

# **State of Texas**



## **Temporary Assistance for Needy Families (TANF) Work Verification Plan**

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# Texas TANF Work Verification Plan

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## **Texas TANF Work Verification Plan**

### **Historical Overview—Texas Temporary Assistance for Needy Families Program**

Texas was one of the first states to reform its welfare system. In 1995, the Texas Legislature passed landmark legislation, House Bill 1863, in anticipation of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). This bill established a new agency—the Texas Workforce Commission (TWC)—which merged 28 workforce development programs, including Choices, the Temporary Assistance for Needy Families (TANF) employment and training program. TWC administers the Choices program, which is operated by 28 Local Workforce Development Boards (Boards).

The Boards contract with workforce service providers to provide Choices services through the Texas workforce system. Workforce service providers schedule, monitor, and verify Choices participation, and submit sanction requests to the Texas Health and Human Services Commission (HHSC) for noncompliance with Choices work requirements.

HHSC is Texas' lead agency for the TANF program and submits all TANF reports on behalf of the state. As such, HHSC determines TANF eligibility and provides TWC with information on customers receiving TANF and eligible for Choices services.

The Workforce Information System of Texas (TWIST) is TWC's case management and reporting application. Information on families receiving TANF is transmitted from HHSC to TWIST. The interface between TWIST and HHSC's Texas Integrated Eligibility Redesign System (TIERS) links HHSC eligibility information related to TANF recipients with TWC's corresponding work-related information for the same recipients. Workforce Solutions Office staff outreaches Choices-eligible adults, enters information on Choices participation, requests sanctions, and runs performance reports in TWIST. The TWIST reporting application calculates and provides the work participation status and participation information for families included in Section I of the TANF Data Report and in the Separate State Program—Maintenance of Effort (SSP-MOE) Data Report.

On January 31, 2012, TWC's three-member Commission (Commission) approved a policy concept that proposed amendments to 40 Texas Administrative Code, Chapter 811, the Choices rules, and the TANF Work Verification Plan (WVP) to make necessary changes to the Choices program that would further align with the goal of an outcome-driven, employment-focused program. A strong "work first" message and the full-family sanction of all TANF cash benefits for noncompliance with work requirements have motivated many TANF applicants and recipients to seek employment. Under 45 Code of Federal Regulations §261.10, states have the flexibility to define what it means to engage in work. For purposes of the work participation rate, Texas is defining "engaged in work" to mean that a Choices-eligible individual is considered engaged in work by participating in unsubsidized employment, subsidized employment, on-the-job (OJT) training, or educational services for Choices-eligible individuals who have not completed secondary school or received a high school equivalency (HSE) credential.

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Texas has established new program parameters and a state service delivery design that will provide Boards with the flexibility to design and deliver services that assist Choices customers in entering employment quickly. All other Choices services will remain intact and available for Choices customers to use prior to participation in Choices work activities.

Choices work activities include unsubsidized employment, subsidized employment, on-the-job training, and educational services for Choices customers who have not completed secondary school or received a High School Equivalency (HSE) credential. ***However, these services will not be counted toward participation or be included as a reportable activity.***

From the initial date that a Choices eligible-individual begins receiving TANF benefits, Boards will have six weeks to work with the Choices customer before participation requirements must be met through unsubsidized employment, subsidized employment, OJT, or educational services in the case of Choices eligible individuals who have not completed secondary school or received a HSE credential. However, it should be noted that engagement of Choices customers actually begins at the point of the Workforce Orientation for Applicants (WOA), which occurs prior to TANF certification.

As a condition of TANF eligibility, TANF applicants must attend a WOA. The goal of the WOA is to provide information to help TANF applicants make the best decisions for their families and the best use of their time-limited TANF benefits. The WOA half-day workshop is used to generate interest in workforce services and inform TANF applicants of the options and tools available to facilitate their entry into the workforce.

WOAs are offered to help TANF applicants understand:

- the benefits and advantages of becoming employed;
- services and referrals offered by the Board;
- the impact of time-limited TANF benefits; and
- individual and parental responsibility.

WOAs offer TANF applicants the opportunity to take advantage of available workforce services. TANF applicants attending a WOA have the option of immediately volunteering to participate in Choices employment services, prior to certification for TANF benefits. Applicants who volunteer are provided with necessary support services to enable them to participate, and they may be eligible to receive subsidized child care in order to accept employment.

Boards are not limited in the provision of other non-reportable activities, such as job search and job readiness assistance, community service, job skills training, and vocational and technical education. For example, if a customer requires job search for more than six weeks in a year, Boards will have the flexibility to provide such services, as these will not be used toward the federal participation requirements.

TWC and the Boards regularly perform extensive labor market analyses that focus on the needs of the state's employers. Understanding the demands of employers is the first step

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in equipping families with the ability to obtain and retain employment. All Choices services, including education and training, are directly related to a specific job offer or a high-growth, high-demand occupation.

### I. Countable Work Activities

#### A. Unsubsidized Employment

##### 1. Definition

Unsubsidized employment includes the following:

- Full-time or part-time employment in which wages are paid in full by the employer;
- Unsubsidized internship with wages paid by the employer; and
- Self-employment.

##### 2. Countable Hours of Participation

###### Unsubsidized Employment

TWC counts only actual hours worked, paid holidays, and other paid leave in unsubsidized employment as allowable work participation hours.

###### Self-Employment

Choices rules specify that Boards must not count more hours toward the work participation rate for self-employed individuals than the number derived by dividing the individual's net self-employment income (gross self-employment wages minus business expenses) by the federal minimum wage.

##### 3. Verification of Actual Hours of Participation

Choices rules specify that self-attestation is not an acceptable form of verification. More-stringent requirements have been placed on acceptable documentation.

###### Unsubsidized Employment

TWC has issued guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of unsubsidized employment participation hours:

- Paycheck stubs or earning statements;
- Time cards, time sheets, or attendance sheets, which can be electronically generated or signed by the employer or the employer's designee (e.g., a supervisor);
- Signed letters from the employer or the employer's designee certifying the Choices customer's participation hours; or
- Online documentation services, such as TALX or The Work Number.

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Generally, employers prepare and provide the requested documents (e.g., paycheck stubs, time sheets) to participants in the normal course of business. Therefore, requests of employers to provide documentation are kept to a minimum.

### Self-Employment

Self-employment is defined as an income-producing enterprise. TWC uses the same methodology to determine net self-employment income as HHSC uses to determine eligibility for TANF benefits.

The Commission permits the use of self-employment provided that the individual can demonstrate that the self-employment enterprise will lead to self-sufficiency by lessening the reliance of the family on public benefits, such as TANF and Supplemental Nutrition Assistance Program.

Under the new Choices standard, there are two types of self-employment; both are intended to lead to self-sufficiency by lessening families' reliance on public benefits:

1. Established self-employment enterprises; and
2. Prospective self-employment enterprises.

### Established Self-Employment Enterprises

Boards must allow self-employment for individuals with an established self-employment enterprise, provided that the individuals can demonstrate that the enterprise renders a clear pathway to self-sufficiency by lessening family reliance on public benefits.

Boards must conduct an initial verification and require the following documentation:

- Federal income tax forms or quarterly income reports, such as:
  - Form 1040; or
  - Schedule C, F, or SE federal income tax returns for the most recent tax year; or
- One of the following to prove existence of the business:
  - Property titles, deeds, or rental agreement for the place of business;
  - Recent business bank statement, or phone, utility, or insurance bill;
  - Recent state sales tax return; or
  - Business records that provide proof of income and expenditures, such as:
    - copies of money orders or checks received, and lists of individuals/customers served (if available); or
    - personal wage records with third-party signed verification; or
  - business plans.

For ongoing monthly verification, individuals will be required to submit:

- documentation that provides information on the amount of income generated and the associated business expenses. Documentation must include invoices

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- signed by the customer that contain the customer name and contact information, dates and locations where services were provided, and amounts received; and
- business expense receipts that substantiate the expenses to be deducted from the gross income, if applicable.

### Prospective Self-Employment Enterprises

Boards must allow prospective self-employment enterprises, provided that the individuals can demonstrate that the enterprise renders a clear pathway to self-sufficiency by lessening family reliance on public benefits.

Boards must verify initially that the customer was in the process of establishing a self-employment enterprise by requiring the following documentation:

- Property titles or deeds for the place of business;
- Rental agreement or letter from a property owner showing the customer planned to open a business; or
- Other evidence that the customer was preparing to open a business such as:
  - advertising, state tax registration, assumed name certificate, etc.;
  - business plan; or
  - bank account information.

For ongoing monthly verification, Boards must ensure that individuals submit the following:

- Documentation that provides information on the amount of income generated and the associated business expenses. Documentation must include invoices signed by the customer that contain the customer name and contact information, dates and locations where services were provided, and amounts received; and
- Business expense receipts that substantiate the expenses to be deducted from the gross income, if applicable.

Boards may assist in providing access to entrepreneurship training and business counseling. The use of entrepreneurship training and business counseling can provide the customer with the resources needed to determine if his or her enterprise is a viable venture that will result in self-sufficiency.

TWC requires that Boards' policies and procedures provide for enhanced quality assurance reviews of self-employment verification.

### **Documentation:**

All contact with Choices participants, including documentation and verification of participation in work activities, is entered and maintained in TWIST.

### **1. Self-Employment**

TWC uses the same methodology to determine net self-employment income as HHSC uses to determine eligibility for TANF benefits.

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HHSC advisors and Workforce Solutions Office staff must inform households orally and in writing to keep self-employment records and receipts for verification purposes for future recertification.

### 2. Projection of Hours

Projection of hours is not allowed.

## B. Subsidized Private Sector Employment and Subsidized Public Sector Employment

### 1. Definition

Subsidized employment is full-time or part-time employment in the private or public sector, where all or a portion of the participant's wages are subsidized. (Federal or state funds may be used to subsidize the wages.) Boards are precluded from being the employer of record for work-eligible individuals enrolled in a subsidized employment activity. Subsidized employment includes the following:

- Subsidized internship with a portion of the work-eligible individual's wages subsidized
- Subsidized employment with a staffing agency acting as the employer of record
- Subsidized employment with the actual employer acting as the employer of record

Wages for subsidized employment must meet the federal or state minimum wage, whichever is higher. Boards must establish a local policy to set the amount of the wage that is subsidized. Employers must provide the same wages and benefits to subsidized employees as for unsubsidized employees with similar skills, experience, and position.

Additionally, TWC's Chapter 811 Choices rules require Boards to ensure the following:

- Subsidized employment placements prepare and move the Choices participant into unsubsidized employment.
- Employers do not use subsidized employment to displace existing employees.
- Subsidized employment placements are allotted to employers that are expected to retain Choices participants as regular unsubsidized employees once the subsidized placement has ended, unless successful completion of the placement is expected to result in unsubsidized employment with a different employer.
- Wages are at least federal or state minimum wage, whichever is higher.

### 2. Countable Hours of Participation



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TWC counts only actual hours worked, paid holidays, and other paid leave in subsidized employment as allowable work participation hours.

### 3. Verification of Actual Hours of Participation

Choices rules specify that self-attestation is not an acceptable form of verification. More-stringent requirements have been placed on acceptable documentation. TWC has issued guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of subsidized employment participation hours:

- Paycheck stubs or earning statements;
- Time cards, time sheets, or attendance sheets, which can be electronically generated or signed by the employer or the employer's designee (e.g., a supervisor);
- Signed letters from the employer or the employer's designee certifying the Choices customer's participation hours; and
- Online documentation services, such as TALX or The Work Number.

Generally, employers prepare and provide the requested documents (e.g., paycheck stubs, time sheets) to participants in the normal course of business. Therefore, requests of employers to provide documentation are kept to a minimum.

#### Documentation

All contact with Choices participants, including documentation and verification of participation in work activities, is entered and maintained in TWIST.

#### 1. Projection of Hours

Projection of hours is not allowed.

### C. On-the-Job Training

#### 1. Definition

On-the-job training (OJT) is on a case-by-case basis, and a determination is made on whether to authorize, arrange, or refer a work-eligible individual for subsidized, time-limited training activities to assist the individual with obtaining OJT knowledge and skills that are essential to the workplace.

OJT is a training activity that is provided by an employer to work-eligible individuals, on or off the work site, who are engaged in productive work in a job. OJT must do the following:

- Provide knowledge or skills that are essential to the full and adequate performance of the job

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- Provide reimbursement to the employer of a percentage of the wage rate of the work-eligible individual for the extraordinary costs of providing the training and additional supervision related to the training
- Be limited in duration, as appropriate, to the occupation for which the work-eligible individual is being trained, taking into account the content of the training, the prior work experience of the individual, and the service strategy of the participant
- Include training specified by the employer

The goal—after satisfactory completion of OJT—is unsubsidized employment with the current employer or another employer. Boards must not contract with employers that have exhibited a pattern of failing to provide work-eligible individuals who have completed OJT with continued long-term employment. The employment must provide wages, benefits, and working conditions equal to those provided to the employer’s incumbent employees who have worked a similar length of time and performed a similar type of work.

Further, TWC requires that placements in work-based services must not result in the displacement of currently employed workers or impair existing contracts from services or collective bargaining agreements.

Choices rules contain the following supervision and documentation requirements:

- OJT must be supervised by the employer, worksite sponsor, or the service provider’s designated representative on a daily basis; and
- OJT must be documented at least once monthly.

### **2. Countable Hours of Participation**

TWC counts only actual hours worked, paid holidays, and other paid leave in subsidized employment as allowable work participation hours.

### **3. Verification of Actual Hours of Participation**

Choices rules specify that self-attestation is not an acceptable form of verification. More-stringent requirements have been placed on acceptable documentation. TWC has issued guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of OJT participation hours:

- Paycheck stubs or earning statements;
- Time cards, time sheets, or attendance sheets, which can be electronically generated or signed by the employer or the employer’s designee (e.g., a supervisor);
- Signed letters from the employer or the employer’s designee certifying the Choices customer’s participation hours; and
- Online documentation services, such as TALX or The Work Number.

Generally, employers prepare and provide the requested documents (e.g.,

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paycheck stubs, time sheets) to participants in the normal course of business. Therefore, requests of employers to provide documentation are kept to a minimum.

### **Documentation:**

All contact with Choices customers, including documentation and verification of participation in work activities, are maintained and entered in TWIST.

### **1. Employer Training for OJT**

OJT is training provided by an employer to a paid employee who is engaged in productive work in a job. OJT provides knowledge or skills essential to the full and adequate performance of the job, is specified by the employer, and involves distinct learning objectives and courses of study.

OJT is limited in duration, as appropriate, to the occupation for which the work-eligible individual is being trained, taking into account the content of the training, the prior work experience of the individual, and the service strategy of the individual.

### **2. Projection of Hours**

Projection of hours is not allowed.

### **D. Satisfactory Attendance at Secondary School or in a Course of Study Leading to a High School Equivalency (HSE) credential, in the case of a recipient who has not completed secondary school or received such a credential**

#### **1. Definition**

In the case of a Choices eligible individual who has not completed secondary school or received an HSE credential, satisfactory attendance at secondary school or in a course of study leading to an HSE credential is a non-core activity.

A case-by-case determination is made on whether to authorize, arrange, or refer work-eligible individuals to secondary school leading to a high school diploma or an HSE credential.

#### **2. Countable Hours of Participation**

Teen heads of household who have not completed secondary school or received an HSE credential count as engaged in work if they maintain satisfactory attendance at a secondary school or the equivalent during months in which school is in session. During months in which school is not in session, teen heads of household must participate in employment activities.

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Homework time, excused absences, and holidays are not included in countable hours of participation.

### 3. Method of Ensuring Daily Supervision

Work-eligible individuals who are enrolled in educational services are supervised on an ongoing basis, and participation is documented in TWIST. TWC requires attendance at secondary school to be supervised daily and documented at least monthly.

#### **Documentation:**

All contact with Choices participants, including documentation and verification of participation in work activities, is entered and maintained in TWIST.

### 1. State's Criteria for "Good or Satisfactory Progress" for Secondary School or HSE Credential

Choices rules define "good or satisfactory progress" as determined by the institution providing the education or training services. This information is obtained when hours of participation are obtained, and is documented with the hours of participation.

It is not necessary to use excused absences or holidays for teens in school, as "satisfactory attendance" determines if a teen is meeting participation and TWC does not define satisfactory attendance through a limit on the number of excused absences.

## II. Other Choices Services

Choices customers may access any Choices services that are reasonably expected to assist them in obtaining employment quickly. These services include:

- job search/job readiness assistance;
- community service;
- vocational education training;
- job skills training;
- work experience; or
- education directly related to employment.

While these services must be entered in TWIST, the hours engaged in these services are not recorded.

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### III. Work-Eligible Individual

#### A. Procedures for Defining Work-Eligible Individuals, as defined at 45 CFR §261.2.

HHSC defines work-eligible individuals as adults (or minor heads of household) receiving TANF assistance and non-recipient parents living with a child receiving TANF assistance, unless specifically excluded by federal regulations. Excluded non-recipient parents are: minor parents who are not the heads of household; non-citizens ineligible to receive assistance due to immigration status; and recipients of Supplemental Security Income (SSI). In accordance with federal regulations, HHSC also excludes the following parents, regardless of whether they receive TANF assistance or are non-recipient parents: parents providing care for a disabled family member living in the home; and parents who receive Social Security Disability Insurance (SSDI) benefits. HHSC Quality Control staff review all client data in the sample used for federal reporting to ensure all work eligible adults and minor parent heads of household are accurately reported.

HHSC identifies a disabled individual as a recipient of SSI or SSDI or an individual who provides verification of a disability from a medical professional. All TANF recipients or non-recipient parents caring for a disabled family member must provide verification of the family member's disability, regardless of SSI or SSDI receipt.

The standard medical verification form related to disability is HHSC's Form 1836, Medical Release/Physician's Statement. Form 1836A is for individuals with a disability who are requesting an exemption from the TANF work requirements. Form 1836B is for individuals who are requesting an exemption from the TANF work requirements because they are needed in the home to care for a disabled family member. Each form has areas for the physician to indicate the amount of time the disability is expected to last and the limitations on the individual's ability to participate in work or work activities. Additionally, Form 1836B has the physician assess the amount of time the individual is needed in the home to care for the disabled family member and to certify whether the individual is limited to activities based on the need for them to care for the disabled family member. Even if the disabled family member receives SSI or RSDI based on disability, Form 1836B is still required to verify the individual is needed in the home to care for that disabled family member.

HHSC requires that an updated Form 1836A or 1836B be provided every six months. Individuals providing Form 1836A or Form 1836B indicating the disability is expected to last fewer than six months are referred to Workforce Solutions Offices for Choices services. Workforce Solutions Office staff works with the individuals to design service plans that accommodate their disabilities or to provide good cause for noncooperation with work requirements because of their disabilities. Good cause is evaluated monthly and an individual's disability status is adjusted, if necessary, based on the monthly good cause evaluation.

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A family member is an individual related to the TANF recipient by blood or marriage.

### **B. Procedures for Ensuring the Accuracy in Reporting of Work Participation for Work-Eligible Individuals, including the following:**

- The correct reporting of the Work Participation Status of all adult (or minor child head-of-household) family members, and
- The proper identification of TANF Families for inclusion in only the overall work participation rate or the overall and two-parent work participation rates, or exclusion from both the overall and two-parent work participation rates.

HHSC has established item-by-item edit checks to ensure accuracy in reporting work-eligible individuals' work participation.

- Work Participation Status is coded by TWIST but is cross-checked by HHSC with data items collected in its system, such as Family Affiliation. HHSC and TWC work together to resolve any inconsistencies that are found before the reports are submitted.
- Type of Family for Work Participation is calculated as specified in the federal regulations. It uses data items gathered through HHSC's automated systems and by quality-control staff, such as Parent with Minor Child in Family. The data item, Work-Eligible Individual Work Participation, has been incorporated into that calculation.
- The primary data source is composed of data from the Texas Integrated Eligibility Redesign System (TIERS). The data from TIERS is collected and processed by DataMart as designed based on the criteria established by ACF. It is then submitted to HHSC Financial Services Strategic Decision Support (SDS) for validation.

### **C. Documenting the Procedures for Identifying Work-Eligible Individuals' Work Participation**

TWC promulgates rules that explicitly define each work activity in language that is consistent with the corresponding federal definition. Further, TWC directs Boards regarding timely data entry, and mandates that all necessary documentation be recorded in TWIST. In addition to the Choices rules, TWC also has issued a Choices comprehensive guide that details the definitions of allowable work activities, data entry, and documentation requirements.

TWC requires each Board to monitor itself and its workforce service providers to ensure compliance with all applicable rules and legislation. TWC monitors Boards to ensure that their monitoring is effective, complete, and in compliance with all applicable rules and legislation.

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Accurate entry of participation hours and adherence to guidance on the definitions of work activities are required parts of each Board's monitoring plan and also are monitored by TWC.

Service providers submit documentation and verification of participation in services to Workforce Solutions Office staff. Participants also provide valid documentation of participation in employment and training activities to Workforce Solutions Offices. Workforce Solutions Office staff enters data on participant characteristics, hours of participation, types of activities participated in, support services provided, documentation of hours, good cause, sanctions, etc., into TWIST. Workforce Solutions Office staff, Board staff, and TWC state office staff (including Subrecipient Monitoring) validate participation documentation (in the case of job search, samples are validated) prior to submitting data to HHSC for reporting to ACF. TWIST transmits data to HHSC, which then generates required TANF reports and transmits them to ACF.

HHSC provides training and direction to its staff on the proper procedures for entering client data into HHSC's automated systems. HHSC management staff conducts case readings to ensure policies and procedures are followed, and quality assurance staff randomly monitors for data integrity.

### IV. Internal Controls

#### A. Accuracy of Internal Controls to Establish Proper Work Verification Procedures

TWC provides rules, guidance, and training to state and local staff to ensure that staff is well-versed in all policy, including policy around the work verification plan. TWC requires each Board to monitor itself and its workforce service providers to ensure compliance with all applicable rules and legislation. TWC monitors Boards to ensure that their monitoring is effective and complete and to ensure their compliance with all applicable rules and legislation.

The following TWC departments participate in the evaluation and validation of Choices data and services:

#### Subrecipient Monitoring

Subrecipient Monitoring is responsible for providing an effective system for the oversight and monitoring of the 28 Boards and their workforce service providers. This system ensures accountability and appropriate workforce service provider use for workforce development purposes and subsidized child care services.

Subrecipient Monitoring reviews Choices cases to make the following determinations:

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- Is the activity the customer is participating in an allowable activity? (Ensure the customer is enrolled in one of the 12 work activities and that there is supporting documentation in the case file for the activity.)
- Are the participation hours in TWIST supported by the documentation in the case file? (Ensure there is supporting documentation such as time sheets, job search logs, etc., for the hours entered into TWIST.)
- If the customer is not meeting participation requirements, did the Board follow its reasonable and timely notification policy? (Ensure the Board is initiating sanctions or applying good cause to customers not meeting participation requirements.)

Subrecipient Monitoring visits each Board once a year. Ten percent of the units under consideration are tested (whether those are expenditures, participants, etc.—whatever is defined as the “unit”) if the population is large. If the population is small, then Subrecipient Monitoring determines a minimum number to test. For all testing, Subrecipient Monitoring tests a minimum of 20 units (whether those are expenditures, participants, etc.—whatever is defined as a unit). Those numbers can be varied based on the circumstances, experience, etc.

If systemic problems are discovered, the Board must address the problems and the steps it will take to resolve them in the follow-up report to the monitoring visit. On subsequent monitoring visits, these deficiencies are reviewed to ensure that they have been corrected.

TWC maintains all pertinent findings produced through its internal control processes and these findings will be available for use by ACF and other auditors in their review of Texas’ work participation verification system.

### **Workforce Development Division Staff**

The primary functions of Workforce Development Division staff is to provide a continuous analysis of Boards’ performance and targeted technical assistance to ensure that the employment and training services provided by the Boards are aligned with the workforce needs of local employers.

HHSC uses SPSS software to validate data items received through DataMart’s data gathering process. Validation checks have been incorporated into the programming code to test for missing and inaccurate data. For instance, unusually high amounts of child support, and cash resources are flagged so they can be verified. Validation codes also have been developed to flag values that are out of range or invalid according to federal regulations, which can then be reviewed and corrected prior to report submission. Including:

- understanding how the core elements of the Texas workforce system are intended to benefit employers and identifying and providing Boards with effective strategies for preparing work-eligible individuals to meet the workforce needs of local employers;



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- establishing benchmarks for assessing the impact of each Board's performance on the state's overall performance;
- analyzing Boards' performance in the management of effective service delivery systems and recommending strategies for improvement; and
- providing ongoing technical assistance by phone, e-mail, and on-site visits in response to requests from Boards, changes in policy, and continuous analysis of the Boards' performance trends.

### **The Workforce Information System of Texas (TWIST)**

TWIST contains a variety of edits designed to improve the quality of data entered into the TWIST application, such as:

- *SSN* is a required field, and must be nine digits, unique, and not start with 000.
- *First Name* and *Last Name* are required fields, and must start with a letter.
- Participation can be entered only for allowable activities.
- Begin and end dates must be recorded for all services, and are subject to various edits to ensure that the service ends after it begins, and within a reasonable time frame.
- Begin and end dates cannot be changed to exclude weeks of participation already entered.
- Services cannot be deleted after the customer has exited the program.
- Revision user, date, and time are recorded for all entries and changes entered into TWIST.

### **TWIST Quality Assurance**

The TWIST Quality Assurance Team performs module, integration, and system testing on the existing and upgrade versions of the TWIST application and the Web reports application; checking functionality, standardization, and adherence to program specifications. The team's main functions are as follows:

- Verifying new versions of the applications prior to their release to the production environment;
- Alerting the Workforce Systems Support Desk and other project staff to major program application and functionality changes in specifications prior to the release;
- Re-creating reported defects in a test environment by locating the exact sequence of events causing the problem;
- Testing for possible work-around solutions for the Workforce Systems Support Desk until the defect is repaired;
- Retesting and verifying completion of repaired defects;
- Analyzing submitted defects involving new and modified program policies; and
- Documenting current processes, reviewing written specification additions/modifications, and creating the test case for the defect.

### **TWIST Workforce Systems Support Desk**

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The TWIST Workforce Systems Support Desk is designed to be a primary point of contact for Board automation issues. Workforce Systems Support Desk analysts serve as liaisons between users and project teams. The Workforce Systems Support Desk provides automation resource support, operational and technical assistance for TWIST to the following users:

- TWC state office staff and trainers
- Other state agencies' system users
- Board staff and workforce service providers

### **HHSC**

HHSC management staff conducts local training and randomly reviews cases for accurate policy application. HHSC's quality assurance team conducts random monitoring to ensure policy and procedures are followed by staff. When these internal control efforts reveal discrepancies or inconsistencies, policy directives are issued and targeted training is provided so work-eligible individuals are accurately identified.

Texas will maintain all pertinent findings produced through its internal control processes and these findings will be available for use by ACF and other auditors in their review of the state's work verification system.

### **B. Control for Data Errors**

TWC flags cases with participation in excess of 50 hours per week, either in one activity or combined participation in multiple activities. Boards are required to review these cases for increased documentation or correction. TWC monitors also review these cases.

TWC promulgates rules that explicitly define each work activity in language that is consistent with the corresponding federal definition. Further, Texas directs Boards regarding timely data entry, and mandates that all necessary documentation be recorded in TWIST. In addition to the Choices rules, TWC also has issued a Choices comprehensive guide that details the definitions of allowable work activities, data entry, and documentation requirements.

TWC requires each Board to monitor itself and its workforce service providers to ensure compliance with all applicable rules and legislation. TWC monitors Boards to ensure that their monitoring is effective, complete, and in compliance with all applicable rules and legislation.

Accurate entry of participation hours and adherence to guidance on the definitions of work activities are a part of each Board's monitoring plan and are also monitored by TWC.

HHSC uses SPSS software to validate data items received through DataMart's data gathering process. Validation checks have been incorporated into the programming

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code to test for missing and inaccurate data. For instance, unusually high amounts of child support, and cash resources are flagged so they can be verified. HHSC uses SPSS software to validate data items received through DataMart's data gathering process. Validation checks have been incorporated into the programming code to test for missing and inaccurate data. For instance, unusually high amounts of child support, and cash resources are flagged so they can be verified. Validation codes also have been developed to flag values that are out of range or invalid according to federal regulations, which can then be reviewed and corrected prior to report submission.

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### **C. Verification Used to Ensure Coding for Work Participation Report Items Follows Federal Guidelines**

Whenever changes are made to Texas' work participation rate coding, TWC extensively validates the coding. TWIST staff first validates the coding to ensure consistency with the specifications; TWC policy staff then validates the coding to ensure consistency with specifications and federal rules. Validation of every record is performed through SPSS syntax.

HHSC's policy and reporting staff work together to ensure that coding for all work participation report items follows federal guidelines. Results are tested extensively using SPSS software and are validated against known data items before being incorporated into the final programming. Item-by-item edit checks are used for further validation prior to the submission of the reports.

### **D. Sampling and Estimation Techniques for Data Validation**

Texas currently does not use sampling or estimation techniques as a part of the work verification process.

## **V. Verification of Other Data Used in Calculating the Work Participation Rates**

### **A. State's Validation Procedures to Ensure Accurate Data Reporting**

HHSC has implemented procedures to break out TANF families by case characteristic.

- **Reporting Month:**

The dates TANF benefits are issued and become effective are calculated through HHSC's automated systems. Computer programs select cases that have a benefit effective for, and issued in, each reporting month. Edit checks are performed to ensure that the correct months are included in each federal fiscal quarter.

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- **Stratum:**

A stratum code is assigned through HHSC's automated systems to each case that is pulled in the TANF sample, according to Texas' sampling plan. Edit checks are performed to ensure that the correct code is assigned to each case.

- **Case Number:**

Case numbers are assigned through HHSC's automated systems to families approved for TANF benefits. Cases that are pulled in the samples can be identified and tracked through the reporting process, both manually and electronically.

- **Disposition:**

Disposition code is calculated by comparing cases that were selected in the sample to those that received a benefit. That code is validated through edit checks and case reviews on sampled cases.

- **Type of Family for Work Participation:**

Data elements used to calculate Type of Family for Work Participation are gathered through HHSC's automated systems. Edit checks are performed to ensure that the correct code has been calculated in each case.

- **Amount of Food Stamp Assistance:**

The amount of Food Stamp assistance is calculated through HHSC's automated systems, and it is validated on sampled cases through edit checks.

- **Amounts of TANF (and SSP-MOE) Assistance:**

The amounts of TANF assistance are collected through HHSC's automated systems and validated on sampled cases through edit checks.

- **Family Affiliation Code:**

Data elements used to calculate Family Affiliation Code are gathered through HHSC's automated systems on sampled cases. Edit checks are performed to ensure that the correct code has been calculated in each case.

- **Non-custodial Parent Indicator:**

Texas does not serve this population.

- **Date of Birth (Adult):**

Date of Birth (Adult) is collected through HHSC's automated systems, but is validated through case reviews on sampled cases.

- **Relationship to Head-of-Household:**

Relationship to Head-of-Household is collected and validated through case reviews on sampled cases.

- **Parent with Minor Child:**

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Parent with Minor Child is collected and validated through case reviews on sampled cases.

- **Work-Eligible Individual Indicator:**

Texas calculates this new data element from data gathered through HHSC's automated systems. It is validated by case reviews on sampled cases.

- **Date of Birth (Child):**

Date of Birth (Child) is collected through HHSC's automated systems, but is validated through case reviews on sampled cases.

- **Receives Subsidized Child Care:**

TWC and the 28 Boards administer the federal Child Care and Development Block Grant and maintain information regarding individuals who are receiving subsidized child care.

TWC requires each Board to monitor itself and its workforce service providers to ensure accurate data entry. TWC oversees Boards to ensure that their monitoring is effective, complete, and in compliance with all applicable rules and legislation.

Accurate entry of child care information is a part of each Board's monitoring plan and is also monitored by TWC.

### **B. Procedures to Eliminate Data Inconsistencies between Two or More Data Elements**

HHSC has established item-by-item edit checks to identify data inconsistencies between two or more data elements, as well as methodologies to correct them. For instance, an SPSS programming code has been developed that checks Family Affiliation code against Parent with a Minor Child. If Family Affiliation code = 2 (parent of minor child in eligible family) and Parent with Minor Child in Family = 3 (no, not a parent), then the case is identified for follow-up with quality control staff, who will take the necessary steps to resolve the inconsistency. Code has been developed to test other data items for consistency, as well, such as Marital Status where there are two adults in a family, and the relationships of children to the head-of-household compared to the parental status of the adult. All inconsistencies that are identified are corrected before the reports are submitted.

### **C. Work Participation Status**

#### **1. State's Procedures to Ensure that a Family is not Disregarded from the Work Participation Rate for More than 12 Months**

In Texas, TANF adults are eligible to receive an exemption from work requirements

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if they have a child under age one at the time of initial TANF certification, until that child turns one, and for a maximum of 12 months. If the adults have children after their initial TANF certification, they are not eligible to receive exemption time for those children. This is the initial check to ensure that families are disregarded for no more than 12 months based on a single custodial parent with a child less than one year of age.

Additionally, Texas' work participation rate calculation is coded so only those adults who are exempt due to caring for a child under age one may be coded with work participation status 1 (single custodial parent with a child under one). Further, the coding only allows a family to receive work participation status 1 for a lifetime maximum of 12 months. Finally, the coding also checks for a child under age one on the case prior to assigning the case work participation status 1.

### **2. State's Procedures to Ensure that a Family is not Disregarded from the Work Participation Rate for More than Three Months**

Because Texas has a full-family sanction, our coding does not disregard any sanctioned families from the calculation of work participation rates. When a penalty for refusal to participate in work is imposed, the entire family is denied TANF. As a result, these families are not included in the calculation of work participation rates.

### **3. State's Procedures for Ensuring a Family Deemed Engaged in Work**

Texas' work participation rate calculation is coded to check first for a child under age six in the family. All such cases are flagged. Then, the flagged cases are checked to ensure that the family has a single custodial parent or caretaker relative in the household. If another parent or caretaker is in the household—even if that individual is not receiving TANF benefits—the family is not eligible for this reduction in work requirements. If both of these conditions are met, and the family participates in core activities for 20 hours, the family is assigned a work participation status identifying them as a parent or relative (who is the only parent or caretaker relative in the family) with a child under age six.