

COLORADO DEPARTMENT OF HUMAN SERVICES 1575 SHERMAN ST., DENVER, COLORADO 80203-1714 AGENCY LETTER	NUMBER: TCW-08-05-P
	CROSS REFERENCE NUMBER:
DIVISION OR OFFICE: .	DATE: July 31, 2008
PROGRAM AREA: TANF/Colorado Works - TCW	DIVISION DIRECTOR: Kevin R. Richards
TITLE: FAMILY STABILIZATION DIVERSION TYPE: P – Procedure	MANAGER: Pauline Burton

Purpose:

The purpose of this Agency Letter is to provide additional guidance and clarity to the county departments of social/human services concerning the option to provide State Diversion payments for the purpose of upfront stabilization of the family. The Family Stabilization Diversion payment(s) allow counties the opportunity to assess Colorado Works families more completely to determine if ongoing basic cash assistance is appropriate. This particular strategy promotes the county's ability to conduct assessments, which provide a comprehensive understanding of the strengths of the participant and barriers determined after application and ultimately, assist in the determination of need for ongoing basic cash assistance.

Background:

The Deficit Reduction Act of 2005 (Public Law 109-171) included provisions to reauthorize TANF to build on the TANF program's success. The new law addresses the needs of families by maintaining the program's overall funding and basic structure, while focusing increased efforts on building stronger families through work, job advancement, and research on healthy marriage and responsible fatherhood programs.

The federal TANF regulation 45 CFR 260.31(a)(1) and (2) specifies that "assistance" includes cash, payments, vouchers and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). The federal TANF regulation 45 CFR 260.31(a)(3) states that assistance also can include supportive services such as transportation and child care provided to families that are not employed.

On May 19, 2008, the Administration for Children and Families (ACF), Office of Family Assistance (OFA) issued a Program Instruction reiterating the following:

The TANF regulation at 45 CFR 260.31(b)(1) excludes from the definition of assistance non-recurrent, short-term benefits that:

- (i) Are designed to deal with a specific crisis situation or episode of need;
- (ii) Are not intended to meet recurrent or ongoing needs; and
- (iii) Will not extend beyond four months.

In addition, the TANF regulation at 45 CFR 260.31(b)(6) excludes from the definition of assistance:ⁱ

Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement and other employment-related services that do not provide basic **income** support. (emphasis added)

Procedure:

After receiving the reiteration of this specific federal TANF rule through the aforementioned Program Instruction, the Colorado Department of Human Services has deemed it necessary to further emphasize procedures for Family Stabilization Diversion. The purpose of these procedures is to assist counties with guidelines to make a reasonable determination of “non-recurrent need” and some examples of crisis situations and episode (less than four months) of need before determining if non-recurrent benefits are substantiated.

The determination for the need of non-recurrent payments, such as Family Stabilization Diversion, must include documentation that those payments meet all three criteria mentioned above. Initial assessment information, in addition to case file comments related to initial assessment information serves as documentation. These records should be used in developing the Individual Responsibility Contract (IRC), which will outline the specific crisis or episode of need that will be ameliorated as a result of the payment(s) being made. If more than one family stabilization diversion payment is made over a timeframe that does not exceed four (4) months, each month of payment(s) shall include the non-recurrent need that is being addressed because of the payment.

Crisis situations and certain episodes of need normally hinder a family from moving immediately toward employment and ultimately, self-sufficiency. Examples of some of these situations could include impending eviction, threat of gas/electricity shutdown, food shortages, family care needs, breakdown of primary transportation, short-term illnesses, short-term legal issues, emergencies and other disasters.

Family Stabilization Diversion payments can only be paid to Colorado Works households where reasonable and best effort has been made in determining the family does not present with an ongoing need. Sometimes, the status of needs are not immediately clear to county staff and further exploration must be done to determine if ongoing need is present. At the point where there is an affirmative determination of ongoing need, basic cash assistance shall be paid to the family based on the eligibility requirements set forth in Staff Manual Volume III and the participant, if work eligible, shall be subject to TANF/Colorado Works – work requirements.

In addition, after the determination is made that the disposition of need is either unclear or not ongoing, counties may establish a State Diversion payment not to exceed four consecutive months for the same specific situation or need. A Family Stabilization Diversion can be used for any household seeking assistance under the terms and conditions set forth in Rule Section 3.619.1 (9 CCR 2503-1) and should be based on county policies approved through the county Board of Commissioners or in the case of Denver County, the Board of Human Services.

The following are specific requirements and recommendations for assisting counties with family stability State Diversion policies and payments:

- 1) A Colorado Works assessment and Individual Responsibility Contract (IRC) must still be completed per Colorado Department of Human Services, Income Maintenance Manual, section 3.619 (9 CCR 2503-1) and shall be conducted within statutory timeframes.
- 2) The crisis situation and/or episode of need shall be immediately addressed in the IRC and the participant must be assigned to further assessment activities to continue the evaluation of need for ongoing basic cash assistance. Further assessment can include activities, such as academic testing, job skills evaluations, budget and needs assessment, barrier identification, disability evaluations, and other similar activities. Again, these activities shall be included in the Family Stabilization Diversion IRC until such time that a determination can be made regarding ongoing need for basic cash.
- 3) Once assessment outcomes and other information clearly delineate a need for ongoing basic cash versus continued diversion payments, a basic cash payment shall be established. At the point of this determination, an associated IRC must be developed and implemented based on the ongoing need.

- 4) For participants who are employed or become employed during the stabilization period, counties are encouraged to provide work supports, such as support under the Colorado Child Care Assistance Program (CCCAP), strategies for supplementation of income through the Earned Income Tax Credit, and transition to County Diversion supports if ineligible for basic cash/State Diversion. Providing upfront education of this type of work support assistance to participants will help alleviate the cliff effect once the participant chooses employment. This information provided at application/orientation is intended to encourage work and job retention.

- 5) The procedure for entering a State Diversion payment can be obtained through the CBMS Users page of the CDHS Portal, select the Document folder, then the Diversion folder. The procedure is titled **Diversion BCA Lump Sum for CW** (042106 – CBMS1).

In the Collect Diversion/BCA Lump Sum Detail window a valid value of **“Family Stabilization”** has been added to the Diversion Reason field.

Effective Date:

Immediately

Supersedes:

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ⁱ The TANF regulations at 45 CFR 260.31(b)(2) – (b)(5), and (b)(7) list other services that do not constitute assistance.