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TANF Work Participation Case Review Report
January – March 2011

Background

The Temporary Assistance for Needy Families (TANF) Work Participation Rate (WPR) is the federally mandated work performance requirement for states that have a TANF program. Minnesota’s TANF program is the Minnesota Family Investment Program (MFIP).

The WPR was established under the federal Personal Responsibility and Work Opportunity Act (PRWORA) of 1996, along with penalties and incentives for states. The Federal Deficit Reduction Act of 2005 (DRA), also known as TANF Reauthorization, included changes to TANF WPR rules. The final TANF rules (until the next reauthorization) went into effect on October 1, 2008.

The TANF regulations included in the 2005 DRA require states to develop a work verification plan and monitor participants’ engagement in work activities in order to verify hours of participation. The Department of Human Services (DHS) Program Assessment and Integrity Division (PAID) is responsible for conducting this monitoring activity and reviews a statewide random sample of TANF cases each quarter.

Bulletin 09-03-06, “DHS Continues Statewide Reviews of Temporary Assistance for Needy Families (TANF) Cases,” provides additional information on the review process. The MFIP Employment Services Manual includes the MFIP Activity Daily Supervision, Documentation and Verification Guide in Appendix E. PAID TANF reviewers use this primary resource as guidance in determining if the case file documentation and verification meet federal requirements.

In combination with performance measures, such as the MFIP and Diversionary Work Program (DWP) Self-support Index and the TANF WPR, case reviews provide the state and counties with information needed to improve overall program performance.

Beginning with the January – March 2011 quarter, DHS randomly samples 50 TANF case/month combinations for cases that are in the federal work participation rate denominator for a month in the quarter. This includes all cases with a non-disregarded Work Eligible Individual (WEI) who

1 The specific regulation pertaining to the case review auditing process is 45 CFR 261.62 (b)(5).
2 Available at: http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_016957
3 Refer to Evaluation Note Issue 18 April 2009 The TANF Work Participation Rate for definitions of a WEI, core, and non-core activities. http://edocs.dhs.state.mn.us/lfserv/Legacy/DHS-4064T-ENG
has at least one hour of counted core/non-core activity; some of these cases may also have allowable activities that are not counted toward the WPR. Each sample of 50 cases is selected from the preceding quarter after all data have been frozen for federal reporting purposes. The TANF case reviewers examine Financial and Employment Services (ES) files and any supporting documentation of hours reported for the case in the selected review month.

Case Review Results

DHS selected a random statewide sample of 100 case/month combinations for the quarterly review period of October, November, and December 2010. The reviewers copied file data on-site in Hennepin and Ramsey counties, while the other counties in the sample sent their TANF Financial and ES case files to DHS.

Table 1 shows the 22 counties represented in the sample and the number of cases sampled per county.

<table>
<thead>
<tr>
<th>County</th>
<th>Cases Reviewed</th>
<th>County</th>
<th>Cases Reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anoka</td>
<td>2</td>
<td>Olmsted</td>
<td>3</td>
</tr>
<tr>
<td>Beltrami</td>
<td>2</td>
<td>Otter Tail</td>
<td>2</td>
</tr>
<tr>
<td>Brown</td>
<td>1</td>
<td>Pennington</td>
<td>1</td>
</tr>
<tr>
<td>Carlton</td>
<td>1</td>
<td>Ramsey</td>
<td>8</td>
</tr>
<tr>
<td>Cass</td>
<td>1</td>
<td>Rice</td>
<td>1</td>
</tr>
<tr>
<td>Dakota</td>
<td>4</td>
<td>St. Louis</td>
<td>1</td>
</tr>
<tr>
<td>Goodhue</td>
<td>1</td>
<td>Scott</td>
<td>1</td>
</tr>
<tr>
<td>Hennepin</td>
<td>14</td>
<td>Stearns</td>
<td>1</td>
</tr>
<tr>
<td>Houston</td>
<td>1</td>
<td>Steele</td>
<td>1</td>
</tr>
<tr>
<td>Hubbard</td>
<td>1</td>
<td>Waseca</td>
<td>1</td>
</tr>
<tr>
<td>Lyon</td>
<td>1</td>
<td>Washington</td>
<td>1</td>
</tr>
</tbody>
</table>

To determine if a case was correct or incorrect, DHS compared documentation in the case file for the participant’s hours against what was submitted in federal TANF reports (based on data from MAXIS and WF1). A case is only correct if all countable activities for the review month are correct and properly documented. If a case has both MAXIS and ES countable activities for the review month, both MAXIS and ES must be found correct to receive a correct case finding.

Figure 1 shows that for the January through March 2011 review period, 27 reviewed cases were correct and 23 incorrect. The latter cases did not meet the DRA documentation and verification requirements.
Figure 1 – Statewide TANF Work Participation Case Review Findings: January – March 2011

46% Incorrect Cases * 
54% Correct Cases

*A case is only counted incorrect once, even if there are errors for both MAXIS and ES or if a case has multiple activities with errors.

The number of incorrect cases decreased by 7 percentage points from the October – December 2010 data. These sample results are the best results of all 16 review samples. The average percentage of correct cases for all 16 samples is 42%.

MAXIS Activities and Errors by Category and Cause

In the 50 cases reviewed, there were 32 cases with 34 countable WPR activities on the MAXIS system. Activities from MAXIS include paid work, self-employment, and rental income.

Of the 32 cases with MAXIS activity:

- 18 cases had a correct case finding
- 14 cases had an incorrect case finding

The 14 incorrect cases consisted of:

- 14 cases had only MAXIS activities and were incorrectly documented

A case may have several activities that have reported hours and each of these activities can have an activity error. However, a case can only be counted in error once, no matter how many activity errors are assigned to a particular case. Also, a case can have one or more activities correct but if one is incorrect the case is incorrect for federal purposes.

Table 2 shows the types of MAXIS activity represented in the 32 cases.

<table>
<thead>
<tr>
<th>Activity Type</th>
<th>Activity</th>
<th>Correct</th>
<th>Incorrect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Work (JOBS)</td>
<td>31</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Total Activities:</td>
<td>31</td>
<td>17</td>
<td>14</td>
</tr>
</tbody>
</table>

MAXIS Activities: 31 cases had only 1 activity, 1 case had 2 activities (33 MAXIS activities in 32 cases)
Table 3 shows that 6 of the 15 (40 percent) activity errors are in the data discrepancy category; which is a decrease of 7 percentage points from the October – December 2010 data. This means that although there is documentation in the financial file, workers are either not using it to record the correct number of hours or are computing hours incorrectly. There were no computation errors in this sample and this is a decrease of 13.8 percentage points from the previous sample. There were 14 incorrect cases with MAXIS activity and one case had more than one error cause (15 total errors).

The number one cause for errors (5) continues to be: “Hours recorded are inconsistent with documentation in case file,” although in this sample “Other MAXIS policy incorrectly applied” is also a top error cause.

<table>
<thead>
<tr>
<th>Category</th>
<th>Errors by Category</th>
<th>Errors by Cause</th>
<th>Error Cause Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation or Verification</td>
<td>3</td>
<td>3</td>
<td>Incomplete documentation of work hours (missing a pay stub(s) or other employer produced document)</td>
</tr>
<tr>
<td>Data Discrepancy</td>
<td>6</td>
<td>5</td>
<td>Hours recorded are inconsistent with documentation in case file</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Earned income documentation found in the case file but hours not recorded on MAXIS</td>
</tr>
<tr>
<td>Policy Incorrectly Applied</td>
<td>5</td>
<td>5</td>
<td>Other MAXIS policy incorrectly applied error</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>1</td>
<td>Other MAXIS miscellaneous error</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>15</strong></td>
<td><strong>15</strong></td>
<td>5 unique causes for errors in 14 cases</td>
</tr>
</tbody>
</table>

**ES Activity and Errors by Category and Cause**

In the 50 cases reviewed, there were 19 cases with 22 WPR activities on the employment services systems, WF1. Some activity examples from WF1 include unpaid-work experience, community-service programs, job search, training and education, English as a Second Language (ESL), and Functional Work Literacy (FWL) etc.

Of the 19 cases with ES activity:

- 10 cases had a correct case finding
- 9 cases had an incorrect case finding

The 9 incorrect cases consisted of:

- 9 cases had only ES activities and they were incorrectly documented

Table 4 shows the types of ES activity represented in the 19 cases.
Table 4 - Employment Services Activity

<table>
<thead>
<tr>
<th>Activity Type</th>
<th>Count</th>
<th>Correct</th>
<th>Incorrect</th>
</tr>
</thead>
<tbody>
<tr>
<td>English as a Second Language</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>GED (activity =&gt;20)</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>High School Completion (&lt;20)</td>
<td>7</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>High School Completion (=&gt;20)</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Job Search</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Job Skills Training Directly Related to Employment</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Post Secondary Voc/Ed Training =&lt;12 Months</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Post Secondary Voc/Ed Training 13-24 Months</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Unpaid Work Experience</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Total Activities: 22 11 11

Note: 9 ES activity types reflected in sample, 16 cases had only 1 activity, 1 case had 2 ES activities, 1 case had 3 ES activities (22 ES activities in 19 cases)

Table 5 shows that 4 of the 14 ES activity errors were due to data discrepancy errors (29 percent, a decrease of 18 percentage points from the October – December 2010 data).

Table 5 - ES Activity Errors by Category and Cause

<table>
<thead>
<tr>
<th>Category</th>
<th>Errors by Category</th>
<th>Errors by Cause</th>
<th>Error Cause Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation or Verification</td>
<td>6</td>
<td>3</td>
<td>Missing statement from school specifying recommended amount of study time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>No High School or GED attendance documentation found in case file</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Missing ESP method of bi-weekly verification of at least one job contact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Missing one or more (but not all) time sheet(s) or activity logs(s) for hours reported in the review month.</td>
</tr>
<tr>
<td>Data Discrepancy</td>
<td>5</td>
<td>3</td>
<td>Hours recorded are inconsistent with documentation in case file</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Excused Absence hours incorrectly used/calculated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Other Employment Services data discrepancy error</td>
</tr>
<tr>
<td>Policy Applied Incorrectly</td>
<td>2</td>
<td>2</td>
<td>Hours recorded under the wrong activity</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>1</td>
<td>Other Employment Services miscellaneous error</td>
</tr>
<tr>
<td>Total:</td>
<td>14</td>
<td>14</td>
<td>9 unique causes for errors in 9 cases</td>
</tr>
</tbody>
</table>

Numerical Results

All 50 cases were included in the federal work participation rate denominator because each case contained a work eligible individual (WEI). Cases with a WEI successfully participating are also counted in the numerator. Of the 50 denominator cases, 39 were counted in the numerator.
Based on the corresponding documentation in the participant’s case files 9 cases were incorrectly counted in the WPR. If only those cases with supporting documentation were counted in the WPR, Minnesota’s WPR would have been less for one or more months in this sample.

**How to Reduce Common Sample Errors**

The TANF WP Case Review process continues to help clarify policies and develop new policies and procedures for reporting and documenting work activities. This information, along with the statewide corrective action process, can help improve counties’ case review performance results.

Based on the MAXIS and ES error causes in this sample, DHS has the following suggestions for reducing errors:

- **Pay Stubs.** Pay close attention to information on pay stubs and only record income and hours supported with actual documentation (pay stubs, employer statement, etc.) in the month payment was received. The most frequent individual MAXIS error found is “Hours recorded are inconsistent with documentation in case file.”

- **Document Work Benefit (WB) projected income determination.** Single parent WB cases are included in our TANF WPR and therefore TANF WP Case Reviews. Use the most current income/hours on file at the time of WB approval and clearly document what was used for the calculation. If new information becomes available, reassess WB eligibility.

- **Review Self-Employment Handbook.** Calculate self-employment income and expenses correctly. The handbook is available on the CountyLink, DHS Program Resources, DWP and MFIP page under the Guides and Handbooks section

  [http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_FILE&RevisionSelectionMethod=LatestReleased&Rendition=Primary&allowInterrupt=1&noSaveAs=1&dDocName=dhs16_144585](http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_FILE&RevisionSelectionMethod=LatestReleased&Rendition=Primary&allowInterrupt=1&noSaveAs=1&dDocName=dhs16_144585)

- **Motivate participants to provide documentation as scheduled.** It is important that participants provide activity documentation and do so timely. This is a transferrable skill and information an employer may ask an employment counselor when acting as a reference for the participant. Train participants and use the NOITS tool as needed.

- **Require participants to provide school statement about recommended amount of study time.** Job counselors must only record documented study time hours when the appropriate documentation is provided by the school.

- **Use the DHS school verification form.** DHS-2883 MDHS Request for Verification of School Attendance/Progress - English - 2-09

  [https://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-2883-ENG](https://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-2883-ENG)

- **Update county/provider forms and get appropriate signatures.** County and provider forms should contain all the needed data fields to ensure compliance with DRA documentation requirements. The form may need the clients, responsible individuals, and/or job counselors’ signature.
Statewide Corrective Action Process

DHS recommends that all counties and ES providers review the TANF Work Participation Case Review – Statewide Correction Action Process available as Attachment A.

Training Opportunities

- Attend state presentations and training sessions on the WPR, documentation and verification requirements, and DRA updates.
- Counties and ES providers with incorrect review findings are encouraged to work with their DHS Transition to Economic Stability (TES) regional consultants to obtain supplemental instructions and technical assistance. Refer to the MFIP ES Manual, Appendix F – Regional Teams/Contact Lists for MFIP & DWP for your regional consultant and their contact information, which is available at:

  http://www.dhs.state.mn.us/main/groups/county_access/documents/pub/dhs16_148966.pdf

Counties Invited to Comment on this Report

DHS invites counties and ES providers to comment on this report and provide ideas of what additional information they would like to see in future reports. Please send your comments and/or ideas by email to Rita.Galindre@state.mn.us.
Attachment A – TANF Work Participation Case Reviews – Statewide Corrective Action Process

DHS recommends that all counties and ES providers take the following actions to improve documentation performance for TANF Work Participation (WP) Case Reviews.

Recommended actions:

- Use the MFIP Activity Guide in Appendix E of the MFIP ES Manual. This document is used for the TANF WP Case Reviews and will help you understand the documentation requirements and determine if documentation is complete.

- Review individual case finding results with financial and ES staff who have the case and make sure that each individual result gets filed in the appropriate financial and ESP case file.

- Review this entire report, TANF WP Case Review reports for each sample and the federal fiscal year report, with appropriate staff and management to gain a better understanding of the common causes that contributed to the errors.

- Review time sheets, activity logs, and other documents used to document/verify hours of participation to ensure the forms meet all of the documentation requirements (refer to MFIP Activity Guide in Appendix E of the MFIP ES Manual or the ESP MFIP Activity Guide Tip Sheet on pgs. A-3 & A-4). Revise forms as necessary or use the DHS recommended eDocs available:

  o DHS-2883 MDHS Request for Verification of School Attendance/Progress - English - 2-09  
    https://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-2883-ENG

  o DHS-3336-ENG 8-08 Self Employment Report Form  
    https://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-3336-ENG

  o DHS-5006D-ENG 1-11 Earned Income/Pay Period/Date Tracking Form – 2011  
    https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5006D-ENG

  o DHS-5784-ENG 8-10 Employment Services Weekly Job Search Activity Documentation Log  
    https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5784-ENG

- Conduct periodic management/supervisor reviews of participant case files, case notes, and the corresponding data entered in the MAXIS system and WF1 systems to ensure proper documentation and data entry.
Employment Services Provider – Use the Supervisory Case File Review – TANF Work Participation Verification Documentation Checklist for Unpaid Core and Non-Core Activities form developed for ESP as a tool to assist counties in reviewing Employment Services cases for documentation purposes. It is available on the CountyLink, DHS Program Resources, Employment Services page under the Tip Sheets section at:


Financial Supervisor/Worker – Use the Financial Case Review – TANF Work Participation Documentation, Verification, and Coding Checklist form. This is a tool to assist financial workers and supervisors to do TANF WP case reviews on their cases. A Checklist Guide was also provided to help direct users to additional information on using the form. If you would like a copy of the form and guide use the link below to access the CountyLink, DHS Program Resources – DWP and MFIP page under MFIP Helps section:


- Conduct county information sessions based on the MAXIS and Employment Services Activity Errors by Category and Cause information on pages 4 and 6.
- Encourage workers to share strategies for working with participants to improve compliance with documentation requirements.
- Continue to use the summary and detailed data reports provided by the Department of Employment and Economic Development (DEED) available on their website at:

http://www.positivelyminnesota.com/All_Programs_Services/Work_Participation - MFIP_TANF/index.aspx
https://mfipapps.positivelyminnesota.com/Login.aspx
Employment Services MFIP Activity Guide Tip Sheet

The tip sheet can be found on the CountyLink, Program and Resources, Employment Services, Tip Sheets page at:


See Appendix E of Employment Services Manual for the complete Supervision, Documentation, and Verification Requirements including Family Stabilization Services (FSS) provisions.