

Minnesota's TANF Work Participation Rate: Documentation Review Report

April 2015 – September 2015

Published March 2017

Minnesota Department of Human Services

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Contents

Introduction and key findings.....	1
Cases with one or more hours of participation	2
MAXIS.....	3
Workforce One.....	4
Cases with zero hours of participation	5
Recommendations	5
Appendix	7

Abbreviations

DEED	Minnesota Department of Employment and Economic Development
DHS	Minnesota Department of Human Services
MAXIS	DHS eligibility system
MFIP	Minnesota Family Investment Program
TANF	Temporary Assistance for Needy Families
WPR	Work Participation Rate

Introduction and key findings

To comply with the Deficit Reduction Act of 2005, states are required to develop a work verification plan and monitor the engagement in work activities for Temporary Assistance for Needy Families (TANF) participants by verifying hours used to calculate the work participation rate (WPR).¹ The work participation rate is the percentage of parents receiving TANF assistance who are required to participate in federally recognized work activities for the required number of hours in a month. Adults with children under age 6 are required to participate 87 hours per month and adults whose youngest child is over age 6 are required to participate 130 hours per month.² To meet this requirement, every six months, the Minnesota Department of Human Services conducts case file reviews of a stratified random sample of 68 TANF cases submitted in federal work participation rate reports to verify that proper documentation of hours exists in the case file.^{3,4}

Data on hours for the work participation rate are captured in two different administrative systems, most often by two types of case workers. Eligibility workers collect verification of wages and hours of employment and record those in the statewide system for determining eligibility and benefit amounts, MAXIS. Employment services counselors collect verification of hours of participation in unpaid work activities and enter the data in the Workforce One system which is used for employment services case management and to track compliance with participation requirements. A majority of hours reported to the U.S. Department of Health and Human Services for determining Minnesota's work participation rate come from the MAXIS system and represent hours participants work in paid employment.⁵

The reviews conducted for the months of April 2015 through September 2015 are the subject of this report. Twenty local agencies (counties, county consortia, or tribal nations) submitted cases for review in this sample. Review staff sent individual case findings to local agencies that had cases sampled and agencies had the opportunity to challenge or submit documentation if they believed the hours they had recorded were correct. Local agencies did not challenge any of the review findings for this sample.

Minnesota divides errors in documentation into two categories: technical and critical, identified as follows:

- A **technical error** means the documentation in a file did not match the hours recorded on the system but the error did not result in an incorrect report of whether or not the case met the WPR.
- A **critical error** is a documentation error that resulted in incorrectly reporting whether or not the case met the WPR.

¹ The regulation pertaining to the TANF documentation audit process is 45 CFR 261.62(b)(5).

² For additional detail on the TANF work participation rate in Minnesota, see Minnesota Family Investment Program, [Management Indicators Report](#), April – June, 2016. Available from: <https://edocs.dhs.state.mn.us/lfsrver/Public/DHS-4042O-ENG>

³ The sample contains 50 cases with at least one hour of work or specified work activity and 18 cases with zero hours reported.

⁴ Federal reporting requirement, Form ACF-199-TANF Data Report

⁵ Analysis by Minnesota Department of Human Services, Reports and Forecasts Division, 2014.

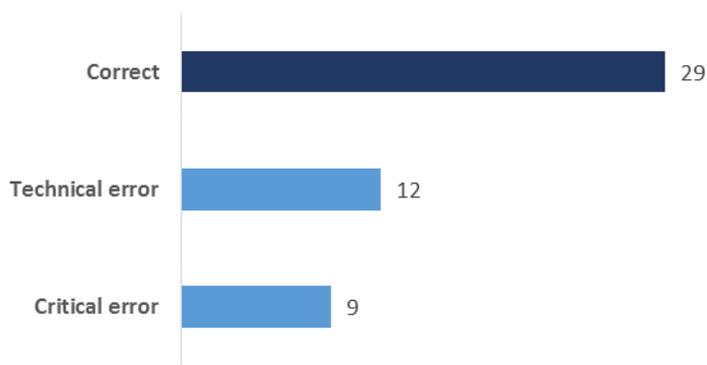
Key findings from the reviews include:

- Of the 68 cases reviewed, reviewers found 44 cases (two-thirds) to have correct documentation for hours included in Minnesota’s federal report.
- Thirteen of the cases (19 percent) had technical errors.
- Eleven cases (16 percent) had a critical error.
- Technical errors were more common among MAXIS hours; critical errors were more common among Workforce One hours.

Cases with one or more hours of participation

In this sample, **50 cases had hours of participation in either the MAXIS or Workforce One system** that were reported in the TANF data report. Reviewers found 29 of these cases (58 percent) to have correct documentation in the file verifying the number of hours recorded in administrative systems. Twelve of the cases (24 percent) had technical errors and nine cases (18 percent) had critical errors, which meant their WPR status was not reported correctly. Figure 1 displays overall findings for cases reviewed with hours of participation.

Figure 1. Findings for cases with hours of participation



Reviews covered all participation hours reported for the case, whether recorded in MAXIS, Workforce One or both systems. Table 1 displays the count of cases with hours by administrative data system. The sample of 50 cases with hours of participation contained 35 cases with only MAXIS hours, 11 cases with only Workforce One hours and four cases with both MAXIS and Workforce One hours of participation. The following two sections of the report focus on findings by system.

Table 1. Count of cases with hours by administrative data system

MAXIS hours only	35
Workforce One hours only	11
Both MAXIS and Workforce One hours	4
Total	50

MAXIS

As shown in Table 2, 39 sampled cases had hours recorded in the MAXIS system. Reviewers found 27 cases with proper verification of hours in case files. Three cases had critical errors and nine had technical errors. The three critical errors were the result of workers entering more hours in MAXIS than were verified in the case file. In two cases the file did contain verification of some hours and in the third case, reviewers found no verification of hours in the file.

Table 2. MAXIS review findings

Cases with MAXIS hours	39
Correct	27
Technical error	9
Critical error	3
Cases with no MAXIS hours	11
Total	50

In four cases, errors were caused by a discrepancy between the number of hours entered in the MAXIS system and the number of hours documented in the case file. In two cases, documentation was incomplete; for example, a paystub accepted as verification did not include the name of the employer or participant. Other errors included an incorrect prospective hours calculation, verification on file that was not entered in MAXIS and calculation errors.

MAXIS tip: Pay close attention to pay dates and pay frequency to determine the number of checks anticipated for the month. Require stop work verification when employment ends.

Reviewers discovered case management concerns regarding sanctions and child under age 1 exemption among cases in the sample. Reviewers found four cases where sanctions were handled incorrectly. Eligibility workers must manually update coding on the STAT/SANC panel in MAXIS if a sanction is lifted for good cause. Forgetting to correct the coding will result in inaccurate counting of sanctioned months and could close a case for the sanction limit inappropriately. Participants who qualify for the child under age 1 exemption should be offered this option and should not be required to participate with employment services during their exemption period. Participants who are working or participating in employment services should be removed from the exemption to allow the participant to save months of this time-limited exemption. Additionally, in this sample, reviewers noted five cases that should be assessed overpayments and three that are due supplements.

Reviewers noted 32 of the 39 MAXIS cases reviewed had case notes that were complete and accurate.

Workforce One

Table 3 reports findings for hours recorded in the Workforce One system. Fifteen cases sampled had hours of participation coded in Workforce One. Of these, proper documentation was on file to verify hours recorded in one-third of the cases. Three cases contained a technical error and seven cases contained critical errors, resulting in an incorrect reporting of their WPR status.

Table 3. Employment services review findings

Cases with Workforce One hours	15
Correct	5
Technical error	3
Critical error	7
Cases with no Workforce One hours	35
Total	50

Reviewers identified that processing errors of activity logs that participants submitted were the most common source of critical errors. In most cases, the participant completed the job log correctly, however, the employment counselor failed to complete a weekly check-in, verify job contacts or sign the log. In five cases, education activities were not documented properly. In a few cases, there were missing logs.

Employment services tip: Education activities can be difficult to document properly. DHS will be adding a new form to eDocs in 2017 to help employment counselors work with participants to verify school attendance and study time. For post-secondary school it is necessary to have a study statement from the school in order to count **any** study time hours. It is also important to have a signature of a responsible individual from the school sign off on supervised study time.

During the review, reviewers noted three cases with improper Notice of Intent to Sanction sent for failure to submit pay stubs to the employment counselor. Participants are only required to submit monthly paystubs one time. Most often, paystubs are submitted to the eligibility worker with the monthly Household Report Form for the grant determination. When a paystub has been submitted to either the eligibility worker or employment counselor, the verification is known to the agency and must be shared. Requiring participants to submit this verification twice violates policy. See [ES manual 8.15](#) .

Reviewers found many cases with case notes documenting monthly contact with the participant. Case notes were well done with sufficient information to follow the case circumstances.

Cases with zero hours of participation

Eighteen cases in the sample did not have any hours of participation recorded in either the MAXIS or Workforce One system. The purpose of the review is to verify documentation of federally reported work participation rate hours. Because these cases did not have hours recorded, most of these cases are considered correct for the month of the review. Reviewers identified errors in three of these cases. In one case, the hours verified were enough to meet the required hours of the work participation rate. Another case should have been excluded from the work participation rate because the case met the criteria for Family Stabilization Services, but was not coded correctly on MAXIS. Table 4 reports findings for cases with zero hours of participation.

Table 4. Findings for cases with zero hours of participation

Cases with zero hours	18
Correct	15
Technical error	1
Critical error	2

While a majority of the zero hour cases were recorded correctly, reviewers uncovered case management concerns in many of these cases. Three cases did not have an employment services agency assigned and others showed no contact between the employment counselor and participant for three or more months. Reviewer notes on the zero hour cases identify further complexities with identifying participants eligible for the Family Stabilization Services track, implementing sanction policy and communicating with eligibility worker staff about participants taking the child under age one exemption.

Recommendations

All employment services counselors need to be familiar with the *MFIP Employment Services Verification Guide*. The complex policy for documenting hours of participation in work activities makes verifying hours properly a challenge. The department recommends that agencies find creative ways to ensure that program staff regularly review this resource.

A key responsibility of the eligibility worker is to **confirm that all required information appears on the pay stub**. Employers do not always provide pay stubs with the information required to meet TANF standards. Eligibility staff can consult the MFIP Employment Services Documentation and Verification Guide for instructions on how to follow up and document these cases properly.

Test out new communication strategies between eligibility workers and employment services counselors to ensure documentation is received by the appropriate worker. For example, reviewers found several cases in which the proper documentation had been submitted by the participant to the eligibility worker but the documentation was needed for the employment services file and had not been forwarded. In other cases, employment counselors issued Notice of Intent to Sanction notices to participants for not providing paystubs when the participant

had submitted paystubs to the eligibility worker. Requiring a participant to submit the same verification twice, once to the eligibility worker and once to the employment counselor, violates MFIP policy (See ES Manual [8.15 Paid Employment Documentation & Verification](#)). Finding communication strategies that allow eligibility workers and employment counselors to easily share information about common participants will improve documentation, program integrity and customer service.

Appendix

A1. Servicing agencies that supplied cases for the April 2015– September 2015 review

	Cases	Percent
Total	68	100.0
Hennepin	19	27.9
Ramsey	13	19.1
Anoka	7	10.3
Dakota	4	5.9
Olmsted	4	5.9
St. Louis	4	5.9
Stearns	4	5.9
Beltrami	1	1.5
Benton	1	1.5
Carver	1	1.5
Cass	1	1.5
Chippewa	1	1.5
Clearwater	1	1.5
Freeborn	1	1.5
Isanti	1	1.5
Itasca	1	1.5
Le Sueur	1	1.5
Rock	1	1.5
Steele	1	1.5
Washington	1	1.5