Minnesota Temporary Assistance for Needy Families (TANF) Work Participation Case Review Report

for

April – June 2011

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Minnesota Department of Human Services
Transitional Support Quality Services
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St. Paul, MN 55155

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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) Transitional Support Quality Services Division (TSQS, formerly known as PAID) is responsible for conducting this monitoring activity and reviews a statewide random sample of TANF cases each quarter.

The MFIP Employment Services Manual (MFIP ES Manual) includes the MFIP Activity Daily Supervision, Documentation and Verification Guide in Appendix E. TSQS 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 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

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/lfserver/Legacy/DHS-4064T-ENG
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 50 case/month combinations for the quarterly review period of April, May, and June 2011. 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 23 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>McLeod</td>
<td>1</td>
</tr>
<tr>
<td>Beltrami</td>
<td>1</td>
<td>Meeker</td>
<td>1</td>
</tr>
<tr>
<td>Benton</td>
<td>1</td>
<td>Nicollet</td>
<td>2</td>
</tr>
<tr>
<td>Big Stone</td>
<td>1</td>
<td>Olmsted</td>
<td>1</td>
</tr>
<tr>
<td>Blue Earth</td>
<td>1</td>
<td>Ramsey</td>
<td>9</td>
</tr>
<tr>
<td>Brown</td>
<td>3</td>
<td>Rice</td>
<td>1</td>
</tr>
<tr>
<td>Carlton</td>
<td>1</td>
<td>Scott</td>
<td>2</td>
</tr>
<tr>
<td>Cottonwood</td>
<td>1</td>
<td>Sherburne</td>
<td>1</td>
</tr>
<tr>
<td>Crow Wing</td>
<td>1</td>
<td>Stearns</td>
<td>1</td>
</tr>
<tr>
<td>Dakota</td>
<td>1</td>
<td>Washington</td>
<td>1</td>
</tr>
<tr>
<td>Goodhue</td>
<td>1</td>
<td>Wright</td>
<td>1</td>
</tr>
<tr>
<td>Hennepin</td>
<td>15</td>
<td></td>
<td></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 April through June 2011 review period, 17 reviewed cases were correct (34%) and 33 incorrect (66%). The latter cases did not meet the DRA documentation and verification requirements.
The number of correct cases decreased by 20 percentage points from the January – March 2011 data. The best review results have been the January – March 2011 review sample. The average percentage of correct cases for all 17 samples is 40%.

**MAXIS Activities and Errors by Category and Cause**

In the 50 cases reviewed, there were 30 cases with countable WPR activities on the MAXIS system. Activities from MAXIS include paid work, self-employment, and rental income.

Of the 30 cases with MAXIS activity:
- 9 cases had a correct case finding
- 21 cases had an incorrect case finding

The 21 incorrect cases consisted of:
- 15 cases had only MAXIS activities and were incorrectly documented
- 2 cases had both MAXIS and ES activities incorrectly documented
- 4 cases had the MAXIS activities correctly documented, but the ES activities 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 30 cases.

<table>
<thead>
<tr>
<th>Table 2 - MAXIS Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity Type</strong></td>
</tr>
<tr>
<td>Paid Work (JOBS)</td>
</tr>
<tr>
<td>Self-Employment (BUSI)</td>
</tr>
<tr>
<td><em>No activity hours reported but MAXIS error cited</em></td>
</tr>
<tr>
<td><strong>Total Activities:</strong></td>
</tr>
</tbody>
</table>

*MAXIS Activities: 2 activity types in sample, 1 non-activity error attributed to MAXIS, 24 cases had only 1 activity, 6 cases had 2 MAXIS activities (36 MAXIS activities in 30 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 two categories with the highest count of errors are: policy incorrectly applied and data discrepancy. This is a 6 percentage point increase from the January – March 2011 data. The number one cause for errors is “Other MAXIS policy incorrectly applied” and is due to the incorrect Work Benefit cases. The detailed reasons are:

- FW did not use recent income for WB
- FW averaged the income and/or hours for WB
- Participants paid hours were less than 130 for WB

Five of the 18 (28 percent) activity errors are in the data discrepancy category; which is a decrease of 12 percentage points from the January – March 2011 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 17 incorrect cases due to MAXIS activity and one case had more than one error cause (18 total errors).

<table>
<thead>
<tr>
<th>Table 3 - MAXIS Activity Errors by Category and Cause</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>Documentation or Verification</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Computation</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Data Discrepancy</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Policy Incorrectly Applied</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
</tr>
</tbody>
</table>

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

In the 50 cases reviewed, there were 26 cases with 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 26 cases with ES activity:

- 8 cases had a correct case finding
- 18 cases had an incorrect case finding
The 18 incorrect cases consisted of:

- 12 cases had only ES activities and they were incorrectly documented
- 2 cases had both MAXIS and ES activities incorrectly documented
- 4 cases had the ES activities incorrectly documented, but the MAXIS activities correctly documented

Table 4 shows the types of ES activity represented in the 26 cases.

<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>1</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>5</td>
<td>3</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>7</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Job Skills Training Directly Related to Employment</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Post Secondary Voc/Ed Training &lt;=12 Months</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Post Secondary Voc/Ed Training 13 - 24 Months</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Unpaid Work Experience</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>No activity hours reported but ES error cited</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total Activities:</strong></td>
<td><strong>29</strong></td>
<td><strong>9</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

Table 4 - Employment Services Activity

Note: 9 ES activity types in sample, 1 non-activity error attributed to ES, 18 cases had only 1 activity, 2 cases had 2 ES activities, 5 cases had 1 ES and 1 MX activity, 1 case had 2 ES activities and 1 MX activity (29 ES activities in 26 cases).

Table 5 shows that the documentation category has the highest count of errors (17) and it is 63 percent of all 27 ES activity errors. Of the 17 error causes in this category, 71 percent (12/17) are due to participant error and 29 percent (5/17) are due to employment counselor error.

Thirty-five percent of the documentation errors were due to no documentation for study time hours or daily participation hours.
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>17</td>
<td>5</td>
<td>Missing statement from school specifying recommended amount of study time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td>Missing the name, signature, and/or phone number of person providing daily supervision/verifying hours</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>No time sheet (or activity log) or group attendance sheets found in case file</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</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 the actual hours of participation each day</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Missing signature of Job Counselor or other individual who oversees Job Search/Job Readiness activity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>No documentation that weekly check-in meetings occurred</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Other Employment Services activity documentation/verification error</td>
</tr>
<tr>
<td>Computation</td>
<td>2</td>
<td>1</td>
<td>Math error - simple addition errors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Fair Labor Standards Act - Participant engaged in more than the maximum hours allowed (ES Manual 9.3)</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>2</td>
<td>Documented ES activity found in case file not recorded in WF1</td>
</tr>
<tr>
<td>Policy Applied Incorrectly</td>
<td>3</td>
<td>2</td>
<td>Hours recorded under the wrong activity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Other Employment Services policy incorrectly applied error</td>
</tr>
<tr>
<td>Total:</td>
<td>27</td>
<td>27</td>
<td>14 unique causes for errors in 18 cases</td>
</tr>
</tbody>
</table>

**Numerator Results**

All 50 cases were included in the federal work participation rate denominator because each case contained a work eligible individual (WEI). Only cases with a WEI successfully participating are counted in the numerator. Of the 50 denominator cases, 37 were counted in the numerator. If cases in the WPR were counted based on the corresponding documentation in the participant’s case files, then 13 cases did not have adequate documentation to be counted in the WPR.

**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:

MAXIS:

- **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.

Use the “Tips on Work Benefit (WB) Cases” document (Attachment C) developed from TANF WP Case Review results available at:


ES:

- **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. This was the most common ES error in sample 17 and is preventable.

- **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

- **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.

MAXIS and ES:

- **Review the manual for policy information.** Look at the appropriate manual for your work to clarify the correct policy and apply it to the case you are working on.

MAXIS Examples:

  - WB – use recent income; do not average income and/or hours; WB requires participants paid hours are a minimum of 130 hours per month.

ES Examples:

  - Record hours under the correct activity.

- **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. Available at: http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=County_Reports

- 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/lfservlet/Legacy/DHS-2883-ENG
  
  o DHS-3336-ENG 8-08 Self Employment Report Form  
    https://edocs.dhs.state.mn.us/lfservlet/Legacy/DHS-3336-ENG
  
  o DHS-5006E-ENG 1-12 Earned Income/Pay Period/Date Tracking Form – 2012  
    https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-5006E-ENG
  
  o DHS-5784-ENG 10-11 Employment Services Weekly Job Search Activity Documentation Log  https://edocs.dhs.state.mn.us/lfservlet/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 DWP/MFIP Online Resources 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.
Tips for Work Benefit (WB) Cases

The TANF Work Participation Case Review team developed the following tips to help assure that WB cases have the correct hours and income reported and documented.

**Project Using Actual Income and Hours:**
For calculating initial and ongoing WB eligibility, use the most current income/hours on file (Do Not Average).

- WB policy states that the **most current actual income/hours** should be used to calculate eligibility. The actual income and hours should be coded on the prospective side of JOBS panel.
- **Do not average** or use multipliers to calculate income or hours for WB.
- Only **use paystubs from the most current month** – do not combine paystubs from two months.
  
  **Example:**
  Participant only sent one paystub for the most current income to date, November 2011. Gross income was $253.75 and total hours were 35. The participant is paid bi-weekly. Code the JOBS panel with $253.75 for both checks to project income and code 70 hours as the prospective hours.
- Workers – **Document clearly** which income and hours were used to code the JOBS panel.

**Updating JOBS Panel & Income Windows with New Income/Hours Information:**

- **Food Support (FS)** – Use the JOBS FS Prosp Inc field to access the Food Support Prospective Income Calculation pop-up window. This window is an online calculator used to correctly calculate average hours and income per pay date, as well as prospective monthly income. **DO NOT** copy this income/hours data to the JOBS panel.
- **HealthCare (HC)** – Use the JOBS HC Inc Est field to access the HC Income Estimate window. Update this window with the average income per pay period anticipated from the income source listed on JOBS; the estimated monthly income is used in HC budgets for months. **DO NOT** update the “Hrs” field on the JOBS panel and **DO NOT** copy the window income data to the JOBS panel.
- **Work Benefit** – Use the JOBS panel when new income/hours information is received for WB. **MAKE SURE** to update the prospective data on the JOBS panel to reflect the most current income and hours data (Do Not Average).
  
  - Some cases receive new information for HC and/or FS after the WB approval is done. If new information becomes available, WB eligibility should be re-assessed, and the most current hours should be updated on the JOBS panel using the WB method of calculating income and hours (do not average). For HC/FS, each income window should be updated using their respective program policy calculation method for income and/or hours.
  - Workers – Document clearly which income and hours were used to calculate ongoing WB eligibility.

**Document, Document, Document!**

- For many cases there is no information in case notes documenting how the WB income/hours were calculated.

**Don’t Code Hours To Meet Work Participation Rate:**

- Some cases have 90 or 160 hours coded which does not reflect the documented hours found in the case file.