedy problems that impact all Colorado Works participants throughout the state. The value of class action litigation in forcing some additional accountability statewide is therefore minimized in a county devolved system.

Another class action, filed after the Weston case, Tatum v. Rizzuto, charged that the state's computer system was erroneously terminating the Medicaid assistance of eligible households leaving the TANF rolls. The case was settled when the state agreed to correct the computer problem, to notify those who had been harmed by the computer error, and to repay individuals who had incurred medical costs. After the settlement of this litigation, and the modification of the automated computer system, there was a significant increase in the number of TANF leavers retaining their Medicaid eligibility. Since the primary issue in this case involved the Medicaid program, which has not been devolved to counties, the problem was remedied in all counties with the filing of one lawsuit.

### **The Colorado Experience – Caseloads / Funding**

As the Colorado Works program was implemented in each county, the state caseload declined at a faster rate than in most other states. In fact, between January 1998 and December 1999 only two other states registered a percentage caseload decline larger than Colorado's. During the first two years the overall caseload dropped 50 percent from approximately 28,000 to 14,000. By June 2000 there were 11,920 active cases. Much of the decline resulted from a high level of decline in one-parent cases rather than a decline in new cases and occurred during a period of low unemployment and a strong economy. In the fourth year the decline occurred at a slower rate. By September 2001 the state caseload totaled 11,996. As the nation and the state began to experience an economic downturn, the caseload began to increase and by June 2002, the caseload had grown to 13,083. In February 2003, the basic cash assistance caseload was 13,212. Of that amount, 4,319 were child only cases. In addition, 182 families were receiving state diversion and 208 were receiving county diversion.

A look at Colorado's TANF funding and expenditures in the period from July 1997 to June 2001 reveals some important facts and trends. According to the November 2001 BPA report, for the period July 1997 to June 2001, Colorado's total federal block grant award was \$581.5 million. After transfers of \$89.3 million to the Child Care Development Fund and transfers of \$56.5 million to the Social Services Block Grant, federal block grant funds available for TANF amounted to \$435.7 million. Federal block grant expenditures on TANF amounted to \$360.6 million. Total state and county Maintenance-of-Effort (MOE) was \$383 million, while county Colorado Works reserve funds were \$61.6 million. Obligated but unspent federal TANF block grant funds

amounted to \$13.5 million. Total federal, state and county funds available for Colorado Works during this four-year period were \$818.7 million.<sup>7</sup>

As had been the experience of most other states, in the early years of the program, total funding allocated for the Colorado Works program exceeded actual program expenditures. The state's precipitous drop in caseload had been a significant factor in this phenomenon. In Colorado, the majority of excess funds were allocated to county reserve accounts and the state long-term reserve account. In recent years some counties have had to access reserve accounts to meet escalating child care expenses. Significantly, at the end of state fiscal year 2001, county reserve funds were 37 percent lower than the level of a year earlier.

Nevertheless, a number of counties who failed to spend down their county reserves for a period of years were forced to transfer funds to the state long-term reserve for a total transfer of more than \$18 million in SFY 2001. This transfer occurred as a result of a change in statutory interpretation of the county reserve formula.

In the program's first years, counties were slow to provide "other assistance" for various supportive services to families, but expenditures in this category increased as the program evolved. Expenditures for diversion have gradually increased, and currently combined state and county diversion costs account for nine percent of direct expenditures on assistance.<sup>8</sup> The state initially spent more state and county funds on TANF than required by federal regulations. Over time, state expenditures have been reduced and have been appropriated at only slightly above the federal minimum spending requirement. As Colorado has consistently met the overall work participation rate, the maintenance of effort requirement has been reduced.<sup>9</sup>

According to the November 2002 state evaluation, during SFY 2002 TANF-related expenditures, including state and county expenditures in programs other than Colorado Works totaled \$226.2 million. Federal TANF block grant funds accounted for \$127.5 million, or 56 percent of total expenditures; state and county expenditures represented \$98.7 million, or 44 percent of total expenditures. In SFY 2002, Colorado spent a total of \$127.5 million of federal TANF funds on Colorado Works: 95 percent was spent on Colorado Works, four percent on Child Welfare and one percent on the Low-income Energy Assistance Program. Of the state's TANF MOE spending of \$98.7 million, 47 percent was spent on Child Welfare, 13 percent on LEAP, 10 percent on Colorado Child Care Assistance Program (CCCAP), the low income child care assistance program and the remaining 30 percent was spent directly on Colorado Works at the state and county levels. These costs include direct client benefits and supportive services, state and county administration costs, and other systems and administration costs.<sup>10</sup>

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<sup>7</sup> Berkeley Evaluation, November 2001, Exhibit 1.1., p.8

<sup>8</sup> Berkeley Evaluation, Part 1: Diversion Programs and Works Activity Participation, August 2001, p. 5.

<sup>9</sup> See, for example, Colorado General Assembly, Joint Budget Committee Fiscal Year 2002-2003 Staff Figure Setting, Department of Human Services, March 5, 2002, p. 21

<sup>10</sup> Berkeley Evaluation, November 2002, Part1, pages 1-10

## **Case Management and Staff Training**

When Colorado began its welfare reform program, CDHS developed a variety of training programs that counties may opt to utilize. Counties provide their own training and also contract for training. Despite these early efforts, however, in 14 out of 15 counties surveyed for the November 1999 BPA evaluation, county administrators and caseworkers reported that caseworkers were not fully prepared for their job requirements. Workers expressed feelings of inadequacy in their ability to deal with highly sensitive information and to assess participant barriers such as domestic violence, substance abuse, mental health and other disabilities. As a result, the BPA evaluation found that the effectiveness of the assessment and individual responsibility contract development process was inconsistent both across and within Colorado's 63 counties (Colorado's 64<sup>th</sup> county officially commenced operations in November 2001). In a limited number of counties, on-site and off-site professionals were available to consult with staff or conduct special assessments. When such consultants were available, both workers and participants felt that the quality of the assessments and individual responsibility contracts improved. Another concern expressed in the 1999 study was the size of caseloads given the level of intensity of service required by Colorado Works.

A priority recommendation of the Governor's Task Force on Welfare Reform in September 2000 was that counties focus on developing a comprehensive case management system that includes an in-depth and ongoing assessment as well as post-employment supportive services. It was further recommended that CDHS be available for on-site technical assistance and feedback for case managers.

## **Performance Contracts and Outcome Measures**

The Colorado Works legislation included language (at C.R.S. Section 26-2-715) that required an annual performance contract between counties and CDHS. The performance contract was designed to identify duties and responsibilities in implementing the Colorado Works program and CCCAP.

The contracts were intended to be enforceable as evidenced by the sanction provisions that authorized a reduction in the county block grant and the authority for the state to assume responsibility for a county's program. Language about the content of the performance contract was vague except for requirements to meet the work participation rate and a prohibition on reducing the basic cash assistance grant. The performance contracts could have included a variety of performance measures. The implementation of this provision, however, took approximately 15 months of negotiations between the CDHS and the counties. The result was a Memorandum of Understanding (MOU) that provided for the work participation rate as the only measure of performance. Later legislation required counties to submit policies to CDHS. More information on performance contracts will be considered in Section IV.

## **Colorado Works Employment Outcomes**

Given the Colorado Works “work-first” emphasis, a look at trends in employment and earnings over five years offers some interesting insights into the program’s outcomes. The November 1999 evaluation indicates that in federal fiscal year 1998, Colorado exceeded its work participation rate with 99 percent of recipients engaged in state-or county-approved work activities. However, after exiting the program, 52 to 55 percent of former recipients were employed in the first quarter, 30 percent were not employed in any quarter and 25 to 35 percent were employed continuously. Eighteen percent were working for an hourly wage of \$6.00 or less while 22 percent earned above \$10 per hour, leaving 60 percent earning between \$6 and \$10. At least half of those employed had earnings below the federal poverty threshold.

According to the November 2000 state evaluation, in the first three months after exiting the Colorado Works Program, former participants were employed at median annual earnings of \$8400 to \$9600. Of these, only 30 percent found steady employment. Seventy-six percent were employed in lower paying service or retail jobs. In calendar year 2000, only 33 percent of single parent families that formerly participated in the Colorado Works program had household incomes from earnings that were above the poverty level. The November 2001 report indicated that employment retention was a problem statewide and only 20 percent of former recipients were employed in all eight quarters after leaving. Eighty-four percent of the families with sporadic employment remained below the poverty level. By November 2002, the median annual earnings of former recipients were \$16,360 and most former recipients remained eligible for food stamps and child care assistance. Approximately, 20 percent of former recipients returned within a year. Less favorable labor market conditions and an increase in the state unemployment rate were considered factors in reduced job retention.

## **Current Issues and Trends**

As we move into 2003, several issues and trends will have an impact on the Colorado Works program. The most concerning issue is the crisis in subsidized child care funding. Counties have already lowered income eligibility standards, frozen enrollment and cut provider reimbursement rates. Some counties have had to drop eligibility from 185 percent of the federal poverty level to 130 percent, the lowest level authorized by statute. Many families have lost their eligibility for child care and are at risk of not being able to maintain their current employment. The 2002 state evaluation indicated that if all counties dropped eligibility to 150 percent of the federal poverty level, 1900 families would lose eligibility for subsidized child care. County reserve funds that had been used in the past to make up for the shortfall are depleted in many counties. The state’s inability to provide a \$20 million match for federal child care funds further complicates the problem.

Yet another factor is the state’s fiscal crisis. The state legislature was charged with making cuts of approximately \$1 billion dollars to the 2002-03 budget, described in the

media as being “deeper in the red than any since the Great Depression.” In 2003-04 the state legislature faces a similar burden. The state’s fiscal crisis has been intensified, in part, by constraints placed on legislators by Colorado’s constitutional Taxpayer’s Bill of Rights (TABOR) Amendment, which restricts state revenue growth and limits spending.

A 12 percent increase in the state’s basic cash assistance caseload in 2002 reflects the state’s weak economy and increasing unemployment. Potential increases in the work participation rate, expected to be part of welfare reauthorization legislation early in 2003, are cause for concern among county administrators and advocates.

### **III. THE DEVOLUTION EXPERIENCE AS DESCRIBED BY COUNTIES**

The starting point for any consideration of counties' perspectives on devolution in Colorado has to be the recognition that devolution is the centerpiece or linchpin of the Colorado Works Program. It must also be recognized that during the development of the Colorado Works legislation there was a great deal of discussion and controversy about the parameters of devolution or local control. When the decision for an extensively devolved program was reached, there was little consideration given to how counties would implement or manage their authority as it moved down to the front-line or caseworker level. Ultimately, all of these decisions were devolved entirely to counties with minimal state guidance.

This section will describe in more detail the specific responses from county directors and county staff regarding the impact of devolution. The data is based on eight interviews, two site visits and three completed surveys. Those interviewed represented four counties, one with a workforce center that operates a significant portion of the Colorado Works Program. In addition, responses are provided from interviews with four caseworkers from two counties. Responses are reported in summary as well as with specific remarks.

#### **A. The Meaning of Devolution**

##### ***Perspectives on the Amount of Devolution***

When asked about whether devolution to counties was enough, not enough, or too much, the county directors responded that the extent of devolution in Colorado's model was good, generally "just right." One county stated that the devolution of welfare reform was not enough, and that more would be preferable because it would increase the flexibility needed to work within different programs. In response to a question about the amount of county authority, two counties referred to the 1997 legislative proposals, which would have given counties the authority to set cash grant levels. Neither county director wanted this particular authority, because they felt that the variation between counties would be very significant, unpredictable and problematic to both recipients and counties.

Caseworkers interviewed stated that they were frustrated by county differences in services and policies because families who had moved from one county to another would become angry and confused about the differences in available services. One caseworker suggested that the program would be better if it were administered at the state level. The biggest advantage of devolution, one of the caseworkers felt, was having more control over decisions affecting clients. But it appears to be a catch 22 – control over decisions means counties provide varying kinds of services which was then often frustrating for both clients and caseworkers.

One caseworker stated, "*I don't think it helps the client in the long run when they jump*

*from county to county and the rules are so different. It is not very consistent.”* Another caseworker gave this example:

*“A client moved to Colorado from Kansas and the county got her set up working on her GED with tutoring help. Then she moves to the adjacent county who told her she couldn’t do that. She had to get a job. Because she moved she cannot complete the tutoring but she needed the tutoring to pass the math part of her GED and that’s the only thing she needs is the math. And so now she’s going out to get a job and she still doesn’t have her GED.”*

### **Strengths of Devolution**

One director described the principle of devolution this way: *“Decision-making or policy making should be as close as possible to those impacted by the policy, therefore the devolution model and local control are sound concepts. However, there should be accountability for outcomes built into the funding.”* [Emphasis added.] Another echoed the positive view of devolution, particularly related to the flexibility in funding. It was noted during one site visit that other funding streams such as welfare to work have not been as flexible, and this was identified as a problem.

When asked what is the most important aspect of devolution, counties had various answers. In one county, devolution allowed for new prevention activities particularly the control over funding decisions with the TANF block grant. The county was able to fund a youth program as well as provide key on-site services to address issues like domestic violence and mental health. One county felt devolution combined with a commitment to help families allowed them to see a need and take action to meet that need. Another county director commented that flexibility allowed the counties to use the one-stop model effectively and to be innovative in their work with the Chamber of Commerce and the community colleges, and to support a variety of other services. Another county used the flexibility to combine child welfare and TANF services and to focus on prevention. A highlight of greater local control in one county has been the commitment to changing the culture in the welfare office. For example, there are signs in that welfare office that say that the county is “not perfect, yet.” This county wants very much to convey to clients and the community its ongoing commitment to making changes and improving its program.

Caseworkers and county directors were asked to highlight the areas they are most proud of or that were significant new areas for them as a result of TANF and/or county devolution. Caseworkers identified being able to focus on keeping education and training resources available for clients and having the ability to meet specific needs, using their own discretion, as a major advantage of TANF and devolution. One caseworker identified diversion assistance, or the ability to provide one-time assistance to participants, as the one major advantage of the changed system. Another caseworker enjoyed having the ability to provide new supportive services and saw it as a positive new change with TANF. These expanded supportive services include security deposits and rent, transportation assistance, car repair, work supplies and job

training. The caseworkers' comments were consistent with the responses from county directors. They too described the ability to provide a wide range of supportive services, including contracted services, as a very positive aspect of the new program. Also highly valued was the flexibility to set child care rates and pay higher rates to providers. Another county described the ability to build capacity for prevention activities as an important part of their program.

### ***Concerns About County Devolution***

Funding was identified as one of the concerns for counties and caseworkers. One county identified that the state allocation process has left some counties with a smaller TANF allocation while still needing to meet competing needs in child care and other services. A caseworker identified funding generally as an issue and was concerned that funding, particularly for work incentives, would be depleted thus creating hardship. Another mentioned the federal restrictions on education and training that were problematic.

### ***County Use of Flexibility***

In looking at the use of county flexibility, the two counties that answered the survey described varying areas in which they have used discretion. The survey question asked if they had used their flexibility to a great extent, a limited extent, to some extent or not at all. One county described three areas that were used to a great extent. These areas were designing services to meet client needs, using state diversion and entering into contracts with service providers. Another county identified four areas including designing services to meet needs, using the county diversion program, involving the community, and creating internal staffing plans that meet TANF goals. Another more limited use of county flexibility involved creating county approaches to the work participation rate. This county also identified assessing client needs as an area where flexibility is exercised to some extent. One county found flexibility made the most difference in using county diversion to fund child welfare, defining job readiness and other work activities for families. In another, they identified new contracts, the ability to set child care reimbursement rates, and implementation of work incentives as areas in which flexibility made the most difference. The two counties responding to the survey identified no negative impacts on the county or clients resulting from flexibility.

### ***County Philosophy***

Devolution has allowed each county to develop its own philosophy or vision to guide the implementation of PRWORA. The state, in tandem with the rest of the nation, had adopted a work-first philosophy with an emphasis on meeting the work participation rate. During the legislative discussions about the Colorado Works program, the general consensus was that all participants would be able to work on some level and that minimum wage jobs were a good starting point. Critics of the work-first model cited the need for an approach that emphasized long-term success and earnings that lead to self-

sufficiency over short-term success in job placement.<sup>11</sup> Counties, of course, had the option of developing their own version of work-first or some other philosophy or vision.

County philosophy among those participating in the study was split between a work-first philosophy and some other driving philosophy. One county said their philosophy is “promoting families and helping them to access employment services, be it employment, training and education, be it Medicaid, whatever the services they need to maintain employment.” Another county has a vision statement outlining their goal “to eliminate poverty and family violence in the county.” The philosophy is to build a program that is family focused, with smooth transitions to programs, a prevention and intervention focus and culturally respectful services. Another county described its program’s philosophy as one that “help[s] families leave Colorado Works cash assistance, helps the working poor achieve and sustain self-sufficiency, allows intervention and prevents dependency upon child welfare or economic assistance delivery systems.”

In counties that have a work-first philosophy, sometimes the caseworkers interviewed articulated the county philosophy but still focused on providing all of the needed services to help families succeed in work. Three of the caseworkers believed they needed to focus on the long-term goal of self-sufficiency even with a work-first county philosophy. One caseworker said, *“There’s two different standards. There’s my standards, there’s the agency standards. The agency standard is the participation rate.... We explain to the administrators, real life happens for these people.”*

### ***The Change from AFDC to TANF***

Acknowledging the changes from AFDC to the TANF program is also important in the context of this report. In conducting this study about the impact of devolution it was natural that concurrent changes related to the shift from AFDC to TANF would enter into the discussion as noted in this section. In some areas, flexibility or limitations are a result of changes in the federal welfare legislation or regulations. States were given flexibility to design services and determine basic eligibility and benefit levels, and the opportunity to take advantage of a variety of state options. Federal limitations, also imposed by the new welfare law, include lifetime time limits, a change in sanction procedures, and specific federally required work activities for families. The work activities include specific hour requirements for families and limited percentages of the caseload that can be involved in specific activities. States are also required to meet a work participation rate that calculates the number of families meeting the hour and activity requirements. In some cases the comments or data in this report reflect both the change in federal law and the change brought about by new opportunities at the local level as part of devolution.

Two of the caseworkers interviewed worked in the AFDC program as well as the TANF program. One described the difference between AFDC and TANF in a variety of ways.

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<sup>11</sup> Reauthorization Recommendations for Colorado, October 2001, collaboration project of Catholic Charities Archdiocese of Denver, p. 4-5.

First, under the old system, there were technicians who only handled eligibility and then caseworkers that worked with families, looked at issues and made referrals. In the new system, case managers have greatly expanded responsibilities. She further described the five-year limit as the biggest difference:

*“Obviously there wasn’t the hurry of a five year lifetime maximum, so it was still imminent that people got involved in something but it wasn’t as scary as it is now. Really when you think about it there’s lots of people who come in with these horrendous problems, and they’re supposed to be able to get it all done and taken care of within less than five years.”*

One caseworker described the push and pull of the difference between AFDC and TANF. In her view, with TANF there is less time but with AFDC there was more “leeway”, more time, and not many “teeth”, referring to sanctions and participation requirements of TANF.

The other caseworker described the difference for her between being a technician in AFDC and a caseworker in TANF. The difference as she sees it:

*“Before we used to just process payments. Now there’s some personal accountability on the part of the client which is a lot greater than what it used to be. Plus, now we can find out why you are still on TANF four years down the road, where in AFDC they could be on until their children were gone from the home.”*

When asked if there is anything under TANF that a caseworker can do that wasn’t possible under AFDC there were varying answers. One felt the TANF program was more limiting, primarily because there are more regulations about what can and cannot be done. Another was concerned that the model for working with families was conflicting. She felt the combination of the role of eligibility determination and case management combined into one job in her county made it difficult to do either job very well. In addition, she felt that having a job that requires “pushing families to do their best” and also having to “punish” them was difficult and stressful. (Note: the research team members have heard CDHS staff make similar comments regarding their relationships with counties and the roles they are expected to play-collaborative and supporting roles versus monitoring and enforcement roles.)

One of the other identified problem areas is the work participation rate. Three caseworkers named the work participation rate as a major issue in working with families. One of the caseworkers commented:

*“Some people we see now, you wish you had the capacity to say they shouldn’t participate. And even though you have that to a certain extent, the time clock is still going to tick for the person. Back in AFDC days there was no time clock. So it didn’t make too much of a difference. Now, if a person is homeless or disabled, they have children who are acting out.... There are so many things to take care*

*of first, that education and training and work are not really possible, unless you remove those barriers. TANF says you have to be participating in a certain activity. That's really hard for a lot of folks. You see a lot more family violence, history of sexual abuse, and childhood abuse."*

Another caseworker said:

*"Because we put our clients first, work participation rate second. That's not true for everyone, but I think I can speak for the majority. What is most frustrating is the participation rate. Now, we're being told that the participation rate can be linked to our performance rate.... It's real hard to push people into something when they're not going to be successful. Anyone with ethics would understand, you're setting them up to fail just so you meet the individual goal of the agency and sometimes that can be pretty frustrating."*

County directors also identified the work participation rate as problematic. One county director said it was not a good measure of success and another director was determined that the work-participation rate would not drive the design of that county's program. Yet another county described their philosophy as *"to do no harm to children and to focus on work as a solution with supports around it."*

Two caseworkers listed caseload size and complexity as a frustration. One described caseworkers as very busy, particularly in trying to develop some rapport with the client and at the same time keep track of her activities and progress with her Individual Responsibility Contract. One caseworker's description:

*"... it's limited by the number of cases because you just don't have the time. And then there's the participation rate. And when people get burned out they take it out on clients. The number of cases that they have with a lot of work to do on each case, the paperwork is incredible. And now with people coming to the end of the five years, they are looking at the fact that cases are so high that you really don't have the time to address the needs of the individual family to the point that it's gotten. It's month 58 and you're actually becoming cognizant that there is a big issue here and it has never really been addressed to the extent that it could have been, had they had time to really explore whatever it was."*

Learning disabilities in the children or parents, Post-Traumatic Stress Disorder and the lack of affordable housing were also mentioned as significant problems for participants in the TANF program. The concern of one caseworker was *"parents who were resistant to being pushed to participate."*

What caseworkers said they were most proud of included being able to take time with clients that they could not before Colorado Works. *"My caseloads were 300 and I knew maybe one quarter of my caseload, and now it's getting to see people, getting to talk to them, enjoying some of their successes... being able to gain their trust..."* Another identified the relationships with two providers, vocational rehabilitation and mental

health, that were important to her. Another caseworker was happy being part of a one-stop career center with a myriad of services in one location for low-income families, youth, veterans, and other community members searching for employment.

As reported by those interviewed in this study, the new rules of TANF have led to both positive outcomes and frustrations in working for the best interests of vulnerable families.

### **Section Summary/Findings**

- *County administrators consider the flexibility possible through devolution to be positive and essential. They believe Colorado's level of devolution is "just right." No administrator wanted less control and one felt more flexibility was needed to work effectively within different programs.*
- *County administrators valued control over funding decisions enabling them to develop new programs, coordinate existing programs more effectively and to address specific local needs. At the same time variations in funding resulting from the state's allocation process and a lack of control in that area were concerns.*
- *While it is commonly accepted that the flexibility inherent in devolution does result in a wide variation in philosophy, goals, program design and service provision, no administrator expressed concern that these inconsistencies might in any way diminish the value of Colorado's model.*
- *Caseworker views of devolution were mixed. They valued their ability to provide a wider array of services than were available under AFDC and to have more control over decisions affecting clients. On the other hand, they find the variation in policies and kinds of services available frustrating to both clients and caseworkers. Some caseworkers struggled with their county's work-first philosophy versus their own focus on the long-term goal of self-sufficiency achieved by providing the services, such as education and training, that families need to succeed in employment.*
- *Caseworkers were also frustrated by caseload size and complexity, the focus on work participation rates and inadequate training for their greatly expanded responsibilities. While caseworkers claim that most services are routinely provided to all families, they could acknowledge that their judgment and discretion were influenced both by the individual case situation and their own philosophy.*

## **B. Diversity in the Implementation Process**

### ***County Process for TANF Applicants***

Each county in Colorado has had the flexibility to design a process by which TANF applicants engage in the system of services. Caseworkers were asked to describe the process families go through when they come in for service. Below are responses from two counties. The outline of what happens when families walk in the door demonstrates how determinations are made about families and gives a sense of the caseworker's role. It also illustrates how families receive information from the county.

In one county, the department accepts applications and determines eligibility. Immediately after, families are assigned to a workforce office for the assessment and case management. The families come into the workforce office and go through orientation, which includes a short video that explains the services that the office has to offer. Family status plays a part in determining the caseworker to whom they may be assigned. For example, if there are specific barriers such as disabilities they may be assigned to a specific caseworker or if it is a two-parent family they could be assigned to a different caseworker. After the family is assigned, they go through an 11-page assessment and complete an Individual Responsibility Contract. Based on work history and education the parent may go into job search, GED preparation or training (if there are training funds available). Families decide on a plan of action and then may have several follow-up appointments. Some who are terminated from employment may be referred to welfare-to-work programs.

Another caseworker described the process in her county as a series of developing, revising and completing plans until the parent or caretaker is "job ready". They may have received education or training, job readiness activities or other services designed to help them "get out of the system". There is a prescreening to see if the family is eligible to apply and to obtain verification of children and income level. This is followed by an orientation to the Colorado Works program, which describes how it works and what services can be offered from child care through training and education, explains the requirements for hours and participation, provides information on child care services, and what will be paid for and what is expected. After that there is a presentation about counseling support. The caseworker described the approach as getting a holistic picture of not just job history but also personal environment and past issues and their impact on current circumstances. The first plan is designed to address participation hours and the barriers the client might be facing such as domestic violence, the need for emotional support, housing or child care.

In addition to the outlined process, caseworkers reported how the process is complicated by a variety of individual client situations that they see everyday. Parents must make difficult decisions as they go through the process. Some difficulties are:

*"People get sick, they have emergencies, sometimes they do not follow through with appointments, and they are sanctioned for not following through and not*

*communicating to the case manager. The case manager doesn't know what is going on or the case manager doesn't get it together long enough to hear a client, so the client gets discouraged. Or the client sabotages themselves and says 'screw this, I don't want to do this anymore, so I'm going to go out and get a job, whatever it is. They are not sticking around long enough to see the good that they could have been in. There are health emergencies, medical issues that interfere and so these are all things that can interfere.'*

*"Somebody loses their housing – housing issues are huge. I saw a young lady the other day that was just hard for me to fathom. She acted like she did not want to be a charity case. I think she felt that. I said that I would hate to be in your position. I was really sorry, so maybe that's why I helped her the way I did.*

*She was in pre-term labor, taking medications to stop the labor, gestational diabetes, she was on some kind of other medication to help the baby grow and receive oxygen better, and then she was taking steroids to help with pre-term labor.*

*She was also homeless; she had been kicked out of her sister's place and somebody else's house. She had three kids and this one on the way and I asked her, 'What happened? Why won't your sister let you stay?'*

*She said, 'I don't know, she just gets in moods and so you would think that her seeing me in this condition she would understand. But there's just some people who don't care.'*

*She gave me permission to talk to her midwife who said she was in bad shape. She really needs some money, she needs housing and she needs money because she's in a bad place. She sent me a fax to verify her circumstances and it was even worse when I read the fax. And that girl is supposed to make it with all these obstacles. I hope she will make it."*

As evidenced by the above stories, individual life situations make the caseworker's job a challenge, particularly in attempting to balance individual need with what is possible in a particular county.

### **Caseworker Discretion**

Part of the concept of devolution is the ability of caseworkers to make decisions using discretion based on individual circumstances rather than a specific set of rules or policies that guide their work. One of the major focuses of this study is to look at how this use of discretion is exercised. How is discretion viewed and what tools or aids are there to guide caseworker decisions?

In describing discretion the counties interviewed had the following to say:

*"We can't get away from individual judgment calls."*

*"It's between them (the caseworker) and their clients and that's how it should be."*

*"It depends on what the client shares."*

*“Some caseworkers offer as much as possible for their clients and some really don’t. And it’s a lot based on their own personal philosophy.”*

*“Some advocate for their clients and some don’t.”*

*“Caseworker discretion is a double edged sword depending on the values that each case manager has.”*

These comments generally capture an approach that supports discretion and identifies that services will vary based on interactions with caseworkers. Thus some participants receive the assistance and services they need while others do not because of the nature of the relationship with their caseworkers. One county worker indicated that decision-making occurs on a case-by-case basis but also said that their policies guide their decisions. Another described the value of case reviews but indicated that caseworker discretion is the ultimate guide. One county produces extensive manuals for caseworkers with a strong emphasis on mission throughout the guidance. The manual contains specific advice about what to consider and stays focused on the outcomes the county wants to achieve. Another county provides general and detailed written guidelines related to assessments, domestic violence, IRCs, and how to determine what services are offered, referrals that can be made and how much can be spent on clients.

### **Goals for Participants**

Caseworkers were asked about their goals for the clients with whom they work. Two caseworkers described wanting to give their clients the “whole picture” and resolve barriers. The goal might be employment, but mental health issues might need to be addressed first. Another caseworker focused on “employment with a livable wage.” She described one of her clients: *“I have someone right now who is working for Sonic, and I’m saying: ‘I know you like working for Sonic but have you ever seen anyone retire from Sonic? It just doesn’t happen usually.’ It’s getting them employed at a livable wage where they can support their family.”* A fourth caseworker indicated that she emphasizes education, particularly a GED as a way to get a better job and eliminate barriers to work. For this limited sample, goals for clients often reflected individual caseworker philosophy.

### **Guidance to Caseworkers**

The researchers attempted to determine the level of guidance provided to caseworkers in making determinations about families. A question was asked about how decisions are made, whether decisions are based on (1) detailed written guidance or desk aids, whether decisions are based on (2) informal information given to case workers or whether (3) counties failed to provide any aids or guidance to assist with decision-making.

The response from caseworkers on guidance for decision-making was generally that most information is given to them in informal ways or through training. They were also

asked if they had procedures or desk aids to help with their job. Caseworkers were asked to comment about specific duties; their responses are included below.

<b>Area of case worker interaction with a family</b>	<b>Responses from caseworkers Response choices: Detailed written, general written, informally transmitted, none</b>
How to conduct an assessment	Just the form, informally transmitted (2), trained by supervisor
How to screen for domestic violence	Detailed written (2), informally transmitted, state training
How to complete an IRC	“Pretty vague,” informally transmitted (2), trained by supervisor
How to determine which services will be provided	“I know it’s written somewhere”, informally transmitted, staff training, none
How to refer to community agencies	General written, informally transmitted (2), staff training
How to determine how much money can be spent on an individual case	Detailed written, none, general written (2)
How to determine disabilities or mental health problems	Refer to vocational rehabilitation, not detailed, determined by lack of job specific skills, none
How to determine who receives post secondary assistance	Not detailed enough, informally transmitted (2), determined by lack of job specific skills
How to determine who received other educational assistance	Should be in writing, informally transmitted (2), determined by lack of job specific skills
How to determine who receives job training	In writing, informally transmitted (2), determined by lack of job specific skills
How to use state diversion and how much you can spend	No guidance, not sure, determined by another worker, detailed written
How to use county diversion funds and how much you can spend	No guidance, don’t have county diversion, detailed written

Responses as outlined in the chart above show five responses out of 51 in which the guidance to the caseworker is detailed in writing. The “detailed in writing” responses included areas such as domestic violence, how much can be spent on a particular family, and use of state and county diversion. In the other categories, the respondent (caseworker or county director) answered “detailed in writing” in seven instances. These included how to determine vocational education, how much can be spent on a family, and how to use state and county diversion. *Most frequently, in 39 out of 51 responses, the guidance to caseworkers was provided through informal guidance or through training by a supervisor. Based on these interviews very little guidance to caseworkers is in writing to be used as a resource when the caseworker is working with an individual family.*

Another consideration in caseworker discretion is to examine the areas in which the caseworker can choose whether or not a specific service will be offered to a family. To explore this issue, the caseworkers were asked to go through a list of services to determine if those services were *routinely, sometimes, or never provided* or *are not currently provided* in that county. (See appendix for the interview questions.) Generally, the caseworkers interviewed answered that most services or assistance are provided routinely to families. The areas in which the service was “*sometimes provided to families*” included the areas of assessment of children’s issues, broad assessment of family needs, list of training options, assessment of mental health and learning disabilities. One caseworker had a longer list of services that are provided “*sometimes*” rather than on a routine basis. This included assessment of literacy, assessment of learning disabilities, assessment of children’s needs, career exploration, education and job training, and substance abuse. The two county director surveys similarly concluded that most services were routinely provided to families. One county director listed assessment of literacy and assessment of learning disabilities under the less frequent category, while the other director listed referral to other supportive services and the requirement to conduct job search activities as less frequently provided. Caseworkers and county directors assess their performance as routinely providing opportunities to all families rather than choosing only some families for a particular service.

The caseworker interview followed up on these questions by asking how much caseworkers relied on various sources of information to help them make decisions. These sources included the state regulation manual, state agency letters, training materials from the state, county specific training materials, federal regulations, or something else. Three caseworkers felt the regulation manual *was somewhat valuable* as a source of information while one didn’t know what the manual was. Three also felt that county materials and federal regulations were *extremely valuable*. State agency letters were found *somewhat valuable* to two caseworkers and *extremely valuable* to two others. The sources of information identified in the interview questions were considered *valuable*. None were *useless*. Information not gathered was whether caseworkers believed that there are too many sources of information. The researchers believed they might find one source that was most relied on by caseworkers but this was not the case.

Based on survey and interview responses, participants from the counties interviewed are usually *verbally* told about available services but in some cases they can choose from a list as well. One county has a desk aid that lists the different services and sometimes this is shown to the participant. Generally information about child care, community resources, work activities, mental health resources and time limits are provided *verbally*.

The two earlier sections on caseworker guidance in decision-making relied on data from predefined categories in chart form. In addition to the charts, caseworkers made several comments about their level of discretion. When asked if the caseworker has sole discretion to determine whether to place a participant in a countable or allowable

work activity one caseworker responded. *“Yes, and the reason is because we don’t have case staffing. We don’t staff our cases as a team nor do we staff them with our supervisor, so really unless we go out and ask somebody, it really is sole discretion.”*

Another caseworker confirmed these statements: *“I have free reign to do whatever I think is in their best interest. The only guidelines that were given is that if the client has an employment history we’re supposed to put them into job search.... Supervisors check eligibility requirements for TANF, like MSR [welfare application] signatures, things like that. I have never been audited for what services I have or have not provided to a client.”*

Caseworker discretion is also influenced by other factors. One caseworker described the participation rate and how it plays into discretion. The participation rate is not something the participant knows about, but every caseworker is responsible *“for their own piece of that. So if you have 50 people on your caseload, and you don’t want to put 10 of them in a countable activity, that’s fine. You’re going to have to make up that participation rate with the other 40. But that’s at their discretion.”*

On a scale of one to ten, with one representing *detailed guidelines* and 10 representing *caseworker discretion*, of the two counties that rated themselves, one chose 5 and the other chose 6-7. The county directors were ranking their staff on a continuum starting with rigid guidelines and ending with total caseworker discretion. Further comments were made that there needs *“to be a balance struck between the right of clients to be treated fairly and consistently and the right of clients to have services customized to their individual circumstances.”* The other county commented: *“Policies are necessary for worker guidance but each case is individual and policies are applied accordingly.”* Clearly these county directors were working to strike the balance between trying to meet the needs of families with some guidance and fairness.

In summary, caseworker discretion and the level of guidance received from either guidelines or supervisors seems to be mixed. While formal written guidelines and their use are acknowledged, informal guidelines and caseworker discretion are major factors in the decision-making process in the four counties in this study. While this cannot be generalized to all counties, it is the researchers’ belief that the use of formal policies versus informal decision-making practices by caseworkers are key issues that arise in states that devolve significant flexibility to counties.

### ***Caseworker Supervision and Training***

Given that caseworkers have a good deal of discretion, another area of inquiry included how that discretion was managed. The study asked about several models that might be used to provide oversight of staff and cases. Supervision appeared to be a key strategy that emerged from the interviews with county directors. Often the supervisor or the director plays a role in interpreting the policies in individual circumstances. More difficult cases or exceptions may be handled by a supervisor.

The county directors were also asked if they participated in state trainings and the extent of the county training. Two counties indicated that they use all of the listed methods for assisting caseworkers in decision-making. The caseworkers interviewed indicated the same level of use of the various supports. One caseworker indicated the use of specialized staff and referrals as what she relied on most, with team meetings and supervisor review relied on least. This seemed to contradict the answers from the county director interview, which indicated the use of team meetings and supervisor review. This difference in view would suggest that from the caseworker's perspective there is a great deal of discretion combined with little supervision or oversight.

The state trainings were deemed very useful but not offered often enough to help the county train new staff. One county also implements its own trainings to cover case management, program training, and automated systems information. The county training is much more extensive compared to state training. Two counties stated that they conducted significant county training but felt that the state training was very valuable. The county training covers topics such as customer services, domestic violence, substance abuse, TANF policies, case management, and automated systems. Another county relies on case staffing with supervisors as a key strategy, particularly with families who have been receiving assistance for 24 months or more. One county described the number of hours of training for new staff divided between eight to 30 hours of state training and 800 to 1172 hours of on-the-job county training annually. One caseworker wanted more state training that would address case management, specifically training about dealing with difficult participants and more role playing. Another caseworker described how negative the caseworkers were at her last training. She described other caseworkers commenting that people were lying, that when a person takes time to answer a question that they are just thinking up their next lie. She was bothered that such basic training was needed and that there was so little compassion among some caseworkers.

Another source of training is "on the job training". As described by one respondent, the new caseworker starts in the position with training, then is instructed to shadow another caseworker for three weeks. The respondent then observes them with actual cases, and reviews the files *"to see if they are getting it. So it's really a thing that you have to learn as you go. So most of this... there's not desk aids, there's no procedures on how to do this."*

### ***Developing County Policies***

Community input on county policies is another component of the implementation process. In a devolved model, one way to examine the programs is to look at the level of community input into county policies to identify whether there is input from the community and accountability back to the community. Three of the counties identified extensive work with their local communities in the development of county policies. One county said almost all policies had input from participants or the community. That county felt it had a commitment to reach out to the community even though gathering input can be very difficult. Staff are also involved in various work groups to develop policies. That

county also described changing policies when the local community brought issues to its attention. Issues concerning diversion and grandparent services were addressed and policies changed as a result of community input. One county director suggested a model that would include a county plan with a vision, an operating manual with policies and procedures and quarterly meetings to debate and discuss issues as they arise.

Another county said its policies were developed by the county commissioners after a series of public meetings. It also used county forums and surveys as part of an ongoing process of policy development. One county felt the county commissioners played the major role with little input from other agencies. Another county felt gathering public input had been difficult. Community surveys and focus groups had been conducted but turnout was identified as a problem.

Two caseworkers interviewed responded that they did not have input into county policies and they seemed to suggest that there was no process for getting involved in policy development. They felt their input was directly with clients and their ability to use their discretion in working with a family. Another caseworker said she had been involved in the development of county policies and able to review and comment on proposed county policies. She also had attended meetings and had written letters to administrators about policies that she felt needed to be changed.

### **Section Summary/Findings**

- *The implementation of TANF at the local level can vary greatly and is influenced by county administration and to a large degree by individual caseworker discretion.*
- *Both county directors and caseworkers consider their ability to make decisions on an individual basis one of the big pluses of devolution. But, both struggle to strike a balance between the rights of clients to be treated fairly and consistently and the need to have services customized to their individual circumstances.*
- *It also becomes evident that what a client experiences within one county will vary not only by the client's particular circumstances but also by the interaction with the caseworker and that interaction is influenced by the caseworker's personal philosophy and goals for clients. This may result in a positive or negative experience for a client.*
- *While detailed, written guidance is sometimes available to caseworkers for decision-making, most caseworkers felt that information came to them in informal ways or through some kind of training. Detailed, written guidelines were the least commonly used form of guidance.*
- *Caseworker discretion is managed in the four participating counties primarily with either a county director or supervisor interpreting policies in individual situations.*

*Some counties appear to use a variety of methods to assist caseworkers - supervisory review, specialized staff, referrals and team meetings.*

- *Given the significant amount of decision-making authority provided to caseworkers in Colorado's devolution model, the importance of caseworker training must be emphasized. The counties in this sample seemed to rely primarily on their own county training. State training was considered useful but not offered frequently enough. How small and rural counties deal with training other than that provided by CDHS, is a question this study raises but cannot answer.*
- *All of the counties in this sample sought community input on policies and programmatic decisions in a variety of ways, especially in the early period of implementation. Surveys, public forums and focus groups were the most commonly used methods. Some counties continue to change policies in response to issues brought to them by the community and continue to seek community input. In other counties there is currently less community involvement. In some counties staff are involved in work groups to develop policies. One caseworker had been involved in policy development; others had not been invited to participate.*

### **C. Innovations in a County-Devolved System**

One of the presumed advantages that flexibility inherent in a devolved model permits is that counties can be innovative in their approach based on local need. County officials in Colorado have always placed a high value on this aspect of local control as it gives them the opportunity to implement local innovations that can address individual family needs and specific local circumstances. This is clearly evident in the four counties that participated in this study, as all have engaged in creative and innovative practices. The state evaluations have described some innovative practices but limited information is available about innovation statewide.

Of the counties in the study, one county described their innovations by talking about having the ability to look at the broader picture, including the way the program operates. With this expanded view, the county was able to identify significant barriers that families needed to overcome in order to be self-supporting. Funding flexibility enabled the county to work on those issues. Another county described innovations such as work incentives, supportive services to grandparents and kin including supplemental cash assistance, and county and state diversion as some of the key innovations in services for families. Some innovations are described below based on this study, the state evaluation and other data sources identified below.

#### ***Increasing Access to Transportation***

Innovations in transportation services have taken place in a number of counties. One of the innovations is the development of a transit system in a rural county. Because of start up money from TANF, the county could match federal dollars and create a new infrastructure. It helped launch a much-needed transit system that is now in the process of expanding. The parents in the Colorado Works Program can use the transit system through a fixed route system plus a dial-a-ride system for those who are disabled. In addition, there is a 24-hour door-to-door service through the cab company for Works participants who are working. Another innovation is a car donation program conducted in collaboration with a local non-profit. The car donation program met a significant need to have reliable transportation. Other counties have also responded to the need for transportation by offering vouchers for gas, bus passes, assistance with various car expenses and even van services to assist families in getting to child care and work.<sup>12</sup> Archuleta County implemented the Mountain Express bus system to assist its families in getting to employment and other places.<sup>13</sup>

### ***Specialization of Caseworker Functions***

Counties have been innovative in their attempts to develop special expertise among TANF caseworkers. Caseworkers have new responsibilities under the Works Program and as a result, many counties have restructured their job functions to include assessing the family as well as developing and monitoring plans for individual families.<sup>14</sup> In order to meet the new responsibilities, some counties hired outside contractors to meet specialized needs. Four of the counties in the 15 county BPA evaluation based their case worker functions on the needs of participants; for example, those with severe employment barriers work with employment specialists while those participants who were deemed work ready were assigned to a worker with more general skills.<sup>15</sup> In addition, counties have been increasing caseworker training about domestic violence.<sup>16</sup> Others have brought in domestic violence specialists to assist families and county staff on-site rather than relying only on their own staff.<sup>17</sup> The specialist may become the case manager or may provide the services related to the domestic violence. Another county provided TANF funds for more broad-based domestic violence services including mental health counseling for children and shelter services.

### ***Employment Incentives for Participants***

Incentives to maintain employment have also been used in Colorado counties. Some counties have rewarded maintaining continuous employment by offering extra payments to families after the participant has reached key milestones such as starting employment, maintaining employment for three-months, and maintaining employment for six months.<sup>18</sup> One county has also designed their program to creatively use

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<sup>12</sup> Berkeley Evaluation, November 1999, p. 55

<sup>13</sup> Berkeley Evaluation, November 2000, p. 143

<sup>14</sup> Berkeley Evaluation, November 1999, p. 54

<sup>15</sup> IBID., p. 54

<sup>16</sup> Berkeley Evaluation, November 2000, P. 131

<sup>17</sup> IBID., p. 131

<sup>18</sup> Berkeley Evaluation, November 1999, p. 56

discretionary assistance to provide supportive services and reimbursement for expenses for one year after the discontinuation of the basic cash grant. This innovation was not possible in the former AFDC program.

### ***Models of Decision Making***

One of the counties not part of this study but with innovations that the researchers thought should be shared is Larimer County. One innovation is the approach to decision-making which included an implementation team put together when the welfare bill passed and which subsequently continued as a problem-solving group.<sup>19</sup> The team is unique and diverse. It includes program managers as well as eligibility technicians and employment coaches. The group analyzes policies and makes recommendations to directors and the county commissioners. The focus of the implementation team is the entire family and determining what the family needs to succeed.<sup>20</sup>

### ***Intervention Rather Than Sanctions***

One of the other approaches utilized in Larimer County is an intervention rather than a sanction process. The process is designed so that a caseworker can request intervention when the family is having trouble meeting the Colorado Works requirements or when communication between the caseworker and the participant is breaking down. The county has found a variety of situations in which intervention brought to light new circumstances that needed to be addressed instead of moving into the sanction process which could have lead to termination of the family from assistance. As a result, the county no longer uses a sanction process. The intervention process is used in its place and if the process fails to bring about compliance, the county closes the case for noncompliance.<sup>21</sup> One of the other counties in this study also uses an intervention model which includes specialized caseworkers who are assigned to meet with the family, often through a home visit, to better assist families with the requirements for compliance.

### ***Non-custodial Parents***

Another program supports non-custodial parents through classes, case management and a child support assurance stipend while the non-custodial parent participates.<sup>22</sup> The non-custodial parent is offered a variety of supports and has a contract that is monitored. In return, the county pays the monthly child support obligation and any child support paid is applied to arrears. Plans for re-involvement are also made to ensure safety by contacting and working with both parents. The county reports that the program has been successful in increasing wages and improving the involvement of non-custodial parents.

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<sup>19</sup> Facilitating a TANF Passport to Enhanced Self-Sufficiency: The Larimer County Experience, *Journal of Community Practice*, Vol. 9(3) 2001, p. 21.

<sup>20</sup> *IBID.*, p. 21

<sup>21</sup> *IBID.*, p. 24

<sup>22</sup> *IBID.*, p. 26

## ***Use of Diversion Assistance***

Diversion assistance is a new option created in the Colorado Works legislation. Like other states, Colorado was interested in providing the option for families to receive one-time assistance to help alleviate a crisis. The idea was that diversion, or diverting a family from the need for ongoing cash assistance, would give many families the short term help they needed without requiring the lengthy application, assessment and individual contract development that could take more time, and may not necessarily be what families need. This is a program innovation that all counties can use. In addition, there is a feature called county diversion that allows the county to set eligibility above that of Colorado Works in order to address the needs of the working poor.

Counties have the discretion to design almost all aspects of state and county diversion. Program decisions include income eligibility (for county diversion), the size of the diversion amount, how often the family can return for diversion, and how long they can be made ineligible for the basic cash grant in Colorado Works. Counties have used their flexibility, as is reflected in the average grant amount, for state diversion varying from \$646 to \$2,414 in the 15 counties studied.<sup>23</sup> Generally, the limit is between \$1,000-\$5,000 although there are three counties out of the 15 in the state evaluation that set no limit. Counties with limits set the limit on the amount of assistance per year, per payment or by lifetime. Counties use varying methods of payment including providing cash assistance or vendor payments; they also vary in the verification of need and whether receipts are required.<sup>24</sup> Counties can set a period of ineligibility for basic cash assistance. Generally, ineligibility is the number of months of cash assistance that the diversion payment represents. Some counties add additional months, others have a graduated scale, and others have a set amount of time without regard to the amount of the diversion grant.<sup>25</sup>

## ***Integrating Child Welfare and TANF Programs***

One of the most significant and nationally recognized innovations in the Colorado Works program has taken place in El Paso County. This county changed its program focus from a work-first emphasis to a broader vision of eliminating poverty and family violence. The county department hoped to develop a holistic approach to effectively address the needs of vulnerable families and children. To make the vision a reality, the county's child welfare and TANF agencies were integrated. The idea was that this integration of agencies would provide seamless, family-centered services, regardless of how families came to the attention of the department. The TANF program in this county considers itself a child abuse and neglect prevention program, while the child welfare program considers itself an anti-poverty program.

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<sup>23</sup> Berkeley Part I August 2001, p. 11.

<sup>24</sup> Berkeley Part I August 2001, p. 60

<sup>25</sup> Berkeley, Part I August 2001. p. 60

The program has been very successful in building inter- and intra-agency relationships and community partners, who work on-site in the TANF office. Using Colorado's flexible funding structure, the county has been able to blend funding streams and has decreased the need for county funding for the department while expanding prevention and early intervention programs. One key factor in the success of this integrated program appears to be the consistent involvement of staff, families receiving services and community partners in examining what families really need to move out of the cycle of poverty and violence. Another factor in the success of this model appears to be the delegation of a high level of authority to trained and/or expert staff, who have been able to use their creativity to make the shared vision a reality.

### ***Sharing Best Practices***

Along with innovations, one of the potential ways for devolution to be effective in a county devolved state is if "Best Practices" are identified and shared among the counties. One county responded to the survey and indicated that they did use practices from other counties, particularly to address issues for two-parent households and in designing services for grandparents and kin. Another county mentioned that Best Practices were addressed at the annual Colorado Works conference and through quarterly meetings held by CDHS. Participation in the statewide conference was described as fairly broad while participation in the quarterly meetings was limited.

### ***Section Summary/Findings***

- *Innovations at the county level are an important part of the devolution story. Counties have used their flexibility to create new visions, such as reducing child poverty and family violence. They have designed new models of kinship care and innovative transportation systems that respond to local needs. One county has developed a highly successful, nationally recognized model that integrates its TANF and child welfare programs.*
- *The innovation that is possible because of the flexibility devolution allows has been considered one of the major advantages of Colorado's model.*
- *This research was unable to determine if there were formal systems in place to evaluate the success of these innovations, except in a very limited number of counties that have chosen to engage in some evaluation of their specific program.*
- *Also, this research did not result in a clear picture of whether counties were adopting the successful innovative practices of other counties.*

#### **IV: COUNTY PLANS – AN 11-COUNTY ANALYSIS**

In examining Colorado's devolution model, the researchers believed that in addition to the surveys and interviews, another important source of data would be a review of the documents submitted to CDHS by the selected 11 counties. These counties were more broadly representative of the state than the four participating counties and an extensive amount of publicly accessible data was available at CDHS. The data includes county plans/questionnaires, policies, MOUs, and other attachments. Initially two law students copied, reviewed and analyzed this data. Later an independent research analyst, not otherwise involved in this research project, was engaged to examine the Colorado Works plans and policies as well as the supporting documents.

The independent research analyst developed a comprehensive database for each county with all components of the county plans entered into an Excel spreadsheet. In some counties, plans were obtained for more than one year and each year's data was entered into the database in order to note changes in the Plans. Based on her work, the analyst made some observations and recommendations that will be included in this report.

This section will look at the general results of this analysis, with examples of county plan responses, policies and their variations in the amount of information submitted to CDHS. The very lengthy database, 105 pages, is available on disc and can be obtained at low cost through the Colorado Center on Law and Policy. A summary version of key parts of the database is included in the Appendix.

#### **Policy Development in Colorado Works**

In order to understand the role of county plans and policies in Colorado's devolved model, it is important to consider again the statutory requirements related to performance contracts between CDHS and counties. Additionally, the lack of clarity between county plans and policies should be examined before the implementation of plans and policies is considered.

#### ***Performance Contracts***

Much of the debate during the 1997 legislative session, when the Colorado Works program was being developed, centered on performance contracts. When the legislation was enacted it included language (C.R.S. Section 26-2-715) that required an annual performance contract between the counties and CDHS. The performance contract was designed to identify duties and responsibilities in implementing the Colorado Works and Child Care programs. The contracts were also intended to be enforceable as evidenced by the sanction provisions that included a reduction in the county block grant and that authorized CDHS to assume responsibility for a county's program under circumstances identified in the performance contracts. The performance contracts could have included a variety of performance measures but none were included except for the federally required work participation rate.

It took 15 months of negotiations between the counties and CDHS to actually develop the terms of the contract due to the inability of the parties to reach agreement. Two of the contentious aspects of the negotiations centered around the sanction provisions and the circumstances under which CDHS could exercise its authority to assume responsibility for a county's program.

The result of the lengthy negotiations was a *Memorandum of Understanding* (MOU), rather than a *performance contract*, with the federal work participation rate the only measure of performance. At the time advocates believed that this decision - the use of a more loosely constructed and not clearly enforceable MOU rather than a performance contract with specific performance outcomes - set the tone for the ongoing relationship between CDHS and the counties with regard to county plans and policy development as well as the sharing of information between the two entities. It also became very clear to advocates that CDHS would take a hands-off approach with the counties especially as relates to its monitoring and enforcement roles. The counties expected no less. Advocates, over time, came to view CDHS' approach as an abdication of its responsibility to monitor and oversee the program and its responsibility to ensure compliance with federal and state laws.

An interesting example demonstrative of this hands-off approach is the statement in the MOU that "if a county has developed written policies for implementing the Works and Child Care programs, it agrees to provide copies of these policies to the Department.... within 30 days of their adoption by the county." At the same time, the MOU states, "Nothing in this MOU gives the Department the authority to approve, deny or require any county policies. The County acknowledges the Department's right to review, comment upon or request reasonable additional information or clarification of any such county policies and the County asserts that it will consider such comments in the implementation of these programs without being obligated to incorporate in it's programs any department comments or suggestions." That CDHS could not even require the counties to develop policies, no less approve county policies, raised many concerns among advocates related to the exercise of caseworker discretion and CDHS' ability to monitor and oversee county programs. Given that few counties had developed policies prior to the contract negotiations and given that some counties had publicly commented that written policies were unnecessary, advocates were also concerned that many counties would never develop policies or if developed, would not put them in writing.

Subsequently, advocates worked with several key legislators interested in promoting legislation that would require counties to develop policies and submit them to CDHS. Over the initial objections of counties, the legislation was adopted. Since the issue of state approval of county policies was a contentious issue, advocates and the sponsors of the legislation decided that it would never pass if approval of county policies were included. Thus, there is no language regarding state approval in the statute.

## ***Plans vs. Policies***

It should be noted that what constituted county plans and policies prior to the passage of the statute was unclear. Many used the word plan and policy interchangeably. The 1996 statute that established the CW Program never defined the difference nor did rules interpreting the statute. As a result, there was much confusion about what counties needed to do. The statutory change requiring the development of county policies actually clarified the difference between county plans and policies and to a limited extent defined “policies”. Specifically, the statutory change indicated that policies had to include enough information to allow applicants and participants to understand what assistance and services are offered by counties, the process used to access the assistance and services, and the unique eligibility requirements of the counties. (See C.R.S. Section 26-2-716(2.5)). What is now generally referred to as the “County Plan” is a questionnaire that provides some basic information related to county programs including information that must be reported to the federal government. All counties must submit this document to CDHS. Some counties still however view the questionnaire responses as policies. Others attach their policies to their County Plans as required by the MOU.

Thus, a wide variation exists not only in the amount of information provided to CDHS but also in the specific program components addressed in the plans. Some of the counties offered flexible options to participants and included related policies, while others did not. Some provided detailed policy information, while others gave scant or no information at all. The independent research analyst identified the following examples, which exhibit the variations in plans and policies and in the information submitted to CDHS.

### ***Examples of County Policies***

- *Individual Responsibility Contracts*  
All of the plans refer to the Individual Responsibility Contract (IRC) but only eight provided a copy of their IRC form and only seven counties provided information about how the IRC is completed as part of the application/enrollment process for the Colorado Works program. Only one county had information about their IRC sanction process in their Policies and Procedures Manual.
- *Other Assistance*  
One of the areas of county discretion includes optional assistance often referred to as “other assistance”, which is the cash and services that a county provides in addition to the basic cash assistance grant. (In Colorado for a parent with two children, the monthly cash grant is \$356.00). All eleven counties offer “other assistance” but the amount of cash and the types of services vary greatly between the counties that were considered in this sample. Some plans leave the amount and type of services completely optional, to be determined by the caseworker, some thoroughly define eligibility and criteria for the cash and services, and some

minimally define them. Depending on the county, a caseworker, a participant, or a concerned community member may or may not have access to adequate information to enable them to understand the program offered in their county.

- *TANF Assessments*

The statute requires assessments to be conducted but allows counties to establish the comprehensiveness or narrowness of the assessment that is done, what areas are included, if there is any specific testing during the assessment process, and when the assessment should happen, within a limited time frame. The assessment tool forms the basis for the Individual Responsibility Contract, which must be developed in order for families to receive basic cash assistance. A participant who does not follow the contract can be terminated or have their cash assistance reduced through a sanction. Three counties did not provide any TANF assessment and intake process information in their plans. One county had no process in their plan, but did provide assessment forms. Three counties had thorough assessment/intake procedures and four had limited information. Only one documented an orientation process in their plan.

- *Child Care Assistance*

Much of the child care assistance for Colorado Works families is established through statute and operated in a statewide manner. A few key decisions, however, are made at the county level. These include the maximum eligibility level, provider reimbursement, and activities that are allowable in order to qualify for child care. Ten counties had child care assistance plans. One county did not have a plan, but did list its maximum eligibility at 185 percent of the federal poverty level. All but one of the 11 counties reported a maximum eligibility level based on a percentage of the federal poverty level.

- *Job Readiness*

Counties have the discretion to determine when a participant is “job ready”. The determination of job readiness then often dictates the kinds of activities the participant may engage in. It is a key trigger in the federal TANF law. Some definitions of job readiness provided by counties are very broad and some are narrow. For example, one county’s definition of “able to work” is “anyone who applies is assumed able to work unless found otherwise in the assessment.” Another county defined it as when a client is “not tied to any specific activity or time limit, medical/mental health, domestic violence, caseworker services, substance abuse treatment; faith-based mentoring or other activities mutually agreed upon by the client and case manager.” Another county’s definition of “job ready” is “all TANF recipients with the exception of mothers in their last trimester of pregnancy, persons with short-term disabilities, single parents with newborns under two months, individuals whose safety is at risk because of domestic violence and teen parents in high school equivalency programs.”

- *Sanctions/Disqualifications*

County discretion over sanctions includes decisions about what kind of activity can be sanctioned and how long the sanction will last. The amount of the reduction in cash assistance is established at the state level.

All counties provided some information on their sanction plans/policies. Sometimes they referred to county policies and sometimes they described procedures for the sanction process. For example, sanction procedures were thoroughly described in one plan, not included in three plans, and minimally outlined in seven plans.

The state Colorado Works questionnaire asks counties to:

1. List and describe the reasons for sanctions against cash assistance in your county.
2. Minimum number of months sanctions shall be imposed.
3. List and describe the good cause provisions for not imposing sanctions.
4. Describe the process for establishing good cause.

The research analyst notes that she tried to capture these questions with the three categories included in the Colorado Works County Plans Summary.

- *Good cause for non-participation in work activities*

Participants are required to participate in work activities unless they meet the criteria for good cause. Good cause determinations must be conducted prior to issuing a sanction for non-participation. The county policy would establish a guide for caseworkers so that good cause is actually considered. It would also present a clear view of the fairness of the process for participants. All 11 plans addressed good cause; only two provided detailed information while the others provided more limited information.

- *Services for Families*

Another area of discretion is the services provided in each county. One of the arguments for Colorado's devolved system during the legislative debate in 1997 was that each county should be able to provide specific services based on individual need. The plans for the 11 sample counties contained wide variance in the amount of definition and information provided on services and the criteria used in providing services. Again, some counties provided detailed information about the criteria for receiving services and others provided little or none.

A good example is transportation assistance, which is the most widely used supportive service, with all counties providing some form of assistance. In the review of the 11 county plans, no information on transportation assistance could be found in one plan; one county referred to transportation only in its county diversion program; and another referred briefly to transportation under employment assistance. Five counties indicated that transportation assistance was available without indicating any specifics. On the other hand, three counties spelled out the types of assistance available, the limits of that assistance as well as whether supervisory approval was necessary. In these plans, the

very specific criteria for all types of car repairs, insurance and license fees, etc. were explained in detail.

### **Independent Researcher's Observations of County Plans and Recommendations**

The independent analyst emphasized the significant variance among 11 county plans and policies that were reviewed for this study. The variance was in the amount of information provided overall as well as in the specific aspects of the county programs that were addressed in the county plans and policies. **Given this limitation, the analyst felt it was important to point out that her analysis, which was based solely on the information available in the county plans submitted to CDHS, may or may not represent what is actually happening in county programs.**

Some of the independent analyst's additional observations include the following:

- The Plans were difficult to read and compare because of the wide variety of language, terminology, levels of description, use of acronyms and overall clarity. One plan required 24 hours to review while another was reviewed in three hours.
- While there was a standard set of questions for counties to answer, there was no standard format for how the questions should be answered. The questionnaire contained many open-ended questions; respondents had little or no guidance on the level and amount of information that CDHS expected to be provided.
- In one county, the responses to the questionnaire were provided, for the most part, in 2000 but not at all in 2001. The analyst assumed that the responses were the same but this assumption may not be correct. There is no way to determine this without contacting the counties. In some cases, the responses referred to documents that may or may not have been appended to the Plans.
- Most County Plans did not include an explicit statement of the county's philosophy, goals, or objectives for welfare reform.
- Some counties have clearly stated policies and procedures while others provided minimal information.
- Some counties provided detailed information about services and assistance as well as eligibility, sanctions, processes and procedures, while others provided minimal information.
- A significant problem related to the tracking of information is the sheer volume of information. If the analysis of 11 counties' Plans and Policies generated a database that totals 105 pages of information, the amount generated by all 64 counties would be enormous.
- The significant amount of information as well as the disparity and inconsistency of the information could be expected to significantly hamper CDHS' ability to effectively monitor and oversee county programs.
- CDHS' current process of simply reviewing plans and occasionally doing site visits cannot provide it with adequate information to evaluate a plan's effectiveness or to ensure adequate monitoring and oversight of the Colorado

Works Program particularly since some plans are poorly written or missing important information.

**Based on her experience, the analyst made the following recommendations:**

- CDHS should redesign the Colorado Works Questionnaire it now uses to obtain basic information about county programs by tightening up the questions, categorizing responses, and providing clear instructions to the persons that will be completing it. Furthermore, offering training to county employees responsible for completing the Questionnaire would improve the overall quality of the information that would then be available to CDHS.
- A comprehensive and well-designed database would help CDHS manage the data. Even though state systems are in the process of being enhanced, it would seem that with existing systems, some changes in the organization and analysis of the information counties now provide would increase the state's ability to monitor and oversee what is actually occurring at the county level.
- The Legislature should require counties to develop and identify their visions/philosophies and goals for successful welfare reform (other than meeting work participation rates and decreasing caseloads). Or the Legislature itself could establish a statewide vision and goals that counties must work toward. Articulated vision and goals would provide counties with a framework from which to develop their plans and policies. The vision and goals would also provide CDHS with a context in which to review the Plans
- CDHS should develop several meaningful standard outcome measurements for all counties in order to evaluate the effectiveness of county programs, to determine Colorado's overall successes and failures and whether the State is actually achieving the goals of welfare reform. Without such measurements the State will not have an objective assessment of counties' success or lack thereof. Nor will counties have the information they need to improve and create more effective county programs unless they conduct their own evaluations.

**Section Summary/Findings**

- *One of the major factors in Colorado's devolved system was the decision to replace legislatively mandated performance contracts with MOUs that clearly limit the State's authority and influence over county programs.*
- *The effect of this preeminence of local control is evident not only in the wide variation in services and assistance but also in the amount and clarity of information shared with CDHS.*

- *From the analysis of information submitted to CDHS by 11 counties, the research analyst concluded that the information gap and current data collection systems at the State level greatly hamper the State's ability to monitor, oversee and evaluate county programs.*
- *In the opinion of the research team, the analysis of the variations in county programs as well as in the amount of information CDHS has on those programs, makes clear the necessity for CDHS and counties to collaborate on the development of a more standardized and useful data collection system.*

## V: IMPACT OF DEVOLUTION ON SERVICE PROVIDERS IN COLORADO

In this section of the report the experience of service providers in Colorado is described. Representatives from 16 social service agencies in nine different counties in the state of Colorado were interviewed using a 17 item, open-ended questionnaire. These service providers varied in the types of services they offered, ranging from domestic violence victim services to temporary housing for families to employment training for low-income adults. Though some of these agencies (approximately half) had official contracts with their respective county departments to provide services to welfare participants, many maintained less-formalized relationships with their counties and with the departments responsible for local welfare programs (see attached chart appendix B).

Based on analyses of responses to the questionnaire, devolution in Colorado, indeed, appears to have had an impact on the experiences of social service providers in the state. Though service providers varied in their perceptions of the nature of the impact of federal welfare reform (and the resulting shift in Colorado toward locally controlled welfare programs) on their agencies and on the clients they served, several key themes emerged from the interview data. These themes include: an increased role to fill service gaps, the importance of relationships, and the desire for “more” from welfare reform.

Overall, service providers’ roles in their communities seem to have intensified since welfare reform. Several service providers specified how their agencies’ roles had increased in providing for the unmet needs of their clients. Though, according to many, county welfare caseloads had decreased, their own caseloads and waiting lists had risen. Additionally, service providers indicated they had to become more actively involved in helping clients maneuver through the bureaucratic welfare system to ensure that clients received adequate information and access to available services.

The importance of relationships in interactions with local welfare programs was also noted by many of the service providers. Not only were relationships cited as important in their own agencies’ abilities to effectively collaborate and obtain contracts with the counties, but relationships also were perceived to be important to clients’ opportunities for receiving services. Several providers indicated that clients’ quality of information and access to services varied according to who was giving and receiving the information. One provider stated, *“It’s almost like some [county case workers] pick and choose who they like... If you... come in and you don’t say the right things,... they make it impossible.”*

Practically all of the interviewed providers expressed a desire for something “more” from welfare reform in order to provide better services to clients. This “more” included more time for clients to move off of TANF, more money for programs and services, more flexibility to meet the specific needs of special populations, more communication between the staff members at county departments of human services, more thorough assessment of client needs, more “face-friendly” DHS staff to provide improved

treatment of clients, and more consistent state standards to correct the problems caused by inconsistent services.

Interestingly, this desire for “more” from welfare was consistent even among those who had varied perceptions of the overall impacts of welfare reform. While some providers expressed the belief that welfare reform was a vehicle for offering new opportunities for improved collaboration among agencies and improved self-confidence among clients, others emphasized the negative impacts of the changed welfare system on the lives of clients. Despite these differing viewpoints, *a common thread in providers’ perceptions was that the current welfare system was neither adequately meeting the needs of its clients nor of the service providers in the community.*

## **A. Changed Ability to Provide Services Since Welfare Reform**

### ***Collaboration***

Some service providers indicated that improved inter-agency collaboration has resulted from welfare reform, thus allowing them to better work with the community to provide services. According to one such provider, *“I think it’s probably enhanced my relationship with welfare because of that linking and utilizing their resources, which frees mine up to do... more.”* Another provider spoke of the increased opportunities for having a voice in the county’s welfare programs as, *“A round table group was set up to discuss how the TANF [funding] can be used ... to kind of get some more input other than the administrative decision making.”*

### ***Increased Role/Burden of Nonprofit Agencies***

Several service providers specified how their agencies’ roles have increased in client service provision since welfare reform. Though many stated that county welfare caseloads have decreased, their own caseloads and waiting lists have increased. According to one provider, *“now that they’re no longer eligible [for TANF]... through the Department of Social Services, they’re ... coming [to us] homeless, needing food, needing shelter.”*

Additionally, service providers spoke of their staff’s changed role in assisting clients in maneuvering through a complex, confusing, bureaucratic system as well as simply ensuring that clients are complying with welfare regulations: *“[our] advocates,... they’re also meeting weekly with the clients to be sure that they are on track to meet their goals and that barriers are being addressed.”*

A final way in which service providers cited their heightened role in the community is their added focus on trying to prepare clients - in terms of both skills and emotional support - for entering the work force within a short period of time. *“There’s this panic of ‘I can’t find a job, I’m going to lose my benefits’ and [we’re] trying to build up their self-esteem to feel comfortable enough that they can get a job.”*

## **B. Effect of Devolution on Relationship with County**

### ***Dependent on Staff***

Service providers expressed varied sentiments regarding the effect of devolution on their relationships with the counties with which they worked - about half stated devolution had a positive effect and about half stated it had a negative effect. A common factor in responses, however, seemed to be their descriptions of their relationships with specific county staff people.

Those who stated they had positive relationships with the county generally identified specific staff people - caseworkers, supervisors, and administrators - who they felt were responsible for their positive experiences. Negative relationships, too, were attributed to specific staff people. *"I'll tell you, that man has bent over backwards to be very involved with all agencies", "I think with this lady who's in there, she's fairly new, and she's been very receptive about working with the program."* One service provider commented that the relationship depends upon which particular staff person they may be dealing with at that point in time. *"There are some caseworkers who are real good and they're real efficient when you need something done, [and] there's other ones that say, you're beating your head against the wall."*

### ***Level of Input***

Service providers also commented on the levels of input they have in decision-making processes. Some who indicated positive relationships with the county since welfare reform perceived that they had some power in providing feedback to the county: *"there's a lot of input that we're allowed to share."* Conversely, one provider who perceived the relationship with the county as negative stated, *"we just sit there and we don't have any input."*

## **C. Impact of Welfare Reform on Clients**

### ***New Opportunities***

Several service providers identified welfare reform as a vehicle for offering new opportunities to clients. Clients were required to comply with work participation regulations and time clock constraints, and, according to some, this provided the impetus for learning skills and gaining confidence in their own abilities. *"I think the majority of [our clients] have seen it as something positive. They are learning. I think it astounds them that they're able to do these things that they never thought they were able to do."*

## **Unmet Needs**

Overall, service providers expressed that, since welfare reform, clients have been left with multiple unmet needs. These unmet needs included basics such as housing, food, childcare, and transportation as well as more time to adequately prepare to enter the work force. One provider commented, *“There were some [clients] that were ready to work; they needed just a little preparation or a little bit of support, and they are successful. There’s a lot more that aren’t. I think [welfare reform] did push people into jobs that they were not ready for, so they were not successful at them.”*

Other unmet needs of clients that were cited by service providers related to clients’ interactions with the bureaucratic county welfare systems. Several providers stated that the Departments of Human Services were not adequately communicating with the clients. According to one provider, *“when a person is getting sanctioned or getting taken off of the program for whatever reason, they don’t give them notices.”* Others stated that inconsistency in treatment of clients within one county as well as inconsistency in treatment across counties also had a negative impact on the client populations they served: *“a lot of people have been squeezed out of places that they could [previously] afford to live in, and so they’re moving [to other counties]. When they go to those places, there are no services in place to meet their needs.”*

The most commonly cited service provider response to the impacts of welfare reform on clients was an increased role in providing for unmet needs. This increased role included added attempts of networking and advocating in order to assist clients in accessing services and to affect policy decisions on the administrative levels.

Other service providers actualized their more predominant role by changing or developing new programs - such as childcare and transportation assistance programs - to meet the needs of their clients. According to one provider, the lack of childcare assistance in the community *“was one of the reasons we opened a child care center.”*

A final way in which providers increased their roles as a response to welfare reform was in their relationships with clients. One provider stated that, *“we’re spending more time with each one and encouraging them and telling them to be sure and check back because we care.”* Another provider also stated that they have improved follow up with clients, as many clients remain in poverty even after they have left welfare: *“we try to stay connected, even with people that were with us three or four years ago, to serve them.”*

## **D. Perceived Gaps in Services**

Service providers indicated several gaps in services in their communities. The two most common gaps were in access to and affordability of reliable child care and transportation. Other identified gaps in services included supports for single parents,

post-TANF follow up, medical insurance, housing, employment opportunities, communication about service availability, and support for education.

## **E. Advocacy on Behalf of Clients in Welfare System**

### ***Ongoing Communication***

When asked about their advocacy efforts in relation to the welfare system, several service providers stated that their advocacy took place by way of on-going communications with DHS staff and other community members. These providers indicated that advocacy did not occur only when a client experienced difficulty with the system. Instead, according to one provider, “open discussion, communication, [and] sharing information... in weekly meetings” with human services staff was one way in which they addressed the needs of their clients. Other providers indicated membership in community task forces and attendance at regular DHS “staffings” as additional ways of being advocates for clients.

### ***Speed Up the Process***

Other service providers indicated that advocacy on behalf of clients seemed to be most necessary in order to, in the words of one provider, “speed up the process.” This speeding up the process generally included helping to ensure clients’ more rapid receipt of benefits. Accordingly, another provider stated, *“I certainly advocate on [my clients’] behalf and say, ‘can we get this going? Can you fax it over? Let’s just cut to the chase and get this done so they can get their food stamps.’”*

## **F. Adequacy of Information and Access to Services**

### ***Inconsistent***

The majority of providers indicated that they believed their clients did not have adequate information about and access to available services. This lack of information and access was mostly attributed to a perceived inconsistency. Providers commented that the quality of information and access varied according to who was giving and receiving it. One provider stated, *“It’s almost like some [case workers] pick and choose who [among clients] they like.... If you don’t come in and you don’t say the right things... they make it impossible.”* Similarly, another provider commented, *“If the client does not ask for something, they will not be given that information.”*

Interestingly, the few providers who perceived that clients received adequate information and access to services tended to attribute their perceptions to particular individuals or circumstances: *“I think they have a better chance of [receiving adequate information] in this community.” “I think that [DHS staff person’s name] keeps a pretty*

*up to date list of agencies and services that are available, and she is really good about sending them out to wherever they need to be.”*

The most common way in which service providers attempted to address the perceived lack of adequate information and access to services was by sharing information and networking with DHS staff and fellow service providers in the community. *“The... way we’re doing it is through group meetings, through this whole... alliance that we have.”*

## **G. Wishes for Welfare Reform**

### ***More, More, More***

Practically all of the service providers indicated a wish for something more in welfare reform in order to provide better services to clients. This more included more time for clients to move off of TANF, more money for programs and services, more flexibility to meet the specific needs of special populations, more communication with the staff members at DHS, more thorough assessment of client needs at intake, more “face-friendly” DHS staff to provide better treatment of clients, and more consistent state standards.

## **H. Influence of Contract Status on Relationship with County**

### ***Collaboration and Freedom***

The majority of the service providers who reported having formal county contracts stated that these contracts led to greater collaboration - whether between their agencies, the counties with which they contracted, and other agencies in the community. These providers commented that the county contract, “makes for a better tie” and, “if we did not have a contract, we wouldn’t be working as closely with them.”

Several of the providers who did not have formal contracts with counties indicated that this lack of a contract allowed their agencies greater freedom. Such freedom included the perceived ability to better advocate for clients as well as the ability to make independent decisions as an organization with no “strings attached” to funding, etc. According to one service provider, *“I think we have more freedom than some other agencies do without having a contract with DSS [the Department of Social Services].”*

Interestingly, several of the “no contract” service providers seemed to portray their relationships with the counties as tense, though the providers did not offer reasons for this tension. According to one provider, *“it doesn’t matter, we’re going to do what we’re going to do regardless of what they [the county] want... I think we’re intimidating them a little bit, and I don’t know why.”* In addition to “intimidating,” other providers used words such as “threatening” and “discriminating” in their descriptions of their relations with the counties.

## **I. Process for Seeking County Contracts**

### ***Dependent on Relationships***

An underlying theme in the providers' descriptions of the process for seeking county contracts was that relationships are key. Providers who viewed the process as generally good (constituting the majority) as well as those who viewed it as less than good both emphasized relationships as the critical factor in their perceptions and in their abilities to even obtain a contract. One provider credited an individual county employee with his/her agency's overall positive experience in seeking a contract: *"the lady who is in there now has really done some tremendous changes and ... she has a good working relationship with all of the service providers in the county."*

Relationships also were perceived to be integral in an agency's ability to establish a contract with a county. Interestingly, one provider who had a county contract was not even aware that a specific process existed saying, *"really it..just happen[ed]. It was done on reputation and connections."* Similarly, another service provider stated that the overall process was, *"cumbersome. Once you have the network or the relationship, it's easier. But I have to be honest, it's [the process] very poor."*

## **J. Using Fair and Objective Criteria When Providing Services**

The majority of service providers stated that their agencies have clearly defined processes and/or guidelines - whether staff policies, grievance procedures, organizational mission statements, client agreements, eligibility criteria, or on-going Board monitoring - to ensure that their clients receive services fairly and objectively. These processes and guidelines help staff know what to do in case of particular situations and whether or not clients are eligible for their services.

The beliefs and values of individual staff members and/or overall organizations were also noted as significant in ensuring that clients receive services fairly and objectively. According to one service provider, *"I am not going to treat [a client] any differently than I would want to be treated."* Another provider commented that his/her particular agency did not operate under traditional organizational rules in order to provide services: *"someone wanted to refer a client over here and they said, 'I'm not sure if that client fits your guidelines.' I told him that we don't have guidelines, we have 'god lines'. So that's how we operate."*

Internal staff accountability was a final common way in which providers ensured the fair and objective provision of services to clients. This staff accountability takes place within the context of agency meetings and trainings as well as in the informal day-to-day operations of the organization. One provider stated that, *"there are so many of us [staff] here and we can all see what each other does. I guess we hold each other accountable."* Another provider commented on his/her agency's more formalized

process for checks and balances: “we train all of our volunteers and staff extensively, and we... make sure that we’re not turning anyone away for any reason other than we can’t see any more people that day.”

## **K. Evaluation of Services and Reports of Outcomes**

Providers varied in the ways in which they generally evaluate their services. The following are the identified evaluation methods (which are not mutually exclusive) and a tally of the service providers who use those methods:

Who served (demographics & numbers):	5
Process (how operate/provide services):	3
Client satisfaction (surveys & focus groups):	2
Goals & objectives (which met, which not):	1
Services provided (inventory):	1

The majority (9) of providers indicated that they report outcomes to the county. The types of outcomes reported include: client progress, number of clients served, employment status at termination of services, and scores on self-esteem and job readiness tests. Six providers stated that they are not required to report outcomes to the county, but of those six, four providers further stated that they informally communicate via meetings and telephone conversations with county staff about client outcomes.

### **Section Summary/Findings**

- *The service providers indicated that they have experienced an increase in requests for services, especially when families are no longer eligible for TANF. They also see an increased need to assist clients in maneuvering through a complex and confusing welfare system in order to access needed services.*
- *Some service providers believe that improved inter-agency collaboration has resulted from both devolution and the AFDC to TANF change. Some service providers saw the increased opportunities for having a voice in the county’s program as a positive change.*
- *Service providers were divided in their view of the effect of devolution on their relationship with the counties with which they contracted. While some were able to provide input to counties, others were not. Some also found that the process of developing positive working relationships is complicated by different caseworker or county employee philosophies.*
- *Overall, service providers expressed that, since welfare reform, clients have been left with multiple unmet needs. These unmet needs include basics such as*

*housing, food, child care and transportation as well as time to adequately prepare to enter the work force.*

- *A majority of the service providers indicated that they believed that their clients did not have adequate information about and access to available services. This lack of information was mostly attributed to a perceived inconsistency in services available as well in differences in ways the information was disseminated by the counties.*
- *The majority of service providers who reported having formal county contracts stated that their contracts led to greater collaboration both with the contracting counties and other agencies in the community.*
- *The majority of service providers stated that their agencies have clearly defined processes and guidelines to ensure that clients receive services fairly and objectively.*
- *Service providers used a variety of ways in which they generally evaluate their services. A majority tracked who they serve (demographics and numbers), their process (how they operate/provide services) and client satisfaction (surveys and focus groups). A majority of service providers reported outcomes to the county even if not asked to do so.*

## **VI. EVALUATION AND ACCOUNTABILITY IN COLORADO**

Based upon their experience and direct knowledge of the Colorado Works program, the research team believes that in the implementation of any devolution model, the most contentious issues are program evaluation and accountability. Yet another challenging issue is the altered relationship between the two entities involved, whether that is federal-state or state-county. Given Colorado's extensively devolved model, these key issues continue to have a major impact on the operation of the Colorado Works program.

In this section, we will examine the realities of evaluation and accountability in Colorado's devolved system by looking at the formal State Evaluation process, county responses to it, county evaluation efforts, oversight, CDHS' roles related to oversight and responsibility, and the counties' view of accountability and CDHS' role. The research team will share their perspectives on CDHS' role and the county view of accountability as well.

### **A. Evaluation of Colorado Works**

#### ***Formal State Evaluation***

A unique aspect of Colorado's welfare reform program has been its legislative mandate for what is one of the most extensive state evaluations in the nation. In the state's 1998 legislative session, Senate Bill 98-185 was passed authorizing the Office of the Colorado State Auditor to oversee a five-year evaluation of the Colorado Works program. Berkeley Planning Associates (now Berkeley Policy Associates), BPA, of Oakland, California was selected through a competitive procurement process to be the independent evaluator. The evaluation contract began in October 1998. BPA planned to work together with the University of Denver Graduate School of Social Work and to submit annual reports through 2003 with a final evaluation report in March 2004. A first, interim report was submitted in March 1999 followed by annual reports in November 1999, November 2000, and August and November 2001 and November 2002.

The six major areas that BPA planned to cover in the reports were:

- Employment and self-sufficiency
- Impact on children and families
- Employment preparation services
- Child Care
- Impact on state and local programs
- Costs and benefits

In the initial interim report, BPA stated that *"in future analyses we will examine both statewide trends and variation across the state in utilization of program components and*

*their links with recipients' outcomes. While not examining each county separately, we will utilize the variation in county approaches to Colorado Works to compare the effectiveness of different program services."*

A significant source of data for the evaluation was expected to come from a series of 6 on-site visits to 15 of Colorado's 64 counties, focus groups and observation of Colorado Works activities. In its first interim report, March 1999, BPA indicated that *"on-site data collection activities will not document the implementation process counties underwent in creating Colorado Works or measure the effectiveness with which counties carry out their plans. Rather, we will focus on understanding the operational aspects of the program and its components, how these operations change over the course of the evaluation and which practices prove most useful in assisting participants to move to self-sufficiency."*

It should be noted that advocates and several key legislators supported the concept of a State Evaluation. As researchers recall, in legislative hearings county officials, for the most part, questioned the need for an evaluation of Colorado Works. They also were definitive in their position that the state evaluations would not include county-specific information except for the counties participating in the study.

BPA's stated plan was that on-site data collection in the 15 field study counties would include county staff interviews, participant focus groups, targeted employer interviews, interviews with local service providers, interviews with advocacy groups, observation and case file reviews. Additional data would come from two participant surveys, a closed cases survey and a participant follow-up survey. Administrative data collection would include data from the state's various data systems such as the Client Oriented Information Network, TANF Repository, Child Care Automated Tracking System, Unemployment Insurance Benefits, Medicaid Management Information System, CWEST / Children, Youth and Families System, Colorado Automated Food Stamp System and labor market information. In addition to the state data, two national surveys would be used to enable a benchmark comparison of Colorado Works with TANF programs in other states. Those surveys are the Census Bureau's Survey of Program Dynamics used to compare outcomes associated with the Colorado Works program to welfare reform outcomes in the nation as a whole and the National Survey of America's Families conducted by the Urban Institute. This survey was expected to consist of interviews with 3000 individuals in each of 13 states, including Colorado.

### ***Samples of State Evaluation Recommendations***

Colorado's state evaluations have yielded a total of 43 recommendations to CDHS that cover a wide range of issues. Some examples of recommendations that have a special significance to the concept of devolution are:

- CDHS should confer with counties that have not submitted a Memorandum of Understanding and the associated attachments to determine why the documents have not been submitted (March 1999).
- CDHS should develop a rule that requires that all Colorado Works recipients be informed of the availability and eligibility requirements for child care subsidies through the Colorado Child Care Assistance Program (November 2000).
- CDHS should continue to review county assessment and Individual Responsibility Contract practices and provide training to case workers (November 1999).
- CDHS, in consultation with policymakers, the counties, and advocates should consider developing additional performance measures for the Colorado Works program. These measures should encourage counties to focus on and improve their outcomes in the provision of job preparation activities such as education, job skills training and counseling for current recipients, the delivery of post-program supportive services to former recipients and in employment retention for current and former recipients (November 2000).
- CDHS should continue to work with counties to conduct in-depth assessments of individuals nearing the time limit and ensure that assessments are conducted in a timely and consistent manner (November 2001).

Other recommendations center around developing performance measures focused on the delivery of low-income child care subsidies to eligible former Colorado Works recipients, encouraging the State Mental Health and Assessment and Service Agencies to strengthen their outreach and working relationships with county Colorado Works programs to ensure that recipients mental health needs are identified, and having the State Department of Health Care Policy and Financing and CDHS analyze the costs and benefits of expanding coverage under Medicaid to include substance abuse treatment.

### ***County Response to the State Evaluations***

It is interesting to note that while some legislators and advocates find the state evaluation reports helpful, in the researchers' surveys, county directors rated them primarily as "somewhat useful and somewhat valid." At the same time, county directors indicated that some state evaluation recommendations had been used to effect programmatic changes in their counties. The recommendations that were implemented were related to suggested changes in the assessment process and the development of strategies that would increase utilization and access to child care programs, transitional Medicaid and the Children's Health Plan (CHP+).

While this study is based on a small number of responses, this research team believes that this small group response is probably reflective of the position of most counties. Initial state evaluations met with resistance from some legislators and county officials. Subsequently, with the support and technical assistance of CDHS, counties appeared to give somewhat more credence to the validity of the recommendations and began to implement some of them. However, it is important to note that until the December 2002 Report was issued the language of the recommendations generally suggested that

CDHS “work with counties” or “provide technical assistance” on various issues. Significantly, in the December 2002 Report, a number of recommendations direct CDHS to “require counties” to take action and, for example, “specify in their County Plans formal procedures to ensure that Colorado Works case managers and Child Welfare case workers effectively collaborate in case management and service planning for dual-system clients.”

The research team believes that this change in language represents a major change in the suggested use of state authority with regard to the recommendations. Furthermore, if CDHS “required” the counties to take action on the recommendations, the real value of the state evaluation would increase dramatically. It could also be expected that the changes and adjustments suggested for the Colorado Works program would result in a strengthening of the overall program. At the same time, there is some question about whether CDHS has the authority to require that the counties actually implement the recommendations.

### ***County Level Evaluation and Monitoring***

Counties participating in this study are undertaking a variety of means of monitoring their performance. The two counties that answered the survey are tracking caseload, expenditures, work participation rates, and time clocks. In addition, they are tracking other areas. One county is tracking client comments, feedback from community agencies, case processing times, average wages, employment retention information, error rates, technician performance answering client calls, rates of completion of programs. Another county monitors the number of families with SSI and ADA issues and the number of families accessing childcare. This county has also implemented its own tracking system.

Of the four counties participating in this study, three have chosen to engage college or university staff or other researchers to evaluate their specific programs. However, anecdotal information leads the research team to believe that the use of *outside* evaluations is unique to a very limited number of counties.

In a review of the 11 sample county plans submitted to CDHS, no information on *formal* program evaluation is requested by CDHS nor could any be found. This does not imply that counties are not evaluating or monitoring their programs but simply that information on formal program evaluation reports could not be found in the counties’ plans submitted to CDHS. Clearly, some counties are tracking and monitoring various aspects of their programs. For example, one county planned to look at whether non-monetary services remove barriers to self-support, whether they impact system changes to empower families and whether they enhance quality of life for TANF recipients and the general population. The county’s dispute resolution process would also be evaluated to assure a proposed action is valid, that the client is protected against erroneous action concerning benefits and to assure reasonable promptness of county action. Another approach to evaluation was the hiring of an independent evaluator to look at all aspects of its welfare program so that the county could identify

and replicate the most effective strategies for moving people from welfare to work. This county has as its primary goal the elimination of poverty and family violence and would evaluate its program within this framework. Evaluation efforts in this county would emphasize crucial program components, key legislative issues and the validity of various expenditure patterns. Another county stated that it would use evaluation methods of program performance that included retention rates of individuals placed in unsubsidized employment, recidivism rates of those returning from unsubsidized placement and returning after participating in work activities, number of recipients sanctioned and costs of activities compared to outcomes. Yet another county's evaluation plan focused on its education, training and employment services and the recognition of "more difficult to serve" populations, tying performance standards to appropriate client profiles.

Mesa County has conducted an evaluation of its program, collecting data from 692 participants in Colorado Works.<sup>26</sup> The study includes both current participants, 'leavers' who left because of income and those who left for reasons other than income. The focus of the study was to determine the success of the program by examining income from work compared to income from government assistance to determine how well families were doing towards achieving a livable family income. The evaluation focuses on earnings over a three-year period compared with income from government benefits. The study shows Mesa County's program has made a difference in family's lives by increasing the income of families participating in the program over and above that of families who ended up leaving the program for a reason other than income ineligibility.

The research team's perspective is that while the counties that participated in the study have instituted a variety of evaluation or monitoring practices, there is no reasonable way of knowing whether all counties are evaluating the overall successes or failures of their programs. CDHS does not appear to have a process to obtain and counties do not appear to have an obligation to report this data.

### ***Other Limited Oversight – The Governor's Task Force on Welfare Reform***

In addition to the state evaluation (BPA) and individual county initiatives, other limited oversight efforts have taken place. In the fall of 1999, a 28 member Welfare Reform Task Force was established through a Governor's Executive Order. The state treasurer, Mike Coffman, (former state senator and sponsor of the Colorado Works legislation) was appointed chair along with Steff Clothier from Catholic Charities in Denver. The mission of the task force was to examine the welfare reform program and make recommendations concerning its implementation. The task force, a geographically diverse group, included state officials, county department directors, advocates (including three of the four research team members), service providers, county commissioners and former welfare participants. A series of meetings were held with interim work by sub-groups focusing on specific issues. Later, site visits and public hearings were held around the state with representatives from 17 counties.

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<sup>26</sup> See Evaluation of Mesa County's "Colorado Works" Program, fourth progress report. FY01.

The work of the task force ultimately resulted in three major recommendations. The first recommendation, considered the highest priority, was that “counties should focus on developing a comprehensive case management system that is designed to assist participants in not only getting a job, but keeping one as well.” Counties were asked “to make sure the case management included an in-depth and ongoing assessment of the participant’s abilities and that counties tie the assessment to the development of an Individual Responsibility Contract (IRC) that will help a participant achieve a living wage.” Additional recommendations in this area requested that CDHS continue to provide training and technical assistance around case management and Best Practices. Counties were also asked to expand their focus to include post-employment job counseling and to intervene in a participant’s case through a phone call or visit to strongly encourage compliance prior to an action to sanction the participant’s cash grant. An increase in the earnings disregard was also suggested and implemented through legislation during the 2001 legislative session.

The second priority recommendation was “to provide access to health care for Colorado Works participants who have started working but were unable to obtain health care through their employers.” This would be accomplished by ensuring that families access transitional Medicaid by expanding access to health care for working adults who are transitioning from welfare-to-work. The third major recommendation was to “focus on outcome measures for Colorado Works that are based on the goal of a parent or parents achieving enough income to support their family without the need for public assistance.” CDHS was asked to continue its collaborative efforts to identify strategies and quantifiable outcomes that will help participants achieve sustained self-sufficiency. Counties, advocates and community members were expected to work with the state department to implement the additional outcome measures.

Again, the research team points out while the recommendations of the Governor’s Task Force in many ways mirrored state evaluation recommendations, there is no mechanism in place through which the implementation of the recommended programmatic changes can be mandated. There is also no reasonable way to determine whether counties voluntarily implemented any of the recommendations.

## **B. Accountability and the State Role**

In the continuing discussion over the benefits and disadvantages of devolution, the question of balancing flexibility and accountability constantly arises. The perspective of the research team is that when the concept of devolution was being considered at both the federal and state levels, the major focus was on the flexibility devolution allowed. There was little emphasis on outcomes and accountability except for work-participation rates. The federal Department of Health and Human Services had been stripped of most of its monitoring and enforcement authority by the welfare law passed in 1996. CDHS similarly interpreted their monitoring and enforcement roles to be limited once counties were given authority to design and implement their own welfare programs, despite the statutory authority given to them. Thus the lack of focus on accountability

has been a real source of tension among advocates, counties and CDHS. Further, advocate efforts to promote accountability have also been relatively unsuccessful.

Based on a review of state documents, observations of state meetings and one formal interview with a state official as well as the research team's intimate knowledge and experience with the Colorado Works program, the following section looks at accountability in Colorado's devolved model.

### ***State Statute on Accountability***

To consider the concept of accountability in Colorado's devolved model, it is important to again review the provisions of SB 97-120, which created Colorado's unique model. As indicated in Section IV of this report, in the statute, there are several references to performance measures and a performance contract between the state department and Colorado's 64 counties. Specifically, in a section of the legislation entitled, *Performance Measurements*, it states that "the state department shall develop performance goals and a formula for measuring a county's progress toward meeting such performance goals in administering and implementing the Works program." Another section of the legislation, *Performance Contracts*, states that "an annual performance contract shall be entered into between a county or group of counties and the state department that shall identify the counties' duties and responsibilities in implementing the Works program and the Colorado Child Care Assistance program." The performance contract was to include requirements that both programs be implemented using fair and objective criteria, provisions that prohibited counties from reducing the basic cash assistance grant or restricting eligibility or the provision of services or imposing sanctions in a manner inconsistent with the provisions of the legislation. The performance contract also was expected to establish specific work participation rates for the county to ensure that the state could meet its rate. CDHS was also given the authority to sanction counties for not meeting any obligation under the performance contract. To date CDHS has elected not to sanction counties or require corrective action plans which are authorized by statute as well.

The legislation, in part, requires counties to appropriate funds, keep records and accounts of the costs of administering and implementing the Works Program and authorizes counties to apply for funds from the short-term emergency fund when necessary to meet requests for assistance. Additional requirements included meeting the work participation rate as set in the performance contract, providing information to CDHS enabling it to track participants' length of time for receipt of assistance, and providing written notifications to applicants and recipients of their responsibilities and options available under the Works program. Counties were also responsible for implementing child support and labor and employment protections.

In another section of the SB 97-120, dealing with *Oversight*, the specific duties of CDHS are listed. These duties include but are not limited to developing standardized forms, monitoring the state's progress in meeting the work-participation requirements, establishing a process to implement regionalization, establishing goals and monitoring

the state's progress in meeting goals for the reduction in the incidence of out-of-wedlock pregnancies. Some of the additional responsibilities of the state department were to monitor county provision of basic cash assistance grants, grant funds from the short-term works emergency fund and request supplemental appropriations from the General Assembly, develop a uniform reporting system, develop training for case workers, and collect data on interstate and intrastate migration of participants. It should also be noted that C.R.S. Section 26-2-104, the Public Assistance Act, also makes CDHS responsible for the supervision of all public assistance programs including the Colorado Works Program.

### ***Welfare Oversight Committee***

Another aspect of accountability in the Colorado Works legislation was the creation of the Welfare Oversight Committee consisting of members of the House and Senate HEWI (Health, Environment, Welfare, and Institutions) committees. This oversight committee began meeting as early as September 1997, and with ongoing changes in membership, continues to meet several times per year usually in early fall. Its statutory responsibility is to oversee the Colorado Works Program and its implementation by counties. When the committee meets Colorado Works program updates from CDHS are considered as well as the most recent results of the state evaluation and other national or local research. Advocacy and other community groups testify on issues of concern. The committee then develops legislative proposals.

### ***Emerging Role of the State***

While the state statute delineates responsibilities of both counties and the state, the role of the state in Colorado's county devolved model has in reality evolved over time and has been based upon CDHS' interpretation that its role is limited. When counties began to implement the Colorado Works Program in July 1997, how the state would take on its new role was unclear. In the first two years CDHS seemed to take a hands-off approach and to allow counties to take the lead.

Since that time however, from 1999 until the present, CDHS has developed a model of collaboration where state expertise could be helpful to developing policies and practices that could assist counties. This model includes (1) identifying issues where collaboration and state expertise can be valuable, (2) bringing together state and county people with community stakeholders to design a response, and (3) providing regional trainings for counties. The anticipated outcomes are that counties will learn from each other and share information on innovations and Best Practices.

One of the first state initiatives was related to the Family Violence Option (FVO), a provision in the federal welfare law. There were concerns identified by a number of stakeholders including advocates and service providers related to the implementation of the Family Violence Option including the need to have it adopted and implemented state-wide. Based on the success of this initiative in influencing both policy and practice

at the county level, three additional initiatives have been started in the areas of 60-month time limit response, substance abuse and ADA/civil rights.

Accountability for performance outcomes at the county level is still an area to be developed and is an emerging priority for CDHS. Through collaborations with a number of systems, such as child welfare and the Judiciary, counties that are not meeting standards will be targeted for assistance. It is often difficult for CDHS to get all of the information it needs both from the counties and the various state entities. The state is working on the development of a database that will help them to better track individual county goals.

One of the difficulties that CDHS faces in the county devolution model is that almost all funding is appropriated to the counties and therefore the state appropriation is limited. In 2003, as Colorado faces major budget cuts, the state office will lose positions and will not fill many if not most vacant positions

### ***Formal Accountability Measures***

As stated in Section IV, in the early months of the implementation of the Colorado Works program, one of the first accountability issues to emerge was the decision to use MOUs rather than formal performance contracts with CDHS. This process has continued for the duration of the program. In the MOUs, it is clearly stated that the MOU meets the performance contract requirement and the work-participation rate is the only performance goal. County and state duties are spelled out exactly as they are described as they are in the legislation. The MOUs also indicate that “a county may, in its sole discretion, change the way it implements the programs in any way consistent with state and federal law.” It must provide the state department with written updates. If a county has developed written policies for implementing the Works and Child Care programs, it agrees to provide copies of these policies to the Department. The MOU, significantly, includes the statement that there is “nothing in the MOU that gives the Department the authority to approve, deny or require county policies,” but “the county acknowledges the Department’s right to review, comment upon or request reasonable additional information or clarification of any such county policies.”

The research team believes that this decision to enter into an MOU rather than a legal contract seemed to clearly support CDHS’ belief that it had minimal responsibility for monitoring and enforcement, despite statutory authority. In many ways, the decision to enter into an MOU rather than a performance contract may be viewed as a turning point for the integration of accountability measures, i.e., that accountability would not be an integral part of the Colorado Works program.

### ***State Review of County Plans***

According to the CDHS, the model currently in place for state review of county plans is that the plans and various attachments are submitted each year and reviewed by the state, once when submitted and a second time before a site visit. Site visits are

scheduled to be conducted on a four-year schedule. If counties are not meeting basic goals, such as participation rates, the state staff will meet with the county. The state has established some generic criteria that determine the monitoring plan. There is also monitoring if there are complaints or when issues and trends, such as ADA compliance, are being addressed at the state level. Advocates would note that this model appears to have been put in place only recently. Prior to this plan, advocates made numerous inquiries about the monitoring and enforcement activities of CDHS. Eventually advocates learned that little monitoring of county plans and county activities took place during the first four years of the program for a number of reasons including limited resources at the state level.

CDHS has indicated that it works to take a proactive or preventative role to compliance by providing technical assistance and training on best practices. If non-compliance in a specific county needs to be addressed there is a process for corrective actions to be taken. The research team notes that the MOU sets out a process for sanctioning counties for failing to comply with federal and state laws and with other MOU obligations. Based on the information available to the research team, to date no county has been sanctioned. Since CDHS has not been actively involved in monitoring plans and activities, it makes sense that sanctioning would not have occurred. In addition, the counties and legislators early on sent a strong hands-off message to CDHS, despite the State Department's legal authority to sanction.

In a review of the 11 county plans and other information submitted to the State Department, it is interesting to note that there was little or no information on *formal* accountability measures, as this is not required. This does not necessarily imply that these counties do not have specific outcome or accountability measures, but only that these were not included in information submitted to CDHS. Four counties provided some information that could be considered a form of "accountability" or accountability measures. For example, one county indicated that it would not impose eligibility restrictions, limit services, or reduce grants inconsistent with state laws and rules. In that county all devolved functions would be provided in accordance with appropriate federal, state and county policies. Another county planned to measure the objective accomplishments of their efforts to reduce teen pregnancy. A third county's information indicated that their documents include a personnel handbook for county employees and that they provide accountability measures for county employees, but these were not listed. A fourth county indicated that it had a Quality Assurance Program that encourages complaints or compliments about the county department, its staff and services. This particular county had specific outcome measures it was tracking that included caseload size and characteristics, work-participation rates for one and two-parent families and the number of children living in poverty.

Beyond the information on accountability provided by the four counties, *little is known about whether or not accountability measures have been established in other counties.* What is known is that Colorado Counties Inc. (CCI), the lobbying arm of the counties, opposed legislation recently introduced to establish targeted performance outcomes around employment. The expressed basis for the opposition, in part, was the counties'

inability to achieve the successful outcomes. Additional opposition expressed the idea that to “require” outcomes was contrary to the state’s concept of county devolution. This legislation, supported by advocates, was defeated at the committee level. It is also important to note that in the five and a half years the Colorado Works program has been in existence there has been no progress in the development of performance or outcome measures, despite the statutory requirement and recommendations of the state evaluation and the Governor’s Task Force. CDHS and counties have held several meetings but to date, there has been no establishment of outcome measures other than the federally required mandate to meet work participation rates.

### ***County View of Accountability***

In this process of considering how counties perceive the role of accountability in their individual programs, it seems necessary to look at the stated philosophy, goals or vision of the participating counties and how they measure their success in realizing their vision. One county philosophy was “to promote families and help them access whatever services they need to maintain employment.” This particular county has conducted four Needs Assessments of their caseloads. In plans submitted to CDHS, some of their stated goals were “to establish direction for the provision of supportive services, provide uniform guidance for the provision of such services, to support children receiving TANF cared for by relatives, to provide procedural guidance for tracking recipients, to provide work incentive support payments to participants who meet or exceed their work requirements, to provide minor parents an incentive to stay in school and earn a diploma, and to work with the school system and coordinate training on statutory rape, teen pregnancy and childhood sexual abuse.” In addition to its internal tracking systems that are constantly evolving, this county has engaged a university researcher to do Needs Assessments, client profiles and some program assessment.

Another county’s focus was “to develop a program that promotes meaningful, long-term self-sufficiency and to maximize the use of the TANF block grant through collaboration, innovation and creativity.” This county’s goal was “to do nothing to harm children” and to identify significant barriers that need to be overcome. Transportation was a problem in this county and therefore funds were used for creative solutions. This county’s vision includes Prevention and its preventive services include services to high-risk students. This county tracked earnings, recidivism, domestic violence, drug use pregnancies and participants’ progress toward obtaining GED’s. In addition to the internal agency tracking, this county has also contracted with a local college for some program evaluation. A third county’s philosophy strongly emphasizes the “work-first” approach. Outcomes that are tracked relate primarily to employment and include full and part time placements, average wage at placement, participation rates, caseload size and reasons for termination. Program monitoring has led to staffing changes and increases in job development.

Only one county’s philosophy and vision represented in this study was “to eliminate poverty and family violence.” That county indicated that “it is that philosophy along with

our guiding principles of service delivery that drive all of our initiatives. As TANF and other assistance programs are being used as prevention programs for child welfare, child welfare is focusing on the issues of poverty that impact family stability and safety". This county's philosophy emphasizes family-centered practice with a strengths-based approach, empowerment and helping families take responsibility for their lives. Medicaid, Food Stamps, Diversion, TANF, Child Care and a variety of other services serve as a "poverty prevention program." The belief in this community is that money spent on families in both support and intervention is actually an investment in the community as much as the family. The county tracks and surveys its Family Independence process for caseload and work participation rates, as well as for a reduction in child poverty, outcomes in its domestic violence program and its Kinship and Family Empowerment programs. Because this county's TANF and child welfare programs are interconnected, outcomes related to out of home placements, children in foster care, adoptions, abuse and neglect, and residential placements are closely monitored.

### ***Community Review as Accountability***

The counties participating in this study view accountability and evaluation as important areas of their program. One view of how accountability happens at the local level centers on the way in which counties make the larger community aware of program services, policies, changes and successes. When the Colorado Works legislation was being developed, some counties held town meetings or focus groups for legislative input and policy development while in others decisions were made exclusively by county commissioners. County responses to this current research project were varied. One county director indicated that "it has been hard to get public input in policy development. Earlier we did community surveys and had meetings but we have no advocate involvement. The public rarely knows what is going on with us. Clients actually see the policies as written. Many might say we don't have enough precise policies." Another county director indicated that after the initial community forums and surveys, county commissioners have used committees to deal with specific concerns. The county responds to client complaints or service provider issues. There is no mechanism for community input except through commissioner meetings and no specific community publicity planned. A third county uses work groups of staff and community representatives to iron out policy and allows for public comment at its Welfare Reform Board meetings. This county regularly meets with community groups to work out specific issues raised. A fourth county has used a broad approach to community investment from the beginning and continues to engage community stakeholders including non-profits, advocates, and county commissioners in program planning.

### ***County View of State Role***

All of the four participating counties were generally comfortable with their relationship with CDHS. As indicated earlier, one county has chosen to meet regularly with CDHS to review changes in its policies and programs. The counties that were interviewed had various suggestions for how CDHS could be more helpful. One thought the Department

was “doing fine.” Another suggested it should just stay out of the way and give more incentive dollars to counties. Another thought CDHS could help more in negotiating through the federal regulations to address specific scenarios that seem to penalize families. In addition, one respondent wanted CDHS to have more performance measures to track a number of issues including the effectiveness of various supportive services and why families leave.

With the exception of the views of the participating counties, the research team has no additional information on how other counties view their relationship with CDHS. What the research team has observed, at public meetings, is that county officials extol the “positives” in the high level of local control Colorado’s devolved system allows. Public records also indicate that counties have resisted and opposed legislation or rules that include any “requirement” or mandate from CDHS.

### **Section Summary/Findings**

- *Colorado has one of the most extensive annual evaluations of its welfare program in the nation. In three and a half years the annual state evaluations have resulted in 43 recommendations for changes or adjustments to the Colorado Works program. The evaluation is limited, however, by a legislatively mandated prohibition on the inclusion of information on county program implementation except for the counties that have agreed to participate in the study. Therefore, the report looks only at statewide trends and there is no evaluation of the effectiveness or lack thereof of individual county programs. Another limitation is the optional nature of counties’ acceptance of recommendations for programmatic and policy changes.*
- *Limited oversight of the Colorado Works program occurs through the legislative Welfare Reform Oversight Committee. The Governor’s Welfare Reform Task Force shed some light on the problems participants were experiencing at the county level but again there was no mandate for the implementation of the recommendations that came out of the limited in time Task Force which disbanded even before the final report was submitted to the Governor.*
- *From an analysis of the information available, it appears that several counties are tracking their caseloads, time clocks, case processing times, employment retention, average wages and other factors of interest to them. A very limited number of counties have engaged independent researchers to evaluate their specific programs. The research team’s perspective is that there is no way of knowing whether all or most counties are evaluating the successes and failures of their programs. CDHS does not appear to obtain and counties have no obligation to report this data.*
- *The statute has a provision that directs CDHS to develop performance goals and a formula for measuring a county’s progress toward meeting the performance*

goals. Another provision requires an annual performance contract. However, in lieu of the performance goals and annual performance contracts, the counties and CDHS negotiated an MOU with the federal work participation rate as the only performance measure.

- *While the statute generally delineates the responsibilities of both the counties and CDHS, the very limited use of CHDS' monitoring and enforcement authority has been a source of controversy between the CDHS and advocates. Currently, the state has developed a model in which it identifies issues where collaboration and state expertise can be valuable, brings counties and community stakeholders together to design a response and provides regional trainings for counties. All of the four counties participating in this study were comfortable with their relationship with CDHS. One county has chosen to meet regularly with CDHS to review changes in its policies and programs. The research team has no other information on how other counties view their relationship with CDHS. What the research team has observed, at public meetings, is that county officials enthusiastically endorse the high level of control Colorado's devolved model allows. Public records indicate that counties have consistently resisted and opposed legislation that includes any "requirement" or mandate from the State.*
- *The four counties in the study view accountability and evaluation as an important part of their program. They have considered community review of programs and policies one of the ways they could be held accountable. Initially, as Colorado Works was being implemented, county officials in some counties held public forums and conducted surveys and focus groups for community input. One county has continued to engage the broader community in program planning, but there was little evidence that many other counties were continuing this practice. It is also unclear how all the other counties view accountability and evaluation.*

## Appendices

- A: Service Provider Interview Questions
- B: Chart
- C. Letter of Invitation to Service Providers
- D. Caseworker Interview Questions
- E. County Director Interview Questions
- F. Survey – County Directors/TANF Directors
- G. Summary of County Database

For Appendices, please contact:  
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