



TANF THEORY OF CHANGE MEASUREMENT RECOMMENDATIONS

The Unifying Theory of Change (TOC) describes how various programmatic efforts for Temporary Assistance for Needy Families (TANF) are expected to contribute to outcomes for families by linking program activity pathways to short-, medium-, and long-term outcomes for the target population. The TOC is designed to support federal accountability requirements and the potential shift toward performance-based county contracts. This document outlines how to measure outcomes aligned to the current TOC, offering eight recommendations to guide planning for performance-based contracting (PBC) and independent evaluation. As policies and program design evolve, this working document should be updated to reflect changing priorities.

Guidance and recommendations generated by the Colorado Evaluation & Action Lab at the University of Denver.

TANF Theory of Change

The [TOC](#) has five core components:

- **TANF Investments:** Financial investments in clients that complement TANF activities to support desired outcomes.
- **TANF Activities:** Tasks or programs designed to help clients prevent or overcome barriers to workforce participation and income stability, often in conjunction with financial assistance.
- **Short-term Outcomes:** Immediate changes in knowledge, skills, behaviors, or circumstances expected to occur as a direct result of program participation.
- **Medium-term Outcomes:** Measurable changes expected to occur after clients engage meaningfully with services and supports. Medium-term outcomes represent progress toward the “North Star” Outcomes and are more directly attributable to TANF program design and implementation, though they are still influenced by external factors.
- **“North Star” (Long-term) Outcomes:** Aspirational, long-term outcomes that the current TANF program seeks to influence.

Recommendation 1: Integrate PBC with independent evaluation.

Align these approaches so they collectively build a comprehensive understanding of what works, for whom, and under what conditions.

- Structure PBC to emphasize fidelity to the TANF model (e.g., required activities and investments) and short-term outcomes.
- Use independent evaluation to link PBC data with state administrative outcomes data to test the TOC and assess progress on short-, medium-, and long-term outcomes.

Recommendation 2: Leverage Colorado Benefits Management System (CBMS) modernization to strengthen data quality for PBC.

- Use system modernization to improve the validity and consistency of data used in PBC.

PBC Recommended Measures

TOC-aligned recommendations are intended to supplement the compliance-focused elements of PBC, not replace the use of PBC to incentivize meeting federal requirements such as the Work Participation Rate (WPR). Maintaining a compliance-oriented aspect to PBC may be necessary to protect federal funding.

The thresholds or “cut-scores” for tying outcomes to PBC incentive structures will require baseline data and community partner and client engagement.





Recommendation 3: Adopt a structured assessment tool that can inform high-quality case management and be used for measuring progress on short-term outcomes.

- Embed the selected assessment tool in CBMS modernization so that all counties and regions collect and use the same information for case management and outcome tracking.
- Add or modify fields in CBMS modernization to capture short-term outcomes related to employment, so that self-reported information is standardized and can be used for case management and outcome tracking. See [Appendix A](#) for minimum data requirements.

Stepping Stones to Success Assessment is an example. Items are referenced in Table 1 for illustrative purposes only. The selection of an assessment tool is best done in conjunction with developing a case management approach.

Recommendation 4: Use a PBC approach that rewards both maintenance and improvement.

Structure PBC to incentivize counties/regions to: 1) sustain outcomes at or above established thresholds when they are already meeting expectations and (2) demonstrate meaningful progress toward thresholds when they are not yet meeting them.

- Define thresholds based on the percentage of TANF-eligible participants achieving the specified outcome.
- Measure progress using percent change from a baseline or from the prior PBC reporting period to reward movement toward the threshold.
- Ensure that client voice and community partner perspectives are used to determine what is a meaningful progress and a positive outcome.

Setting up a PBC approach will require the state, in partnership with counties, to define standards for delivering activities and making evidence-based investments. This is part of the process of moving from the current TANF state to a new version of TANF in Colorado. Thus, the activity and investment guidance below is high-level guidance, whereas the strategy for measuring outcomes is more concretely defined in Table 1.

Table 1. Recommended Measures and Data Sources for PBC Aligned with TOC

TOC Component	Activity/Investment/Outcome	Measures	Potential Data Source(s)
Activity	Minimum service availability	<p>Minimum Service Availability Scale, such as:</p> <ul style="list-style-type: none"> • 1 - Very Limited Availability: Fewer than 50% of required services are present or 50% or more of available services have insufficient capacity to meet local need. • 2 - Moderate Availability: 50-74% of required services are present and at least half of required services have sufficient capacity to meet local need. • 3 - High Availability: At least 75% of required services are present and most have sufficient capacity to meet local need (i.e., capacity gaps affect fewer than 25% of services). 	PBC reports and Minimum Service Availability Standards ¹





TOC Component	Activity/Investment/ Outcome	Measures	Potential Data Source(s)
		<ul style="list-style-type: none"> • 4 - Full Availability: 100% of required services are present within the county/region and all have sufficient capacity to meet local need. 	
Investments	Dollars directed to evidence-based programs	<p>Percent of TANF dollars used for workforce training programs are directed towards evidence-based programs by Tier of Evidence.²</p> <ul style="list-style-type: none"> • Tier 1: Pathways to Work Clearinghouse effectiveness rating of “well-supported” or “supported” in outcomes of increasing employment or increasing earnings, OR meets the standard for “proven,” based on at least one quality randomized controlled trial or at least two quality evaluations with strong comparison groups that demonstrate statistically significant impacts on increasing employment or earnings as defined in C.R.S. 2-3-210(2) in alignment with House Bill (HB) 24-1428. • Tier 2: Programs that use official administrative data (e.g., state W-2 records) to measure pre-post wage gains without a comparison group. Descriptive analyses show positive earnings trajectories when at least two quarters of earnings prior to program enrollment are compared with two quarters after the average program completion time. This is consistent with the “evidence-informed” standard based in HB24-1428. • Tier 3: Programs using self-reported data to measure pre-post wage gains without reference to a comparison group or the pre-test measure of employment is at time of entry into the program.³ 	TANF maintains a list of evidence-based programs and the tier or level of evidence.





TOC Component	Activity/Investment/ Outcome	Measures	Potential Data Source(s)
Short-Term Outcome	Build employment and job readiness skills	<p>Evidence-based workforce training program participation and completion: Percent of work-eligible individuals who enrolled in and/or completed an evidence-based workforce training program.</p> <p>Credential attainment rate: Percent of work-eligible individuals who completed education, training, or on-the-job training while receiving TANF assistance and obtained a recognized postsecondary credential, secondary school diploma (e.g., GED), or professional licensure.</p>	<p>Administrative</p> <ul style="list-style-type: none"> • Case Data • Workforce Training Program Reporting
Short-Term Outcome	Obtain quality employment	<p>Obtain employment: Percent obtaining any paid job, disaggregated by length of time in triage process.</p> <p>Hourly wage: Percent obtaining employment at \geq local minimum wage, regardless of number of hours worked.</p> <p>Quality: Percent placed in jobs aligned with participant's training/career goal.</p>	<p>Self-reported:</p> <ul style="list-style-type: none"> • Case Data, likely requiring new CBMS fields.
Short-Term Outcome	Retain quality employment	<p>Retain quality employment: Percent retaining employment at \geq minimum wage at 3 months, disaggregated by yes/no self-reported alignment with participant's training/career goal.</p>	<p>Self-reported:</p> <ul style="list-style-type: none"> • Case Data, likely requiring new CBMS fields.
Short-Term Outcome	Advance in quality employment	<p>Progress toward increasing earnings: Percent of participants who self-report an increase in hourly wage or number of hours per week worked.</p> <p>No minimum for the amount of increase in hourly rate or number of hours worked.</p>	<p>Self-reported:</p> <ul style="list-style-type: none"> • Case Data, likely requiring new CBMS fields.





TOC Component	Activity/Investment/ Outcome	Measures	Potential Data Source(s)
Short-Term Outcome	Stable (ideally improving) well-being	Self-reported Well-being Measures (Stepping Stones to Success) - Basic Cash Assistance (BCA) Recipients: <ul style="list-style-type: none"> Percent or Percent Change of TANF BCA Recipients with self-reported Stepping Stones measures in “Stable, but Could Improve” or above for critical barriers to work activities (e.g., housing, dependent care, transportation). 	Self-reported <ul style="list-style-type: none"> Stepping Stones Item 2 - <i>Where do you feel you and your family currently are in these life areas?</i>
Short-Term Outcome	Stable (ideally improving) well-being	Self-reported Well-being Measures (Stepping Stones to Success) - Relative Guardianship Assistance Program (RGAP) Cash Assistance or Temporary Cash Assistance: <ul style="list-style-type: none"> Percent or Percent Change of RGAP Cash Assistance or Temporary Cash Assistance Recipients with self-reported Stepping Stones measures in “Stable, but Could Improve” or above for critical barriers to work activities (e.g., housing, dependent care, transportation). 	Self-reported <ul style="list-style-type: none"> Stepping Stones Item 2 - <i>Where do you feel you and your family currently are in these life areas?</i>

¹ Minimal Service Availability Standards need to be set and modified as TANF evolves.

² The Tiers of Evidence draw heavily from the Prosperity Denver Fund reimbursement tiers developed by the Colorado Equitable Economic Mobility Initiative (CEEMI.org).

³ Measuring earnings over two quarters prior to enrollment helps account for the “Ashenfelter dip”—a temporary decline in earnings often observed just before program entry—which can otherwise inflate apparent post-enrollment gains. Averaging multiple pre-enrollment periods provides a more stable baseline and reduces bias in estimating true earnings impacts. Therefore, measuring baseline at program start is not as rigorous of an approach to outcomes evaluation.

Independent Evaluation Recommended Measures

Independent evaluation can test the TOC and assess progress on short-, medium-, and long-term outcomes. The outcome measurement recommendations are designed to complement PBC, so that together, PBC and independent evaluation generate a comprehensive understanding of what works, for whom, and under what conditions.

Recommendation 5: Anchor outcome measurement to TANF entry and exit.

- Measure outcomes at two key points—program entry and program exit—to track participant progress during service receipt and assess sustained effects after leaving the program.
- Align the time period for measuring sustained outcomes with the 2023 Fiscal Responsibility Act (FRA)-authorized TANF Pilot program. This TANF pilot program aims to test new performance measures beyond traditional WPR and measures outcomes at two and four quarters after TANF exit.





Recommendation 6: Use PBC reporting to guide the timing and interpretation of outcome measurement.

Use information on outputs and fidelity from PBC reporting to determine when outcome evaluation is appropriate and to contextualize findings. Consistent with [Colorado’s Steps to Building Evidence](#), strong implementation (i.e., outputs and fidelity) serves as a foundation for rigorous outcome evaluation.

- When PBC thresholds are not met and little progress is observed, the focus shifts to continuous quality improvement prior to initiating outcome evaluation (Step 3 in Colorado’s Steps to Building Evidence).
- As progress toward fidelity increases, outcome measurement captures emerging effects.
- Tracking the share of TANF recipients served in counties/regions meeting fidelity thresholds helps interpret changes in outcomes over time and distinguishes implementation effects from program impacts.

Recommendation 7: Leverage linked administrative data to assess outcomes (Step 3 in Colorado’s Steps to Building Evidence).

Use linked administrative data to evaluate participant outcomes over time. An evaluation plan can specify how TANF service entry and exit dates anchor the timing of outcome measurement. In general:

- Medium-term outcomes are anchored to TANF program entry dates to assess progress while participants are being served.
- Long-term (“North Star”) outcomes are anchored to both TANF program entry and exit dates to capture sustained effects after participation ends.
- The 2023 FRA authorized the Future Federal Outcome Measures TANF Pilot Program and anchors key outcome measures at two and four quarters after TANF exit.

Recommendation 8: Consider the “cliff effect” when interpreting outcomes of increased independence from SNAP and Medicaid.

Evaluation can be designed so that positive outcomes for Coloradans take into account the cliff effect and the reality that being just over eligibility thresholds may not be indicators of economic security.

Recommendation 9: Center outcome evaluation with the primary service-delivering unit.

When TANF funds support populations primarily served through another human services office or division (e.g., RGAP, Domestic Violence services), the unit that directly delivers the services retains primary responsibility for outcome evaluation, with coordination to ensure alignment with TANF reporting and learning goals.

Table 2. Medium- and Long-term Outcomes

TOC Outcome	Indicator	Measures	Potential Data Source(s)
Long term: Self-sufficiency for those who <u>can</u> work	Income from employment is sufficient to meet basic needs	Earnings adequacy vs. a “basic needs” threshold: Percent whose earnings meet/exceed a basic needs threshold. Median Earnings - The median level of earnings of work-eligible individuals, who are in unsubsidized employment.	Administrative <ul style="list-style-type: none"> • Colorado Department of Labor and Employment (CDLE) Unemployment Insurance (UI) Quarterly Wage Data • Homeless Management Information System (HMIS) data Contextual / Reference





TOC Outcome	Indicator	Measures	Potential Data Source(s)
		Homelessness - Percent of all TANF households who did not experience homelessness.	<ul style="list-style-type: none"> Threshold Standard (e.g. MIT cost of living, UW Self Sufficiency Standard).
	Reduced reliance on additional government assistance	<p>Level of independence from government food benefits: The percentage of TANF work-eligible individuals with earnings above the household federal income eligibility levels for Supplemental Nutrition Assistance Program (SNAP)</p> <p>Level of independence from government Medicaid: The percentage of TANF work-eligible individuals with earnings above the household federal income eligibility levels for Medicaid.</p>	<p>Administrative</p> <ul style="list-style-type: none"> CDHS - SNAP CDHS - TANF Colorado Department of Health Care Policy and Financing - Medicaid
Medium term: Stable (ideally increasing) income	Earnings progression	<p>Stable earnings: Percent of TANF work-eligible individuals whose earnings, expressed as a percentage of household-specific federal poverty Level (FPL), change by less than ± 5 percentage points over the measurement period.</p> <p>Increasing earnings: Percent of TANF work-eligible individuals whose earnings, expressed as a percentage of household-specific FPL, increase by ≥ 5 percentage points over the measurement period.</p>	<p>Administrative</p> <ul style="list-style-type: none"> CDLE UI Quarterly Wage Data
Long term: economic self-sufficiency for those who <u>cannot</u> work	Obtaining social security benefits and additional sustained support necessary to maintain quality of life without using BCA	<p>BCA Recidivism - Percent transitioning from BCA to federal support (Supplemental Security Income/Social Security Disability Insurance [SSI/SSDI]) without returning to BCA within 12 months.</p> <p>Homelessness - Percent of all TANF households who did <u>not</u> experience homelessness.</p> <p>Health Care Coverage - Percent of TANF participants with health care coverage including Medicaid.</p>	<p>Administrative</p> <ul style="list-style-type: none"> CDHS - SNAP CDHS - TANF HMIS data SSI/SSDI Medicaid





TOC Outcome	Indicator	Measures	Potential Data Source(s)
		Food Assistance - Percent of TANF participants who receive food assistance (SNAP).	
Long term: Sustained family safety, stability, and well-being	Families feel like they are stable and/or thriving in their living situations across various dimensions of safety, stability, and well-being.	Self-reported Well-being Measures (Stepping Stones to Success) - TANF Recipients: <ul style="list-style-type: none">• <i>Percent or Percent Change</i> of households who received TANF support marking “Stable, but could improve” to thriving across various dimensions (housing, dependent care, transportation, personal well-being, family well-being, social support, financial health, legal, education/training, job search/skills, employment)	Self-reported <ul style="list-style-type: none">• Stepping Stones Item 2 - <i>Where do you feel you and your family currently are in these life areas?</i>





Appendix A: Minimum Data Requirements for Employment Records

Modernizing the Colorado Benefits Management System is an opportunity for standardizing employment-related data collection. The following are minimum requirements for counties to report on.

Baseline (Job Start)

- Job name/description
- Job start date
- Hourly wage at start
- Work location city
 - Meets \geq local minimum wage (Y/N)
- Aligned with training/career goals (Y/N)
- Average hours/week at start
- Date reported
- Days in Temporary Assistance for Needy Families program before job start (derived)

Advancement Updates (repeatable)

- Still employed at this job (Y/N)
- Current hourly wage
- Current average hours/week
- Increase in wage (Y/N) (derived from previous records)
- Increase in hours (Y/N) (derived from previous records)
- Date of update (leverage for retention measures)

