

Benefit Cliff Mitigation in COLORADO

THE SPARK

The state's commitment to breaking the cycle of intergenerational poverty and promoting economic self-sufficiency among families sparked their cliff mitigation journey. In 2020, the Colorado Department of Human Services (CDHS) applied for and later received the Family Prosperity Grant through Ascend at the Aspen Institute. This grant provided the necessary startup funding to begin to address benefit cliffs, driven by the recognition that families often face financial instability when transitioning off public assistance programs; there was a clear need to support these families in achieving long-term economic stability.

INITIATIVES

Family Voice Council

One of the primary initiatives under this grant was the establishment of the Family Voice Council. This council ensures that CDHS' program and policy changes are guided by the experiences and feedback of families directly affected by benefit cliffs. The council has played a crucial role in testing and refining financial literacy and coaching programs in the state.

Luminate Benefit Cliff Calculator

To aid families preparing to transition off of benefits in Colorado, CDHS developed the Luminate Tool, a family financial planner designed to help families understand their financial situations and make informed decisions regarding benefits and employment. The Luminate tool is designed to be used in collaboration with financial coaches, ensuring that families receive personalized guidance and support as they work towards economic self-sufficiency.

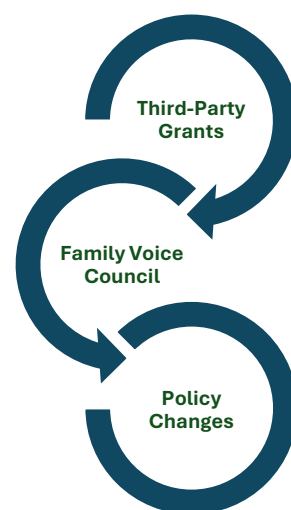
Employer Toolkit

Another significant initiative was the creation of an employer toolkit, which aimed to educate employers about supporting employees as they face benefit cliffs. This toolkit is now led by Activate Workforce Solutions (SPUR), which continues to assist employers in navigating these challenges. To ensure information shared in their Employer Toolkit is accurate and effective, CDHS hires qualified benefit recipients into various state positions and walks with them as they face benefits cliffs.

House Bill 1259

House Bill 1259 was a pivotal piece of legislation that implemented various policy changes to address benefit cliffs in Colorado particularly in Colorado's TANF program, including changes to the 60-month extension process, earned income disregard, child support pass-through, and re-engagement processes. The bill aimed to provide more defined eligibility criteria and processes, thereby increasing the number of individuals who could receive benefits beyond 60 months. Additionally, it introduced a cost-of-living adjustment (COLA) for basic cash assistance grants, ensuring that these grants keep pace with inflation and economic changes.

CO's Secret Sauce
Colorado doesn't leave any key players out of these important conversations. They are sure to include advocacy organizations, employers, as well as a wide variety of state agencies.



FINER DETAILS

Funding

Funding for CDHS' benefit cliff mitigation work came from various sources; The Aspen Institute's Family Prosperity Grant provided initial funding for two years and an additional grant from Ascend supported the replication of their Family Voice Council model in other states. House Bill 1259 implemented various policy changes funded through a combination of ARPA funds, state long-term reserves, county reserves, and state general funds. The funding structure included a 1/3 split between county and state reserves, with the remainder covered by state general funds.

Key Collaborators

Key collaborators in these initiatives included Colorado's Family Voice Council, which was integral in guiding more recent initiatives and providing feedback. Activate Workforce Solutions (SPUR) led the employer toolkit initiative, while advocacy organizations like the Colorado Children's Campaign and Colorado Legal Services provided valuable input on policy discussions and potential rule changes. County departments were actively engaged in stakeholder forums and workgroups to implement policy changes. National partners, such as Martha O'Bryan and APHSA, collaborated on national policy agendas and dashboards.

TIMELINE

The timeline below demonstrates how the Family Prosperity Grant ignited this body of work in Colorado.

