

**Overview of TANF Policy:** In 2020, Colorado provided TANF cash support to 20% of families with children living below the poverty level, very close to the national average in that year (21%).<sup>1</sup> The state provides a maximum monthly benefit of \$559/month for a single-parent family with two children and \$585/month for a two-parent family with one child (or between 26% and 27% FPL in 2024). **Benefit amounts are scheduled to increase annually.** According to a report from the Department of Health and Human Services, **as of 2021 the state held \$107,854,245 in TANF funds in reserve; the state received \$151,762,363 in federal block grants in the following year, 2022.**<sup>2</sup>

After deductions, only families earning less than 20% FPL receive TANF cash assistance. However, the state does not restrict the cash assets that a family can retain while receiving the benefit, having **eliminated an asset test for eligibility.**

Colorado **maintains the federal lifetime limit of 60 months for TANF cash assistance,** and **pregnant people who have no other children are eligible to receive cash assistance** if they meet other requirements from the first month of pregnancy. Additionally, the state has **eliminated the ban on eligibility for those formerly convicted of drug-related felonies.**

**Assessment of TANF Policy:** By **increasing maximum benefits** and **extending income limits,** Colorado could greatly benefit parents and children during periods of acute need.<sup>3</sup>

Colorado could also consider **eliminating TANF's full-family sanctions** by reducing rather than terminating benefit levels for parents not fulfilling the program's work requirements, as more states are doing.

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<sup>1</sup> For more on TANF-to-poverty ratios, see <https://www.cbpp.org/research/income-security/state-fact-sheets-trends-in-state-tanf-to-poverty-ratios>.

<sup>2</sup> Block grants and spending priorities for 2022 for all states are accessible here: <https://www.acf.hhs.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2022>.

<sup>3</sup> For research detailing effects of some state-level TANF policies and administrative practices on children and families, see <https://www.nccp.org/ec-profiles-pes-policies-related-research-and-resources/#parenting>.

Colorado’s Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum benefit allowed</b></p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p>	<p>\$559/month for a single-parent family with two children; \$585/month for a two-parent family with one child (or between 26% and 27% FPL in 2024).</p>	<p><b>Increase the maximum benefit level.</b></p> <p><b>Example: California’s maximum payment for a family of three is \$1,171/month, or 51% of the federal poverty limit.</b></p>
<p><b>Recurring benefit increases</b></p> <p>Has the state mandated increases to these amounts in future, as the cost of living rises?</p>	<p>Yes. Beginning July 1, 2024, the amount of cash assistance must equal or exceed the amount from the previous year plus a 2% cost-of-living adjustment or a cost-of-living adjustment that is equal to the average of the federal social security administration's cost-of-living adjustment for that fiscal year plus the previous 2 fiscal years, whichever is greater.</p>	<p>N/A</p>
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum income</b></p> <p>How much can a family of three earn and still be considered eligible to receive cash assistance?</p>	<p>When applying, parents’ gross income minus \$90/earner must be no higher than \$421/month for a single-parent family with two children, or \$439/month for a two-parent family with one child (20% FPL in 2024).</p>	<p><b>Consider extending cash assistance to families earning more income.</b></p> <p><b>Example: Minnesota provides eligibility to families earning up to 70% FPL.</b></p>

<b>Asset limit</b> How much can a family maintain in savings while still being eligible for cash assistance?	There is no limit on savings.	N/A
<b>Eligibility during pregnancy for parents without children</b> Are pregnant people with no children in the household eligible for cash assistance?	Yes, from the first month of pregnancy.	N/A
<b>ADDITIONAL RULES AND RESTRICTIONS</b>		
<b>Flexibility</b>	<b>Current policy</b>	<b>Potential improvement</b>
<b>Time limit</b> Does Colorado allow families to receive cash assistance up to the federal limit of 60 months?	The lifetime limit is 60 months.	N/A
<b>Lifting full-family sanctions</b> Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?	No. After two sanctions, the benefit is terminated for the household. After a fourth sanction, the case is closed.	<b>Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Illinois).</b>
<b>Lifting drug felony bans</b> Are persons convicted of drug-related felonies eligible for cash assistance?	Yes.	N/A
<b>Lifting the family cap for a new birth</b> Can families receive additional cash assistance if they have another child while receiving assistance?	Yes; Colorado never instituted a family cap.	N/A