

# MEMORANDUM

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**TO:** Joint Budget Committee Members

**FROM:** Kevin Neimond, Joint Budget Committee Staff, 303-866-4958

**SUBJECT:** Tabled: R19 Improving Colorado Works performance management capabilities

**DATE:** March 14, 2014

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## *Background*

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program created in the 1996 welfare reform law (P.L. 104-193). The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Per the 1996 federal law, the State receives a fixed amount of \$136.1 million per year in TANF block grant funds. The majority of the TANF funds received each year (\$128.2 million for FY 2013-14) are appropriated as block allocations to counties for the Colorado Works program. Federal TANF funds are also used by the State and counties to support related programs that assist needy families, including child welfare and child care subsidy programs.

## *Issue*

The Department indicates that current funding is insufficient for performing thorough analysis and evaluation of the TANF program. The \$95,000 appropriated for this purpose is spent on software, training and contracts with external evaluators to conduct specific analyses. Prior to FY 2011-12, this purpose received appropriations between \$350,000 and \$500,000.

To evaluate the impact of its innovative programs and policy changes, the Department needs data on participant outcomes, timeliness, and costs. This represents information that is not currently easily accessible, though. Specifically, the agency needs data to answer the following questions:

- What are the impacts of the recent Certification Period implementation on outcomes, costs, timeliness, etc.?
- What county systems, procedures, and engagement strategies lead to higher work participation rates among TANF recipients?
- What county programs and work engagement/preparation strategies result in long-term employment (vs. short-term)? Higher earnings? Reduced TANF recidivism?
- What are the primary reasons for exiting TANF? How might various county policies or other factors contribute to these outcomes?
- What factors or barriers distinguish participants who do not enter employment? What specific strategies or programs have been proven to successfully target these barriers?
- What strategies improve child well-being?
- How do counties compare over time on a standard set of performance metrics? What differences in policies or other factors may explain differences?

### ***Proposed Solution***

As part of the Governor's emphasis on employment, job retention, and increased earnings, this request focuses on collecting data on existing TANF participants and follow-up data about TANF participants after they leave the program. Specifically, the Department proposes the following four actions:

- Collection of "TANF Leaver" data: CBMS has limited ability to collect information after participants leave the program, and that requires significant work on the part of county staff resulting in inconsistent data collection, entry, and analysis. This request would fund an ongoing contract for post-TANF surveying to provide data for program outcome and impact evaluation;
- Data Warehouse: In 2005, the Division contracted the building of a database to collect longitudinal data for departmental analysis. The warehouse provides analysts with data on TANF program participants, benefits, and services for use in statistical analysis for program planning and evaluation. That warehouse is outdated and no longer usable in its current state. CBMS is not built to easily extract data for analysis. This request would fund either repair or replacement of the existing database;
- Information Technology Improvements: This includes hardware and other non-CBMS software, training, and technical support necessary to analyze and report data; and
- Analytical expertise: It is not efficient for the Department to employ fulltime experts, such as econometric or return-on-investment analysts. These funds would support contracting for these needs when they arise.

### ***Proposed Funding***

The Department requests \$400,440 federal funds from the TANF Block Grant to fund the proposed solution.

- Collection of "TANF Leaver" data: \$125,000;
- Data Warehouse: \$245,440; and
- Information Technology Improvements: \$30,000.

The Department indicates that this request is ongoing into future fiscal years to support ongoing maintenance of the data warehouse and to augment existing analytical capacity through contracts with vendors such as local universities or national experts in program evaluation, implementation, and design. Such contracts can range from \$80,000 to \$130,000 or more, depending upon scope and whether or not data collection is included. This range is based on previous contracts with local universities for quantitative and qualitative research and data management assistance. The costs to retain the vendor responsible for the "TANF leaver" data and software licensing expenses would continue in perpetuity.

### ***Recommendation***

Staff recommends that the Committee approve the Department's request. It represents a reasonable approach to gathering better data on program participants that can lead to a better understanding of how the Department is performing in meeting its strategic goals associated with the delivery of the Colorado Works program.