Minnesota’s TANF Work Participation Rate: Documentation Review Report

July 2016 – December 2016

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Abbreviations
DEED              Minnesota Department of Employment and Economic Development
DHS               Minnesota Department of Human Services (department)
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 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 participate in federally recognized work activities for the required number of hours in a month. Adults with children younger than age 6 are required to participate 87 hours per month, and adults whose youngest child is age 6 or older 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 is recorded in case files.³

Data on hours for the work participation rate are captured in two different administrative systems, most often by two types of caseworkers. Eligibility workers collect verification of wages and hours of employment, recording them in the statewide system for determining eligibility and benefit amounts in MAXIS. Employment services counselors collect verification of hours of participation in unpaid work activities and enter data in the Workforce One system, which is used for employment services case management, and tracks compliance with participation requirements. The 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, representing hours participants work in paid employment.⁴

The reviews conducted for the months of July 2016 through December 2016 are the subject of this report. Sixteen local agencies (county, county consortia, or tribal nations) submitted cases for review in this sample. Reviewers sent individual case findings back to local agencies that had cases sampled; agencies had an opportunity to challenge or submit documentation if staff believed the findings were incorrect. No findings were challenged for this sample.

The Minnesota Department of Human Services (department) divides errors in documentation into two categories, technical and critical, identified as follows, a:

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

Key findings from the reviews include:

- Of the 68 cases reviewed, 42 (62%) had correct documentation for hours included in Minnesota’s federal report.
- Nineteen cases (28%) had technical errors.
- Seven cases (10%) had critical errors.

¹ The regulation pertaining to the TANF documentation audit process is 45 CFR 261.62(b)(5).
² For details on the TANF work participation rate in Minnesota, see Minnesota Family Investment Program, Management Indicators Report, July – September 2019 at: https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-4042AA-ENG.
³ The sample includes 50 cases with at least one hour of work or specified work activity, and 18 cases with zero hours reported.
⁴ Analysis by Minnesota Department of Human Services, Reports and Forecasts Division, 2014.
• Technical errors were more common among MAXIS hours; two critical errors were found in MAXIS hours, and five in Workforce One hours.

**Cases sampled with one or more hours of participation**

Fifty cases were sampled with reported hours:

• Twenty-six (52%) of cases with hours reported for WPR had correct documentation in the files, verifying the number of hours recorded in administrative systems
• Nineteen (38%) had technical errors cited
• Six (12%) had critical errors cited; incorrectly reported for whether or not they met the WPR.

Figure 1 displays overall findings for cases reviewed with hours of participation.

![Chart showing findings for cases with hours when sampled]

Reviewers examined all participation hours reported for a case, whether recorded in MAXIS, Workforce One, or both systems. Table 1 displays the count of sampled cases with hours, categorized by administrative data system. Fifty cases with hours of participation included 36 cases with only MAXIS hours, nine cases with only Workforce One hours, and five cases with both MAXIS and Workforce One hours of participation.

The following two sections focus on findings by system.

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

<table>
<thead>
<tr>
<th>Administrative Data System</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAXIS hours only</td>
<td>36</td>
</tr>
<tr>
<td>Workforce One hours only</td>
<td>9</td>
</tr>
<tr>
<td>Both MAXIS and Workforce One hours</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

**MAXIS**

As shown in Table 2, 41 cases had MAXIS hours. Reviewers found 26 cases with proper verification of hours in case files. Two cases had critical errors and 14 had technical errors.
Table 2. MAXIS review findings

<table>
<thead>
<tr>
<th>Cases with MAXIS hours</th>
<th>41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct</td>
<td>26</td>
</tr>
<tr>
<td>Technical error</td>
<td>14</td>
</tr>
<tr>
<td>Critical error</td>
<td>1</td>
</tr>
</tbody>
</table>

**Critical errors**

One case with MAXIS hours was cited as a critical error. The case had 182 hours reported for the review month. The case closed before the retrospective hours were verified. However, the worker updated the case for health care, and also incorrectly updated the retrospective panel with income and 182 hours. No documentation was in the file to verify the hours reported in MAXIS.

**Technical errors**

For the 14 cases with technical errors:

- Eight had reported hours that were inconsistent with documentation on file. In all but two of these cases, there were fewer hours documented in case files than reported in MAXIS.
- Two cases had computation errors. The worker incorrectly reported the total hours in MAXIS, but the difference between what was reported and what was documented in case files was less than five hours.
- Two cases had incomplete documentation of hours reported. There was missing documentation for some hours reported in MAXIS.
- Two cases had earned income in case files not recorded in MAXIS.

**MAXIS tip:** When reporting hours in MAXIS, the hours must reflect the actual number of hours worked. Documentation should be on file for all hours reported in MAXIS.

**Case management**

The following case management information was noted by reviewers on findings in the For Your Information (FYI) section of case findings. Not all cases will have FYI comments, and the following notes are not considered errors as they do not affect WPR reporting:

- For 21 of 42 MAXIS cases reviewed, reviewers noted that the case notes were complete and accurate.
- One case had a note to use rounding instead of truncating to compute monthly hours for reporting in MAXIS.
- One case had a note that the JOBS panel in MAXIS had the wrong pay frequency indicator code.
- One case had a note that the financial worker failed to send a referral for employment services when the case was approved for MFIP.
**Workforce One**

Table 3 shows findings for hours recorded in the Workforce One system. Fourteen cases sampled had Workforce One hours. Of these, proper documentation was on file to verify hours recorded in three cases (21%). Six cases had technical errors, one of which had two technical errors, and seven technical errors were cited. Five cases had critical errors, resulting in incorrect reporting of WPR status.

**Table 3. Employment services review findings**

<table>
<thead>
<tr>
<th>Cases with WF1 hours</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct</td>
<td>3</td>
</tr>
<tr>
<td>Technical error</td>
<td>6</td>
</tr>
<tr>
<td>Critical error</td>
<td>5</td>
</tr>
</tbody>
</table>

**Critical errors**

All five critical errors were documentation errors, of these cases:

- Two had job search hours reported in Workforce One, but no job search logs were in the case files.
- One had hours reported and documented, but the employment counselor supervising the activity did not sign the job search log.
- One had training and study time hours reported, but the reviewer was unable to find a recommended study time statement from the school in the case file. In order to count any study time, a statement from the school with the recommended amount of study time for a class or program must be on file. Without this statement, no study time is allowed, supervised or unsupervised.
- One had 132 hours for post-secondary training reported, but only 114 were verified with documentation in the case file.

**Technical errors**

There were seven technical errors cited in six cases (one had two errors), including:

- One case was cited with two technical errors for two different activities. The employment counselor had reported hours in Workforce One for both job search and training. There was no signature on the documentation of hours for school from the person supervising the activity. There were also 10 hours reported for one week of job search, and the participant turned in a job search log, however, there were no job search hours reported on the log. The employment counselor also allowed five hours of holiday for this same week.
- Three cases had hours reported in Workforce One but no documentation was on file for the hours.
- One case had hours reported, but documentation in the file did not match the number of hours reported.
- One case had a discrepancy between the hours reported and documentation in the file; the discrepancy was due to a computation error.
Case management

The following case management information was noted by reviewers on findings in the For Your Information (FYI) section of case findings. Not all cases have FYI comments; these notes are not considered errors, as not affecting WPR reporting. These include:

- Six of the 14 cases selected for review with Workforce One hours had case notes that were well done and revealed monthly contact with participants.
- One case had employment plan activities that were not consistent with activities open in Workforce One.
- Three cases had agency forms documenting activity hours that did not comply with federal regulations.
- One case had a Notice of Intent to Sanction improperly sent to the participant for not providing pay stubs. Participants are only required to report income to their financial worker. For more information, see the Employment Services Manual 8.15.

Cases with zero hours of participation

Eighteen cases did not have any hours of participation recorded in either the MAXIS or Workforce One systems from samples for the review. The purpose of reviews 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 review.

One of the 18 cases was identified as having an error. The case should have been closed in the review month for failure to verify employment information on a new hire match, but the financial worker did not close the case timely. Had this case been closed, it would not have been included in the denominator for the Work Participation Rate in the month of review.

While 17 of the zero-hour cases were recorded correctly, some had case management concerns, including in:

- Two cases, the employment services provider failed to assess participants for FSS
- One case, the employment services provider failed to act on a county agency referral
- One case, the employment service provider failed to sanction timely
- Two cases, the employment service provider failed to engage participants.
Recommendations

All employment services counselors need to be familiar with the MFIP Work Activity, Daily Supervision, Documentation and Verification Guide. The complex policy for documenting hours of participation in work activities makes verifying hours properly a challenge. Department staff recommends that agencies find creative ways to ensure that program staff regularly review this resource.

A key responsibility of eligibility workers is to confirm that all required information appears on pay stubs. Employers do not always provide pay stubs with 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 cases properly.

Test new communication strategies between eligibility workers and employment services counselors to ensure documentation is received by the appropriate worker. Reviewers found several cases in which proper documentation was submitted by participants to the eligibility worker, but it was needed for the employment services file, but was not forwarded. In other cases, employment counselors issued Notice of Intent to Sanction to participants for not providing pay stubs when participants had submitted them to the eligibility worker. Requiring participants to submit the same verification twice, once to the eligibility worker and once to the employment counselor, violates MFIP policy (see Employment Services Manual, 8.15 Paid Employment Documentation & Verification). Finding communication strategies that allow eligibility workers and employment counselors to share information about participants will improve documentation, program integrity, and customer service.
Appendix

A1. Servicing agencies that supplied cases for the July 2016 – December 2016 review

<table>
<thead>
<tr>
<th></th>
<th>Cases</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>68</td>
<td>100%</td>
</tr>
<tr>
<td>Hennepin</td>
<td>31</td>
<td>46%</td>
</tr>
<tr>
<td>Ramsey</td>
<td>16</td>
<td>24%</td>
</tr>
<tr>
<td>Anoka</td>
<td>5</td>
<td>7%</td>
</tr>
<tr>
<td>Cass</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Dakota</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Isanti</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Aitkin</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Beltrami</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Blue Earth</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Freeborn</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Le Sueur</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Morrison</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Nicollet</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Renville</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Sherburne</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>St. Louis</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>