

## OVERVIEW

Colorado Works (CW) (TANF)	Colorado	U.S. Average or Total
Annual (federal-only) block grant amount	\$135,607,703	\$16,488,600,000 (total)
% of TANF block grants spent on cash assistance, 2024	12.5%	21.8%
% families who participated in TANF per 100 families with children living in poverty, 2022-23	27.0%	20%
Total # families receiving TANF in 2025	13621	848,631 (total)
% of cases designated "Child-Only" in 2025	31.0%	39.3%
<b>"Unobligated balance" (or stockpiled amounts, which must be used for cash assistance or admin)</b>		
TANF Funds "unobligated balance," as of 2024	\$86,106,324	\$7,986,470,560 (total)
"Unobligated balance" as share of total block grant amount	63.5%	49.5%
Change (+ or -) in "unobligated balance" from 2023	-\$23,195,032	+\$241,306,628

## COLORADO'S CASH ASSISTANCE (TANF) POLICY

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>\$620/month for a single-parent family with two children or \$649/month for a two-parent family with one child: either 28% or 29% of the Federal Poverty Level (FPL).</p>	<p><b>Consider increasing the maximum benefit level to support families with children during challenging periods.</b></p> <p><b>Example:</b> Minnesota provides \$1,430/month. California provides up to \$1,175/month.</p>
<p><b>Recurring benefit increases</b></p> <p>Has Colorado mandated increases to these amounts, as costs of living increase?</p>	<p>Yes.</p>	<p>N/A</p>

Flexibility	Current policy	Potential improvement
<p><b>Deductions for calculation of benefit amount</b></p> <p>Can parents deduct some earnings or expenses from their income when calculating their benefit?</p>	<p>Yes. They may disregard 100% of all income for the first 6 months, then disregard 67% of earned income on an ongoing basis.</p>	<p><b>The state could consider a larger deduction for a period after family member becomes employed.</b></p> <p><b>Example:</b> Rhode Island allows a deduction of 100% of earned income when an adult first gains employment while in the state’s works program for up to six months.</p>

**HOW ELSE DOES COLORADO DETERMINE THE GENEROSITY OF CASH ASSISTANCE?**

Flexibility	Current policy	Potential improvement
<p><b>Time limit</b></p> <p>Does Colorado allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Transitional cash benefits for families who become ineligible after receiving cash assistance</b></p> <p>Will parents and caregivers who are newly ineligible for cash assistance receive additional cash support for a limited period?</p>	<p>No.</p>	<p><b>Consider providing a portion of the benefit once parents increase earnings, to avoid benefit cliffs and support economic stability.</b></p> <p><b>Examples:</b> Wyoming provides 50% of families’ former assistance amounts for up to six consecutive months. Montana provides small amounts of assistance for up to a year.</p>
<p><b>Providing one-time cash payments to families in with specific financial needs</b></p> <p>Does Colorado provide a formal diversion program to support families with specific short-term needs?</p>	<p>Yes.</p>	<p>N/A</p>

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Flexibility	Current policy	Potential improvement
<p><b>Eligibility for monthly assistance less than six months after a diversion payment</b></p> <p>Can families who receive diversionary payments apply for monthly assistance within six months afterward?</p>	<p>No. Families agree to a period of ineligibility (POI) that varies by county and can be as long as 12 months in some counties.</p>	<p><b>Consider shortening the period of ineligibility.</b></p> <p><b>Examples:</b> Arizona provides diversion payments to families who are then ineligible for monthly assistance for just three months.</p>
<p><b>Providing assistance with housing</b></p> <p>Does the state provide housing vouchers with TANF funds?</p>	<p>No.</p>	<p><b>Providing housing vouchers alongside cash assistance can ease high costs for eligible families.</b></p> <p><b>Examples:</b> Hawaii and Maine provide housing vouchers worth several hundred dollars along with TANF cash assistance.</p>
<p><b>Providing assistance with diaper purchases</b></p> <p>Does Colorado provide assistance to families with diaper expenses using TANF funds?</p>	<p>No.</p>	<p><b>Providing assistance with diaper costs provides significant support for families with young children.</b></p> <p><b>Examples:</b> Hawaii and Washington provide assistance with diapers for families with very young children receiving TANF cash assistance.</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 for cash assistance eligibility?</p>	<p>\$421/month for a single-parent family with two children</p>	<p><b>Consider increasing the gross income limit to provide potential eligibility to more families.</b></p> <p><b>Example:</b> Rhode Island provides gross income eligibility for families with income up to \$4,997/month, or 225% FPL.</p>
<p><b>Deductions for assessment of benefit eligibility</b></p> <p>Can families deduct a portion of earnings or some expenses from their income to meet income eligibility requirements?</p>	<p>Parents who apply can deduct \$90.</p>	<p><b>Consider providing a higher deduction to provide support to more parents.</b></p> <p><b>Example: Example:</b> In Arizona, parents may deduct \$90 and then 30% of the remaining income and some child care expenses.</p>
<p><b>Asset limit</b></p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>Colorado has eliminated the asset limit for cash assistance.</p>	<p>N/A</p>
<p><b>Eligibility during pregnancy for parents without children</b></p> <p>Are pregnant people with no children in the household eligible for cash assistance?</p>	<p>Yes, with no restriction on trimester or month of pregnancy.</p>	<p>N/A</p>
<p><b>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance in Colorado after five years' residence?</p>	<p>Yes.</p>	<p>N/A</p>

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Flexibility	Current policy	Potential improvement
<p><b>Use of state funds to provide cash assistance to immigrant families who are lawful permanent residents (LPRs) with less than five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance if they have <i>less than five years' residence</i>?</p>	Yes.	N/A
<b>HOW DOES COLORADO TREAT CHILD SUPPORT OWED TO A FAMILY APPLYING FOR AND RECEIVING CASH ASSISTANCE?</b>		
Flexibility	Current policy	Potential improvement
<p><b>Child support pass-through</b></p> <p>Does Colorado “pass through” a portion of the payments received by the state in child support for the family?</p>	Yes.	N/A
<b>WHAT ARE COLORADO’S WORK REQUIREMENTS FOR CASH ASSISTANCE?</b>		
Flexibility	Current policy	Potential improvement
<p><b>Provision of cash assistance to out-of-work parents before they search for a job</b></p> <p>Does Colorado provide eligibility to parents without a search for employment?</p>	Yes.	N/A
<p><b>Counting educational activities as “core” work requirements</b></p> <p>Does Colorado provide credit for all educational activities, including college, as “core” work activities for cash assistance?</p>	No.	<p><b>Consider allowing postsecondary attendance and vocational education to count as “core” work participation.</b></p> <p><b>Examples:</b> New Mexico, Pennsylvania, and Rhode Island allow specific types of postsecondary education for different periods as exemptions.</p>

Flexibility	Current policy	Potential improvement
<p><b>Exemption for caregivers of infants</b></p> <p>Are parents or caregivers caring for a child under twelve months of age exempt from work requirements?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Other exemptions from work requirements</b></p> <p>What are other conditions for exemptions from work requirements?</p>	<p>Other conditions for exemption include:</p> <ul style="list-style-type: none"> <li>• Caregiver’s disability</li> <li>• Domestic violence</li> <li>• Temporary inability to work</li> </ul>	<p><b>Consider providing exemptions from work requirements for other conditions, such as:</b></p> <ul style="list-style-type: none"> <li>• Care of an ill or disabled family member</li> <li>• Drug or alcohol treatment</li> <li>• Lack of childcare for children under six</li> <li>• Pregnancy, particularly in the last month or trimester</li> </ul>

**WHICH RESTRICTIONS ON CASH ASSISTANCE HAS COLORADO EASED?**

Flexibility	Current policy	Potential improvement
<p><b>Lifting full-family sanctions</b></p> <p>Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?</p>	<p>No, the state will enact full-family sanctions although not immediately.</p>	<p><b>In cases of non-compliance with work requirements, consider only reducing the benefit amount instead and eliminating full-family sanctions.</b></p> <p><b>Examples:</b> California and Oregon will merely reduce the benefit, never enacting full-family sanctions.</p>
<p><b>Lifting drug felony bans</b></p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	<p>The state has modified the ban so that those with drug-related felony convictions are eligible for assistance unless they were involved in drug trafficking.</p>	<p>N/A</p>

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Flexibility	Current policy	Potential improvement
<b>Refraining from drug testing applicants or recipients</b>  Does Colorado refrain from enforcing drug testing of caregivers who are either receiving or applying 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, the state never enacted a family cap.	N/A

### NOTES ON SOURCES:

TANF state profiles were compiled by extensive review of administrative guidelines including those published in state TANF manuals. Additionally, NCCP researchers referred to enacted state legislative resources.

NCCP gratefully acknowledges the of states' TANF-to-poverty ratios as developed and provided by the Center on Budget and Policy Priorities:

Center on Budget and Policy Priorities. (2025, April 11). *AFDC and TANF caseload and poverty data*. <https://www.cbpp.org/research/income-security/afdc-and-tanf-caseload-and-poverty-data>

We have drawn on the publication of federal data on states' TANF block grant spending, including financial data, spending allocations, and caseload information:

Office of Family Assistance. (2026, February 10). *TANF and MOE spending and transfers by activity, FY 2024*. Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2024>

Office of Family Assistance. (2025). *TANF caseload data 2025*. Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/ofa/data/tanf-caseload-data-2025>