Updated Information on the MFIP Self-support Index

Beginning in August 2002 the Minnesota Department of Human Services (DHS) began reporting a new county-based outcome measure for the Minnesota Family Investment Program (MFIP). The measure is known as the Self-support Index and is now part of the quarterly “MFIP Management Indicators” report, formerly known as the “County Performance Measures” report.

The Self-support Index follows adults who were eligible for MFIP in a past quarter to determine whether they are working 30 or more hours per week or no longer receiving a cash payment at follow-up points of one year, two years, and three years. The measure is currently reported statewide and for all counties and tribes. This edition of Evaluation Notes provides background information on the creation of this measure, updated information on changes to the measure, statewide data, and a discussion of the uses of this measure for assessing county performance. It replaces Issue 8 of the Evaluation Notes series entitled A New Outcome Measure for MFIP: The Self-support Index.

Origins of the measure

The 2001 Minnesota Legislature added new requirements to the existing MFIP county and tribal performance measurement system. The Legislature provided guidance in Minnesota Statutes Section 256J.751 concerning the types of outcome measures the state, counties and tribes should consider, but also left open the possibility of completely new measures. The intent of the Legislature was that ultimately, these new measures could be considered as part of a county and tribal performance measurement system to encourage or reward high performance (Laws of 2001, First Special Session, Chapter 9, Article 10).

In November of 2001, DHS convened a state and county workgroup to address the Legislature’s goals for MFIP performance measurement. The workgroup consisted largely of the same individuals who had created the original set of MFIP performance measures in 1998. The following organizations were invited to be part of this workgroup:
Minnesota Department of Human Services (Families with Children Division and Program Assessment and Integrity Division)
Minnesota Department of Economic Security (Workforce Services Branch)
Anoka County Human Services
Beltrami County Human Services
Dakota County Employment and Economic Assistance
Hennepin County (Departments of Economic Assistance and Training and Employment Assistance)
Olmsted County Community Services
Ramsey County Human Services
Rice County Social Services
St. Louis County Social Services
Washington County Community Services
Southeastern Minnesota Workforce Development, Inc. (Employment Services provider)
Rural Minnesota Concentrated Employment Program (CEP) (Employment Services provider)
Central Minnesota Jobs and Training Services (Employment Services provider)

**Why did we need a new outcome measure?**

MFIP has had a county performance reporting system in place since January of 1999. The MFIP county performance system that existed prior to January of 2002 contained six measures that were reported for program management purposes but have never been linked to county funding.1 These measures for cases with eligible adult(s) were:

1. Percent of the MFIP caseload with budgeted earnings;
2. Percent of the MFIP caseload that are employed and receiving only the food portion of MFIP;
3. Percent of the caseload that leave MFIP during the quarter (termination rate);
4. Median placement wage rate;
5. Federal work participation rate; and
6. Countable TANF months, including the percent of cases with twelve or fewer TANF months remaining.

These measures had been useful for counties and employment providers as “benchmarks” for their work. However, with the exception of the work participation rate, DHS had already begun to recognize that for several reasons the measures were not very useful as part of a performance measurement system to identify and reward high performance.

For example, the first measure reports an employment rate among participants who are active on MFIP. It is essentially a measure of the percentage of the caseload that is working but not earning enough to become ineligible for the program. Participants with as little as one hour of employment per month qualify as “working” in this measure and participants who have worked their way off MFIP are excluded from this measure. Rewarding counties for high performance

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1 Due to technical difficulties involved in identifying MFIP participants by their tribal status, the first time tribes were included in the Self-support Index was in January 2004 (for the July-September 2003 quarter).
on this measure could result in rewarding them for helping participants achieve less-than-optimal levels of employment.

Similarly, the second measure identifies the percentage of the caseload that is receiving only the food portion of MFIP because the participant is working but not earning enough to become ineligible for the program. Again, participants who have worked their way completely off MFIP are excluded from this measure.

The third measure is oriented toward the goal of leaving MFIP. This measure is simultaneously too broad and too narrow. It is too broad because it includes all types of case closures, whether related to employment or not. It is too narrow because it excludes cases that have become child-only assistance cases. Counties have been spending considerable energy working to help move long-term MFIP participants with disabilities into SSI, while keeping their children eligible for assistance.

The remaining measures have been useful for operational purposes, but also are not useful for rewarding performance. The median placement wage (measure #4) is something over which counties or employment service providers have limited control. The TANF month count (measure #6) is purely a process measure to alert counties about the use of TANF months among their caseloads.

**Description of the Self-support Index**

The Self-support Index was designed to address the weaknesses of these existing measures. To produce the Index, DHS tracks adults who were MFIP-eligible in a past quarter and examines if they are working 30 or more hours per week or if they are no longer receiving a cash payment at a follow-up point one, two or three years later. We can look at this measure for new or ongoing participants and we can look at various follow-up periods.

Adults who have reached the 60-month time limit before the last month of the measurement quarter are only counted as a success if they worked 30 hours or more per week or had converted to SSI during the last month for which reliable income eligibility information was available. Similarly, adults who were in a 100% sanctioned case in at least one month of the measurement quarter are only counted as a success if they worked 30 hours or more per week or had converted to SSI during the last month for which reliable income eligibility information was available. This indicator counts the adult in the county that most recently serviced the case.

The state-county workgroup felt this was the strongest outcome measure for the following reasons:

- The measure is longitudinal in nature. It measures participant attainment of key outcomes over time, rather than rates of an outcome among all participants in the caseload at a single point in time.

- The measure incorporates a bottom limit on hours of employment. Substantial work effort is necessary for an adult to be considered as a success and counted in the numerator.
The measure uses “off MFIP cash” rather than off MFIP. Participants who become eligible for the food portion only or who become eligible for SSI (and their children continue on MFIP as a child-only case) are defined as a success and counted in the numerator. The 60-month time clock has stopped for these participants as well.

The measure is person-based rather than case-based and thus easier to understand and calculate.

Statewide Data

There are two distinct ways to think about the Self-support Index, both of which can be illustrated using Chart 1 (attached). The first approach involves looking at the progress of a given cohort over time. The figures for the 1, 2 and 3-year Self-support Index for the October – December 2002 cohort (the last cohort for which we have data available to calculate the 3-year Index) are 52.4%, 64.8% and 71.5% respectively. This clearly shows that the most progress among participants is made within one year of the baseline measurement. Slightly more than half of participants move into either substantial employment or off cash assistance within one year of the baseline measurement. As the chart further illustrates, the 2-year and 3-year Self-support trend lines closely parallel the 1-year line as the percentages of participants achieving success on this measure rise steadily during the second and third years after the baseline measurement.

A second way of looking at the data is to compare various cohorts. For example, using the January-March cohorts for each year to illustrate, the range for the 1-year Self-support Index was from 49.5% to 54.9%. After a 1% increase from the 1999 cohort to the 2000 cohort and a 2.5% drop from the 2000 cohort to the 2001 cohort, the index began a steady upward trend, increasing 5.4% from the 2001 cohort to the 2004 cohort. The trends in the measure are likely to be partly attributable to economic conditions but changes in policy, practice, and caseload characteristics can also lead to differences among annual cohorts on this measure.

The 3-year Self-support Index has a somewhat wider range (from 66.6% to 71.5%). There is a notable dip in the index which reached its lowest point with the April-June 2000 cohort. However, the trend reverses itself and reaches a peak with the October-December 2002 cohort.

Note: There are missing data points for the July-September 2001 cohort because DHS was unable to compute the Self-support Index during the transition to Workforce One.

Use of the Self-support Index to Measure Disparities

The 3-year Self-support Index has also been an important tool for measuring racial, ethnic and immigrant disparities in MFIP. As illustrated in Chart 2 (attached), there are large gaps in the Self-support Index for African American and American Indian participants compared to other racial/ethnic and immigrant groups in the caseload. For a more complete understanding of these issues, see the series entitled Welfare Reform Outcomes of Racial/Ethnic and Immigrant Groups in Minnesota: Racial/Ethnic and Immigrant Studies (REIS) at:
Study brief #7 in this series is entitled *Measuring Minnesota Family Investment Program Performance for Racial/Ethnic and Immigrant Groups* and is particularly relevant to the issues discussed in this document. It may be found at: http://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-4262G-ENG.

**Additional Resources**

For a more complete explanation of the methodology used to calculate the Range of Expected Performance for the Self-support Index, see Evaluation Notes #9: *The Self-support Index: Leveling the Playing Field: Measuring County MFIP Performance* at http://edocs.dhs.state.mn.us/lfserver/Legacy/DM-0157I-ENG.

For an explanation of the role of the Self-support Index in determining how counties receive performance-based funding, see bulletin #03-11-05 entitled *Process to Receive Performance-based Funds for the Minnesota Family Investment Program (MFIP)* at: http://www.dhs.state.mn.us/main/groups/publications/documents/pub/DHS_id_026439.pdf.

DHS has produced a one page document entitled *The MFIP Self-support Index: How it works* (example attached). It explains briefly how the index is computed and suggests specific strategies counties and tribes could use to improve their performance. This document uses Washington County as an example of how the index is computed. Counties and tribes who would like to have a similar document produced for them may contact Jim Allard at jim.allard@state.mn.us or 651-431-3989.

*Evaluation Notes* is an occasional publication of the Program Assessment and Integrity Division, Minnesota Department of Human Services. This report was prepared by Nancy Vivian, Management Analyst. For questions on this report, please contact Nancy at nancy.vivian@state.mn.us or 651-431-3988.
Chart 1:
Statewide trends in the 1, 2 and 3-year Self-support Index
Chart 2: Racial, Ethnic and Immigrant Performance on the 3-year Self-support Index

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>American Indian</td>
<td>56.8%</td>
<td>56.0%</td>
<td>57.3%</td>
<td>58.8%</td>
<td>58.9%</td>
</tr>
<tr>
<td>African American</td>
<td>56.4%</td>
<td>55.0%</td>
<td>56.9%</td>
<td>57.0%</td>
<td>57.2%</td>
</tr>
<tr>
<td>Non-Somali Black Immigrant</td>
<td>73.3%</td>
<td>73.1%</td>
<td>77.9%</td>
<td>73.9%</td>
<td>74.8%</td>
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<tr>
<td>Somali</td>
<td>68.6%</td>
<td>68.2%</td>
<td>69.6%</td>
<td>71.8%</td>
<td>73.4%</td>
</tr>
<tr>
<td>Non-Hmong Asian</td>
<td>75.8%</td>
<td>76.6%</td>
<td>75.0%</td>
<td>77.1%</td>
<td>78.2%</td>
</tr>
<tr>
<td>Hmong</td>
<td>76.1%</td>
<td>75.9%</td>
<td>78.8%</td>
<td>77.0%</td>
<td>76.8%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>73.1%</td>
<td>76.0%</td>
<td>73.8%</td>
<td>76.3%</td>
<td>77.7%</td>
</tr>
<tr>
<td>White</td>
<td>73.6%</td>
<td>72.4%</td>
<td>73.3%</td>
<td>75.9%</td>
<td>77.4%</td>
</tr>
</tbody>
</table>
The MFIP Self-support Index:* How it works

<table>
<thead>
<tr>
<th>Baseline quarter (e.g. Oct-Dec 2002)</th>
<th>One-year follow-up quarter (e.g. Oct-Dec 2003)</th>
<th>Two-year follow-up quarter (e.g. Oct-Dec 2004)</th>
<th>Three-year follow-up quarter (e.g. Oct-Dec 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denominator:</strong> All adults who were on MFIP in any county during the baseline quarter. The same denominator applies for the one-year, two-year, and three-year Self-support Index. Example: Washington County denominator for this quarter: 1,000</td>
<td><strong>Numerator for one-year Self-support Index:</strong> Adults who were on MFIP during the baseline quarter and are now either working 30 or more hours per week or off cash in all three months of the follow-up quarter. Example: Washington’s numerator for this quarter: 525 One-year Self-support Index = 52.5% (525/1,000)</td>
<td><strong>Numerator for two-year Self-support Index:</strong> Adults who were on MFIP during the baseline quarter and are now either working 30 or more hours per week or off cash in all three months of the follow-up quarter. Example: Washington’s numerator for this quarter: 667 Two-year Self-support Index = 66.7% (667/1,000)</td>
<td><strong>Numerator for three-year Self-support Index:</strong> Adults who were on MFIP during the baseline quarter and are now either working 30 or more hours per week or off cash in all three months of the follow-up quarter. Example: Washington’s numerator for this quarter: 737 Three-year Self-support Index = 73.7% (737/1,000)</td>
</tr>
</tbody>
</table>

Keep in mind:
- The Self-support Index follows persons, not cases. Both adults in a two-adult case are included in the denominator. If one of these adults is working 30 or more hours or becomes ineligible for cash, that adult will count as a success for this measure. If a two-adult case is converted to food only, both adults are counted as successful for this measure.
- Off cash includes a person who is now an adult in a food only or child only case.
- County of record: The most recent county that serviced the case. If a case left MFIP, the last county of record before case closure.
- More complex rules apply for adults in 60+ month or 100% sanction cases, but in general these adults are only counted as successful if there is evidence before case closure of employment 30 or more hours per week or eligibility for Supplemental Security Income (SSI) is determined.

Strategies for success for the three-year measure:
- Review persistently unaccounted-for cases
- Identify long-term cases (24 months or more – most likely to be in denominator).
- Examine the Self-support Index by racial/ethnic group for the county* to determine if a specific racial/ethnic or immigrant group is not performing as well as the rest of the county.
- Identify participants who are working close to 30 hours per week and help them increase their hours.
- If participant is not working, ensure that all possible efforts have been made to help the participants find work.
- If participant is working and receiving a small amount of cash, find out if family is interested in opting out of cash to reserve TANF months.
- If participant is not working, identify and assess barriers to determine if participant should be referred to other state or federal programs.

*The Self-support Index is reported quarterly in the MFIP Management Indicators Report (Indicators 6a, b and c) — located at [http://www.dhs.state.mn.us/main/groups/economic_support/documents/pub/HHS_Id_004113.hcsp](http://www.dhs.state.mn.us/main/groups/economic_support/documents/pub/HHS_Id_004113.hcsp). A link to the MFIP Performance Measures by Racial/Ethnic and Immigrant Group and County report is located on the same web page.

Washington 5/19/06