

The seal of the State of Michigan is the background of the page. It features a central shield with a landscape scene of a person fishing in a lake. Above the shield is an eagle with wings spread, perched on a banner. Two deer stand on either side of the shield. At the bottom, a banner contains the Latin motto "SI QUÆRIS PENINSULAM AMÆNAM" and the word "CIRCUMSPICE" in large, bold letters.

**State of Michigan  
Work Verification Plan**

**Temporary Assistance for  
Needy Families Programs**

Effective August 1, 2012

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## **Preface**

### **Overview of Michigan's Workforce Investment System**

Michigan's Workforce Investment System (WIS) integrates workforce development, economic development, and education to meet employer and job seeker needs. The WIS consists of 25 local Workforce Development Boards (WDBs) throughout the State. Local WDBs administer Michigan Works! Agencies (MWAs) to operate the State's Michigan Works! Service Centers that provide the One-Stop Career Services.

Michigan utilizes the WIS to operate the work participation program. The work participation program provides occupational and training services for public assistance recipients to allow transition into stable employment, leading to self-sufficiency. The MWAs are granted flexibility while designing the work participation program service strategies that will provide services to participants. The Workforce Development Agency, State of Michigan (WDASOM) distributes federal Temporary Assistance for Needy Families (TANF) funds and State General Fund/General Purpose funds to MWAs for use in the operation of the work participation program.

Michigan's county Department of Human Services (DHS) offices receive all applications for public assistance, including the Family Independence Program (FIP), Michigan's TANF-funded cash assistance program. During the application process, the DHS caseworker enters information that is used by DHS computer systems to determine Work Eligible Individual (WEI) status and set the minimum number of federally required hours of participation, as described below. Upon application for FIP, work-ready individuals are referred to MWAs to receive employment and training services and assignments, with an emphasis on federally countable work participation activities and must comply as a condition of eligibility. The State of Michigan requires non-deferred, work-ready WEIs to participate at the federal minimum level with a maximum of up to 40 hours per week, subject to modification when necessary to accommodate disabilities under the Americans with Disabilities Act and Section 504, or other barriers. The MWAs monitor whether the federal work participation requirements are met and enter this participation into the Family Self Sufficiency Plan (FSSP).

The DHS or its contractors may serve WEIs facing barriers that limit their ability to immediately enter into employment-related activities. WEIs with significant or multiple barriers may be temporarily deferred from the work participation program. Every effort will be made to engage deferred participants in countable work activities.

Michigan also provides comprehensive employment services through bid contracts to refugee families receiving TANF benefits in five urban locations. Refugee contractors serving these families will provide the same work activities, verifications, and monitoring as described in this plan.

### **Electronic Systems Used to Support Common Data Collection**

Michigan uses an electronic *Family Self-Sufficiency Plan (FSSP)* statewide. The FSSP specifically outlines services to be provided, explicit action steps for the WEI and the case

manager(s), and expected time frames for completion of these and other self-sufficiency- related actions. The FSSP also displays each WEI's required hours of participation and activity assignments including required, planned, and actual hours of participation gathered from the MWA contractor and the WDASOM's One-Stop Management Information System (OSMIS) and DHS systems. The FSSP is shared electronically between the partners involved in work participation activities. The FSSP calculates whether participant hours meet the work participation requirements.

MWAs track work participation program participants through OSMIS. Each component consists of a single applicant record containing participant data. State of Michigan policies require using OSMIS for accurate and timely data reporting. These requirements maintain effective control and management of the work participation program's record keeping data pertaining to work participation program participants.

Michigan utilizes its electronic data systems to record participants' actual hours of participation. DHS staff enters actual hours of participation using the electronic FSSP, based on hours verified by DHS and hours of participation reported, after verification, by the Refugee Contractor. MWAs enter participants' actual hours of work participation into the OSMIS, which are then electronically transferred and automatically included in the count of actual hours on the FSSP. All actual hours of participation recorded in electronic data systems are required to be supported by the activities' documentation described below.

The FSSP contains a new report that calculates the countable hours of work participation activities for all FIP recipients in the State of Michigan. The FSSP Countable Hours Report collects and filters relevant participation data from the state's current electronic information systems. The Countable Hours Report provides a standard reference for tracking, evaluating, and monitoring work participation data. All relevant hours in a reported month are included on the Countable Hours report including work participation activities, excused absences, and holiday time.

In addition to actual monthly activities and hours, the Countable Hours Report tracks the limitations for maximum total hours in the preceding 12-month period and number of consecutive weeks for Job Search/Job Readiness activities. The report also ensures that no more than 80 hours total of excused absences are counted in their preceding 12-month period. The lifetime limitation of 12 months countable time in Vocational Educational training activities are also tracked in this report.

## I. Countable Work Activity Descriptions

The State's local MWAs are required to adhere to the activity definitions as described below. The TANF regulations describe a total of 12 countable activities. Subsidized employment is considered as one activity whether it is in the public or private sectors, so there are only 11 activities subsequently described. Subsidized public or private employment is reported separately.

### Core Activities

#### A. *Unsubsidized Employment*

*1. Description of the services or programs Michigan includes under the Unsubsidized Employment activity.*

- Full or part-time public or private sector employment in which wages are paid in full by the employer
- Self-employment

*2. Description of how Michigan determines the number of countable hours of participation for the activity.*

#### Public or Private Sector Employment

Michigan counts all hours for which an individual is paid, including those hours not worked due to employer recognized paid leave time and paid holidays.

Hours of participation in barrier removal or other supportive activities, such as substance abuse treatment, mental health treatment, and rehabilitation activities may count as unsubsidized employment if the activities are an integrated part of the unsubsidized employment and if the participant is paid for all hours of participation in such activities.

#### Self-Employment

Michigan determines the number of countable hours by using a calculation of monthly net business sales (gross revenue-expenses) divided by the federal minimum wage.

*3A. Description of how Michigan verifies and documents the actual hours of participation for the activity.*

#### Public or Private Sector Employment

The following forms of documentation will be accepted as verification of unsubsidized employment participation hours:

- Pay stubs; other employer record detailing hours of work; or third party verification services.

OR

- A Signed (or electronically signed) written statement from the employer or the employer's designated representative or documentation of a phone contact with the employer or employer's designated representative.

If there is a gap in the pay stubs the MWA may calculate the missing pay period by using the year to date information on submitted pay stubs.

#### Self-Employment

Michigan verifies self-employment with the most recent appropriate tax records, participant income statements, including copies of personal checks, business receipts, billing invoices or accounting records.

*3B. Explanation of how Michigan intends to project forward hours of participation based on current, documented, actual hours.*

#### Public or Private Sector Employment

- Michigan will project hours forward for up to six months.
- When the state becomes aware of a change in the number of average hours worked, the current actual hours will be re-verified and projected for another six months if applicable.

#### Self-Employment

- Michigan will project hours of self-employment forward for up to six months.

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

- 1. Description of the services or programs Michigan includes under the Subsidized Private and Public Sector Employment activity.*

This is employment for which an employer receives a publicly funded subsidy to offset some or all of the wages and/or costs of employing a recipient. Subsidized employment is designed to prepare participants for a transition into unsubsidized employment. While the state has no specific restrictions on the duration of placements, subsidized private or public sector employment is used on a limited basis.

Subsidized private or public sector employment may be arranged directly through the employer or placement agency.

Michigan also includes educational institution-sponsored work-study programs as Subsidized Employment activities since public funds are used to provide the employment subsidies for work-study placements.

2. *Description of how Michigan determines the number of countable hours of participation for the activity.*

Michigan counts all hours for which an individual is paid, including those hours not worked due to employer recognized paid leave time and paid holidays.

Hours of participation in barrier removal or other supportive activities, such as substance abuse treatment, mental health treatment, and rehabilitation activities may count as unsubsidized employment if the activities are an integrated part of the unsubsidized employment and if the participant is paid for all hours of participation in such activities.

3A. *Description of how Michigan verifies and documents the actual hours of participation for the activity.*

- Pay stubs, other employer record detailing hours of work, or third party verification services .

OR

- A Signed (or electronically signed) written statement from the employer or the employer's designated representative or documentation of a phone contact with the employer or employer's designated representative .

If there is a gap in the pay stubs, not greater than one pay period, the MWA may calculate the missing pay period by using the "year to date" information on submitted pay stubs.

3B. *Explanation of how Michigan intends to project forward hours of participation based on current, documented, actual hours.*

- Michigan will project hours forward for up to six months.

- When the state becomes aware of a change in the number of average hours worked, the current actual hours will be re-verified and projected for another six months if applicable.

### **C. *Work Experience***

#### *1. Description of the services or programs Michigan includes under the Work Experience activity.*

The Work Experience Program (WEP), (including work associated with the refurbishing of publicly assisted housing), is a work assignment, performed in return for welfare, primarily for individuals lacking previous employment experience and/or job skills and therefore is unable to obtain full-time Unsubsidized Employment. The goal of the WEP is to improve skills, work habits, and the general employability of individuals.

Local MWA offices will approve sites for all WEP assignments and negotiate terms of placement consistent with the goals and objectives for the participants placed at the site. The participants perform work activities that provide opportunities to acquire general skills, knowledge, and training to obtain employment. The program is designed to benefit participants by providing on-site work experience to help them acquire and maintain full-time employment following placement.

The liability for the participants, regarding workman's compensation, etc., remains the responsibility of the State, not the work-site or organization where activities are taking place.

#### *2. Description of how Michigan determines the number of countable hours of participation in Work Experience activities.*

Michigan counts each hour engaged in the activity. The hours of participation in a WEP may not exceed the amount of the cash assistance grant divided by the State's minimum wage, in accordance with the Fair Labor Standards Act (FLSA). All WEP participants are considered employees under the FLSA.

#### *3. Description of how Michigan verifies the actual hours of participation in Work Experience activities.*

Michigan verifies hours using timesheets, activity logs, or attendance records.

#### *4. Description of the supervision methods for Work Experience activities.*

A site sponsor, or other responsible party designated by the site sponsor, supervises work experience assignments. Participants in this activity must be supervised on an ongoing basis.



**D. On-the-Job Training (OJT)**

*1. Description of the services or programs Michigan includes under the OJT activity.*

This applies to individuals who are recognized as employees of a public or private employer that is providing specific job training for a position with the employer. Participants receiving OJT will normally have contractual training periods.

Unlike subsidized employment, the training provided has the goal of leading to a higher level of job performance and improving particular skills. Reimbursement of training costs may be provided to the employer from external funding sources, which may cover up to 50 percent of a participant's salary.

The OJT standards under Subpart B, Section 663.700 through 663.710 of the Federal Workforce Investment Act Regulations will apply for all work participation program participants.

*2. Description of how Michigan determines the number of countable hours of participation for the activity.*

Michigan counts all hours for which an individual is paid, including those hours not worked due to employer recognized paid leave time and paid holidays.

*3A. Description of how Michigan verifies and documents the actual hours of participation for the activity.*

- Pay stubs, other employer record detailing hours of work, or third party verification services.

OR

- A Signed (or electronically signed) written statement from the employer or the employer's designated representative or documentation of a phone contact with the employer or employer's designated representative.

If there is a gap in the pay stubs, not greater than one pay period, the MWA may calculate the missing pay period by using the "year to date" information on submitted pay stubs.

*3B. Explanation of how Michigan intends to project forward hours of participation based on current, documented, actual hours.*

- Michigan will project hours forward for up to six months.

- When the state becomes aware of a change in the number of average hours worked, the current actual hours will be re-verified and projected for another six months if applicable.

## ***E. Job Search and Job Readiness Assistance***

### *1. Description of the services or programs Michigan includes under the Job Search/Job Readiness activities.*

This activity involves seeking or obtaining employment or preparing to seek or obtain employment. It also includes life skills training, substance abuse treatment, mental health treatment, and/or rehabilitation activities.

The job search aspect means “the act of seeking or obtaining employment,” which should encompass all reasonable job search initiatives. Job searching includes making contact with potential employers either by telephone, in person, submitting resumes, emails, or other Internet contact, applying, or interviewing for jobs.

Job readiness involves any activity that prepares individuals to obtain and maintain employment. Job readiness entails activities that assist participants in becoming familiar with general workplace expectations, and learning behaviors and attitudes necessary to compete in the labor market. This includes preparing a resume or job application, training in interviewing skills, instruction in work place expectations and training in effective job seeking.

Job readiness can also involve substance abuse treatment, mental health treatment, or rehabilitation activities, which must be determined necessary by qualified medical, mental health, or rehabilitation professional through written documentation, and when participation in these activities can lead to long term participation in work other work activities. All documentation supporting the need for substance abuse treatment, mental health treatment, or rehabilitation activities is maintained in participants’ case files.

Screening for substance abuse and mental health counseling or rehabilitative activities is done during Family Independence Program eligibility determination. Assessment tests are given to participants during intake and other times as appropriate to identify barriers that may prevent the participant from obtaining employment. Michigan first establishes that a referral to substance abuse treatment and/or mental health services is appropriate through self-screening using the state’s Family Automated Screening Tool (FAST). The FAST is a 50-question, Web-based status survey designed to identify an individual's strengths, needs and barriers to family functioning and/or successful employment. Individuals must complete the FAST within 30 days of their application for public assistance, but disclosure of disabilities is strictly voluntary. Staff is required to assist those who request help completing the FAST.

The FAST contains a number of questions designed to indicate possible substance abuse and/or mental health issues. Results are then displayed on the FSSP for further analysis.

When the individual answers yes to any of the trigger questions, the assigned staff person may refer the participant for a formal mental health and/or substance abuse evaluation by a state-certified qualified professional. After the evaluation by a qualified professional, the qualified professional and the individual determine the necessary services and treatment.

A referral to rehabilitation services can result from an individual's claim of an incapacity lasting longer than 90 days, as well as the observations and recommendations of the assigned case management staff. Following the referral for rehabilitation services, state-certified rehabilitation counselors conduct assessments to determine the individual's capacity for participation in work-related activities and recommend appropriate services accordingly.

Following appropriate assessments and evaluations, qualified medical, mental health, and/or rehabilitation professionals may recommend suitable activities including:

- Assigned hours for participants involved in a substance abuse assessment and for time spent in in-patient or outpatient alcohol or other substance abuse programs as prescribed by the appropriate medical professional when such participation helps the individual recover so that s/he may enter or re-enter work activities and/or paid employment.
- Assigned hours for participants involved in a mental health assessment and the time spent in counseling or other therapy prescribed by a mental health professional when such participation helps the individual recover so that s/he may enter or re-enter work activities and/or paid employment.
- Assigned hours for participants involved in rehabilitation activities that are determined to be medically necessary, are anticipated to last three months or less, and are geared towards helping the individual recover from a medical condition so that s/he may enter or re-enter work activities and/or paid employment.

Individuals needing substance abuse, mental health treatment or rehabilitative activities that are longer in duration will be provided access to these services even if some or all of the time spent will not count for participation. These individuals may also be served under the State program.

Individuals needing substance abuse, mental health treatment or rehabilitative activities that are longer in duration will be provided access to these services even if some or all of the time spent will not count for participation. These individuals may also be served under the State program.

## *2. Description of how Michigan determines the number of countable hours of participation in Job Search/Job Readiness activities.*

Michigan will count all hours of participation which are properly documented and are not

in excess of the limitation on countable JS/JR.

Travel time between interviews may be counted as Job Search and Job Readiness assistance participation time, but not the travel time to the first job search interview or the time spent returning home after the last interview.

*3. Description of how Michigan verifies the actual hours of participation in Job Search/Job Readiness activities.*

Michigan verifies hours using attendance records and/or activity logs or official time keeping system located at the service center.

Provision for three or four days of Job Search/Job Readiness Assistance during a week

Michigan may exercise the option to apply the average hours that an individual participates in Job Search/Job Readiness Assistance activities during three or four days to the remaining days in the week once per individual in any 12-month period. An entry must be made in the case file that the average hours for the three or four days of participation were applied to the rest of that week. DHS TANF Reviewer staff will record all instances of the three or four day average hour provisions on a database to ensure that each occurrence is limited to once in a 12-month period.

*4. Description of the supervision methods for Job Search/Job Readiness activities.*

Participants in this activity must be supervised on an ongoing basis. Providers will assign activities and monitor compliance by reviewing the accuracy of the participants' documentation through random contacts of listed employers.

*5. Description of how Michigan ensures that reported hours of participation in job search and job readiness assistance do not exceed the maximum limitations in the preceding 12-month period.*

Staff from the DHS will visit the Administration for Children and Families Website on the first business day of every month to check status records for Michigan's qualification as a Needy State. When Michigan is not identified as a Needy State, six weeks will be converted into the appropriate number of countable job search/job readiness participation hours – 120 or 180 - depending on an individual's minimum federal required hours for the preceding 12-month period. During periods in which Michigan is identified as a Needy State, work participation program participants may receive up to 240 or 360 hours - depending on their minimum required federal hours - of job search/job readiness assistance in the preceding 12-month period because 12 weeks, instead of six, will be used for maximum countable hour determinations. At any time, no more than four consecutive weeks of participation may include countable hours of job search/job

readiness activities. Job search/job readiness activities will not be countable until there is a break of seven consecutive days covering a complete Sunday – Saturday period. The FSSP Countable Hours Report tracks all limitations on job search/job readiness activities.

**F. *Community Service Programs (CSPs)***

*1. Description of the services or programs Michigan includes under CSPs activities.*

CSPs consist of unpaid work assignments, internships, practicum or clinical hours in the non-profit or public sectors, which directly benefit the community by serving a useful purpose while improving the employability of recipients not otherwise able to obtain full-time, unsubsidized employment. The activities are designed to enhance participant's employability and skill development through practical application of on-the-job problem solving, interacting with co-workers, supervisors, volunteers, and the public.

Formal instructional training activities may be countable as part of a CSP on a limited basis. All training activities must be an integral component of the CSP and necessary for achieving greater direct benefits for the community. For example, medical-related training received while participating at a free public clinic may be counted as a CSP activity.

Local MWA offices will approve the utilization of all CSP assignments and negotiate terms of placement at community service sites or with program sponsors. All assignments must be consistent with the goals and objectives for the participants placed at the site. Participants may only be placed into nonsectarian or nonpartisan activities. The placement should take into account the prior training, experience, and skills of recipients. If the community service placement is self-initiated by the participant, it will require local office approval.

The liability for the participants, regarding workman's compensation, etc., remains the responsibility of the State, not the work-site or organization where activities are taking place.

*2. Description of how Michigan determines the number of countable hours of participation in CSPs activities.*

Michigan counts each hour engaged in the activity which is properly documented. The hours of participation in a CSP may not exceed the amount of the cash assistance grant divided by the State's minimum wage, in accordance with the Fair Labor Standards Act (FLSA). All CSP participants are considered employees under the FLSA.

*3. Description of how Michigan verifies the actual hours of participation in CSPs activities.*

Michigan verifies hours using timesheets, activity logs, or attendance records.

4. *Description of the supervision methods for CSPs activities.*

Organizations providing community service opportunities must provide a structured work setting with supervision evidenced by documentation such as timesheets or activity logs. Participants in this activity must be supervised on an ongoing basis.

**G. *Vocational Educational Training (VET)***

1. *Description of the services or programs Michigan includes under the VET activities.*

VET consists of organized educational programs directly related to the preparation of individuals for employment in current or emerging occupations. VET programs are limited to activities providing knowledge and skills to perform a specific trade, occupation, or other particular vocation.

Basic and remedial education, as well as English as a Second Language instruction, may be counted if such instruction is a necessary or regular part of the vocational educational training.

The standard measurement of progress developed by the training/educational institution is used to monitor participants' progress.

2. *Description of how Michigan determines the number of countable hours of participation for Vocational Educational activities.*

Michigan will count all hours of participation which are properly documented and are not in excess of the lifetime limit of countable VET.

3. *Description of how Michigan verifies the actual hours of participation for Vocational Educational activities.*

Michigan uses the following documentation to verify actual hours of participation:

Class Time

Actual hours of participation are documented with time sheets, attendance records, or sign in/out sheets created or validated by the training/education institution.

Distance Learning

MWAs will be required to maintain documentation from the educational institution explaining how hours of participation are monitored.

Actual hours of participation are documented with time sheets, attendance records, or documentation of computer log in/out.

The MWAs may also require copies of course work or other assignments.

### Study Time

The MWA must obtain documentation from the educational institution stating the amount of homework/study recommended or required for the program. The total study time may not exceed this amount. Unsupervised study time may not exceed the amount of seat time that the participant is scheduled for each week. Additional supervised study time may be counted, up to the total amount recommended or required for the program. Supervised study time must be performed at the MWA or the training/educational institution and verified on a timesheet by an MWA staff person or representative of the educational institution.

4. *Description of Michigan's methods of supervision for Vocational Educational activities.*

Participants are supervised by staff of the training/educational institution on a frequent basis.

5. *Description of how Michigan ensures participation in vocational educational training does not count beyond the statutory limitations limiting participation to 12 months lifetime per individual.*

Any amount of time spent participating in VET in a month exhausts a full month of the 12-month time limit. The FSSP calculates the number of months used. Hours of participation beyond the 12-month lifetime limit are not recorded as countable federal participation time. Such hours are added to the "Other" federal reporting category or under another activity when appropriate.

6. *Description of how Michigan will ensure that basic and remedial education and English as a Second Language (ESL), if such activities are counted, are of limited duration and a necessary or regular part of the vocational educational training.*

VET providers determine when additional basic, remedial, or ESL education is necessary for a participant's successful completion of the program. As a part of an agreement with the institution, the provider may be required to submit a copy of the curriculum and/or other relevant documentation showing that such education is a necessary part of the VET assignment. The institution must also show that such education is an embedded component of the VET program.

## **H. *Providing Childcare Services to an Individual who is Participating in a Community Service Program (CSP)***

1. *Description of the services or programs Michigan includes under providing childcare to individuals participating in CSP activities.*

This activity includes providing childcare to enable another TANF recipient to participate in a community service program. Training, certification, or mentoring will be done when possible. This could help make the activity more meaningful and could be a first step

toward the provider's employment in the childcare field.

2. *Description of how Michigan determines the number of countable hours of participation for providing childcare to individuals participating in CSP activities.*

Michigan will count all hours of participation which are properly documented.

3. *Description of how Michigan verifies the actual hours of participation for providing childcare to individuals participating in CSP activities.*

Michigan verifies actual hours of participation in this activity with timesheets.

The hours of participation should be cross-referenced with the other participant's CSP activity verification to ensure accuracy.

4. *Description of the supervision methods for providing childcare to individuals participating in CSP activities.*

A case manager or other responsible party must supervise participants engaged in this activity on an ongoing basis. The designated responsible parties oversee this activity by reviewing and validating all attendance reports and activity records.

## **Non-Core Activities**

### ***I. Job Skills Training Directly Related to Employment***

1. *Description of the services or programs Michigan includes under Job Skills Training Directly Related to Employment activities.*

This activity consists of job skills training and education required by employers to provide an individual with the abilities required to obtain or advance in employment or adapt to changing workplace demands. Job skills training focuses on educational or technical training specifically designed to help individuals become employed or advance in employment. Job skills training can include customized training to meet the needs of a specific employer or provide advancement in or retention of employment. It can also refer to general training that prepares an individual for employment, including literacy instruction or language instruction when explicitly focused on skills needed for employment or job training. Baccalaureate and advanced degree programs may be included in Jobs Skills Training Directly Related to Employment. Distance learning may be counted as part of this activity, according to the documentation and verification requirements listed below.

2. *Description of how Michigan determines the number of countable hours of participation for Job Skills Training Directly Related to Employment activities.*



Michigan will count all hours of participation which are properly documented.

*3. Description of how Michigan verifies the actual hours of participation for Job Skills Training Directly Related to Employment activities.*

Class Time

Actual hours of participation are documented with time sheets, attendance records, or sign in/out sheets.

Distance Learning

MWAs will be required to maintain documentation from the educational institution explaining how hours of participation are monitored.

Actual hours of participation are documented with time sheets, attendance records, or documentation of computer log in/out.

The MWAs may also require copies of course work or other assignments.

Study Time

The MWA must obtain documentation from the educational institution stating the amount of homework/study recommended or required for the program. The total study time may not exceed this amount. Unsupervised study time may not exceed the amount of seat time that the participant is scheduled for each week. Additional supervised study time may be counted, up to the total amount recommended or required for the program. Supervised study time must be performed at the MWA or the training/educational institution and verified on a timesheet by an MWA staff person or representative of the educational institution.

*5. Description of the methods of supervision for Job Skills Training Directly Related to Employment activities.*

An instructor or other responsible party provides supervision and appropriate documentation. Participants in this activity must be supervised on an ongoing basis no less frequently than once each day in which the individual is scheduled to participate.

**J. Education Directly Related to Employment**

*1. Description of the services or programs Michigan includes under Education Directly Related to Employment activities.*

This activity involves education related to a specific occupation, job, or job offer. It is for Work Eligible Individuals who have *not* received a high school diploma or a GED. The activity includes courses designed to provide the knowledge and skills for specific occupations or work settings, but may also include adult basic education and English as a

Second Language. Where required as a prerequisite for employment or occupations, this activity may also include education leading to a GED or high school equivalency diploma. Distance learning may be counted as part of this activity, according to the documentation and verification requirements listed below.

*2. Description of how Michigan determines the number of countable hours of participation Education Directly Related to Employment activities.*

Michigan will count all hours of participation which are properly documented.

*3. Description of how Michigan verifies the actual hours of participation for Education Directly Related to Employment activities.*

Class Time

Actual hours of participation are documented with time sheets, attendance records, or sign in/out sheets.

Distance Learning

MWAs will be required to maintain documentation from the educational institution explaining how hours of participation are monitored.

Actual hours of participation are documented with time sheets, attendance records, or documentation of computer log in/out.

The MWAs may also require copies of course work or other assignments.

Study Time

The MWA must obtain documentation from the educational institution stating the amount of homework/study recommended or required for the program. The total study time may not exceed this amount. Unsupervised study time may not exceed the amount of seat time that the participant is scheduled for each week. Additional supervised study time may be counted, up to the total amount recommended or required for the program. Supervised study time must be performed at the MWA or the training/educational institution and verified on a timesheet by an MWA staff person or representative of the educational institution.

*4. Description of the methods of supervision for Education Directly Related to Employment activities.*

An instructor or other responsible party provides supervision and appropriate documentation. Participants in this activity must be supervised on an ongoing basis no less frequently than once each day in which the individual is scheduled to participate.

**K. *Satisfactory Attendance at Secondary School or in a Course of Study Leading to a Certificate of General Equivalence***

*1. Description of the services or programs Michigan includes under Satisfactory Attendance at Secondary School or in a Course of Study Leading to a Certificate of General Equivalence activities.*

This activity consists of regular attendance, in accordance with the requirements of the secondary school or course of study at a secondary school, or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate. The former is aimed primarily at minor parents still in high school, whereas the latter could apply to recipients of any age. Unlike “education directly related to employment,” this activity need not be restricted to those for whom obtaining a GED is a prerequisite for employment. However, this activity may not include other related educational activities, such as adult basic education or language instruction, unless it is linked to attending a secondary school or leading to a GED. Distance learning may be counted as part of this activity, according to the documentation and verification requirements listed below.

*2. Description of how Michigan determines the number of countable hours of participation for Satisfactory Attendance at Secondary School or in a Course of Study Leading to a Certificate of General Equivalence activities.*

Michigan will count all hours of participation which are properly documented. *3. Description of how The State verifies the actual hours of participation for Satisfactory Attendance at Secondary School or in a Course of Study Leading to a Certificate of General Equivalence activities.*

Class Time

Actual hours of participation are documented with time sheets, attendance records, or sign in/out sheets.

Distance Learning

MWAs will be required to maintain documentation from the educational institution explaining how hours of participation are monitored.

Actual hours of participation are documented with time sheets, attendance records, or documentation of computer log in/out.

The MWAs may also require copies of course work or other assignments.

Study Time

The MWA must obtain documentation from the educational institution stating the amount

of homework/study recommended or required for the program. The total study time may not exceed this amount. Unsupervised study time may not exceed the amount of seat time that the participant is scheduled for each week. Additional supervised study time may be counted, up to the total amount recommended or required for the program. Supervised study time must be performed at the MWA or the training/educational institution and verified on a timesheet by an MWA staff person or representative of the educational institution.

*4. Description of Michigan's methods of supervision for Satisfactory Attendance at Secondary School or in a Course of Study Leading to a Certificate of General Equivalence activities.*

An instructor or other responsible party supervises secondary school and GED preparation assignments. Participants in this activity must be supervised on an ongoing basis no less frequently than once each day in which the individual is scheduled to participate.

## **II. Hours Engaged in Work**

### **Excused Absences and Holidays**

Michigan's policy for allowing and counting excused absences and holidays towards federal work participation requirements is as follows:

#### **Paid Work Activities**

Michigan will report actual hours as an individual's hours of paid work, including paid holidays and paid sick leave.

#### **Unpaid Work Activities**

Actual hours reported for participation in unpaid work activities (Job Search/Job Readiness; Work Experience Programs; Community Service Programs; Provision of Childcare Services to Individuals Participating in CSPs; Vocational Educational Training; Job Skills Training Directly Related to Employment; Education Directly Related to Employment; and Satisfactory Attendance at a Secondary School or in a Course of Study Leading to a GED) may include hours for the holidays listed below and a maximum of 80 additional hours of excused absences in the preceding 12-month period, no more than 16 of which may be reported in a month.

Excused absences will be granted on a case-by-case basis at the discretion of the responsible case manager. In order to count an excused absence or holiday as actual hours of participation, the individual must have been scheduled to participate in the work activity for the period that the MWA reports as participation time. An absence due to an office closure (including office closures due to a holiday not listed below) is to be counted as one of the participant's excused absences.

Participants may be excused for more than the maximums listed above on a case-by-case basis; however, any excused absences beyond the above-stated maximums may not count towards federal participation requirements.

The holidays listed below may count as actual hours reported for unpaid activities, for hours in which the participant was scheduled to participate. For example, if a participant is scheduled to participate in a WEP every Monday for 4 hours, the participant may receive 4 countable hours of WEP for Labor Day (if Labor Day were to occur during the individual's enrollment in the program), without being required to participate in the WEP that day. No more than 8 hours may count for any one holiday.

- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Fourth of July
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Eve
- Christmas Day

The excused absences and holiday policies do not apply to participation in paid work activities (Unsubsidized Employment, Subsidized Employment, and On-the-Job Training).

### **FLSA Deeming**

Michigan is not implementing the FLSA Deeming option.

### III. Work Eligible Individual (WEI)

WEIs include all adult (**or minor child head-of-household**) TANF or SSP-MOE funded recipients. The following non-recipient parents are excluded as WEIs:

- A minor parent and not the head-of-household or spouse of the head-of-household;
  - Michigan identifies minor parents that are not the head-of-household as children using “Eligible Child” in Bridges. All minor head-of-household or spouse of the head-of-household are considered adults and are identified using “Eligible Adult” in Bridges. This data is stored in the DHS data warehouse for retrieval by individual.
- An alien who is ineligible to receive assistance due to his or her immigration status;
  - Ineligible aliens are identified using “Disqualified Adult” with the reason for disqualification equal to Alien in Bridges. This information is stored in the DHS data warehouse for retrieval by individual. All other disqualification types are assigned other disqualification identifiers and will be included as work eligible individuals.
- At state option on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits;
  - Michigan will not include SSI recipients in the count of work eligible individuals. FIP cases that contain an adult receiving SSI are identified using “Ineligible Adult” in Bridges. Michigan makes no other parent an ineligible grantee or child only case. All other eligible parents are identified using “Ineligible Adult” in Bridges.

The term “work-eligible individual” also excludes a parent providing care for a disabled child or an adult providing care for their disabled spouse in the home provided that the need for such care is supported by medical documentation.

- Michigan will excuse from work one adult in the FIP group when caring for a disabled child or spouse. Michigan law defines a disabled family member as a spouse or child in the FIP group. The following conditions must be met:
  - A recipient of social security disability benefits; **or**
  - A doctor verifies in writing using a DHS-54A, Medical Needs form or a DHS-54E, Medical Needs-Work Participation Program form:
    - The disability of the spouse/child needing care, the extent and duration of the disability, and
    - The spouse/parent is needed in the home to provide care, and the spouse/parent cannot engage in an employment-related activity due to the extent of care required.

DHS systems use a Medical Review Date to identify cases requiring staff review for this exclusion. The medical review date is based on documentation received by a medical professional as outlined above or at case review whichever is shorter. Recipients of social security benefits will be exempted from work participation program requirements until DHS is notified of cancellation of benefits.

DHS systems identify work eligible individual status on the FSSP by displaying Required Hours for all WEIs. Non-WEIs are assigned zero hours of participation. Case managers will see the required hours displayed for each WEI in the Required Hours field on the FSSP. The DHS Data Warehouse stores Required Hours for every WEI for data reporting purposes. Non-WEIs will display a zero number of required hours in the Required Hours field on the FSSP, on the Data Warehouse and in Bridges. Michigan monitors accuracy of its calculations using the Stratified Simple Random Sample process and through the internal control processes outlined later in the plan.

### **Single Parent Households**

When there is only one Work Eligible Individual in the FIP group and any one child's age is less than six years old, required hours of participation will be set at 20 hours per week. When the youngest child's age is greater than six years old, then required hours of participation will be set at 30 hours per week.

The following Work Eligible Individuals are temporarily disregarded from participation and required hours will be reported as zero, however data for these families are still reported:

- A caregiver and/or postpartum recovery when there is a child less than two months old in the FIP group.

Michigan law limits clients temporarily excused as a caregiver of a newborn to two months, instead of the federal 12-month limit. On a case-by-case basis, Michigan will use the federal 12-month limit when reporting work participation unless the client is meeting a countable work activity. When a Work Eligible Individual is caring for a child less than two months old, the Bridges systems set the Employment Code to "CA". Employment codes are monitored using the SW-211 report in the DHS CMT environment. Workers are alerted when a child turns two months old. Bridges will send an alert to workers the month before the deferral ends to ensure coding accuracy and referral to work participation program.

### **FIP Adults Not Included as WEIs**

Michigan uses Non-MOE State Funds to finance FIP cases containing:

- An adult who is claiming a disabling condition beyond 90 days. These individuals will be identified in the DHS Data Warehouse by Employment Code. Individuals claiming incapacity greater than 90 days are identified using Employment Code "IN."

- Two-parent households. These cases are assigned “Living Arrangement” code “T” in the DHSData Warehouse.
- An unrelated guardian caretaker of a child.
- A parent when all of the children are in foster care and there is a plan for the children to return home.

All Non-MOE State Funded families listed above will be identified using a funding indicator maintained in the DHS Data Warehouse system. All TANF funded families will be identified using a funding indicator equal to 0. When cases are randomly pulled for sampling as part of the federal TANF sample requirements, program logic will be evaluated to ensure system integrity.

### **TANF Data Reporting**

Michigan will continue to report participation of WEIs on the TANF Data Report by using the Random Sample Method.

Each monthly Stratified Simple Random Sample Method will include a thorough review of the DHS and the DLEG systems, including data entry obligations, required hours of participation set by the DHS system, number of planned hours calculated by the MIS, and actual hours of participation per individual using the verifications outlined in Section I.

All corrections and inconsistencies found are corrected at the time of the discovery and retransmitted on the TANF Federal Report as soon as possible. Currently, corrections and/or inconsistencies are reported to the appropriate case manager by the reviewer for follow-up and correction.



## IV. Internal Controls

Michigan's internal controls are aimed at ensuring a consistent measurement of work participation exists when information on this rate is provided to the federal government through the existing reporting process.

We will achieve this through several methods that include the following:

- Use of matching programs to identify all on the caseload with new employment
- Regional seminars to provide all relevant staff with self-review tools
- A case review system based on a statewide sample of TANF adults with any hours of counted activity in the month being reviewed
- A statewide corrective action process to reduce any errors
- Supplementary instruction and technical assistance to locales with higher error rates
- Participation reports and meetings to review the progress made at local offices

Monitoring is conducted at local MWA and DHS offices by supervisors overseeing case managers and at the state level by assigned staff.

The state maintains all pertinent findings produced through its internal control processes, which are made available for use by Administration for Children and Families and other auditors in their review of the State's work participation Verification Plan.

In Michigan, three electronic computer data systems are currently used for record keeping and reporting purposes. The DHS has the FSSP and the Data Warehouse, while the MWAs use the OSMIS.

The FSSP displays each WEI's required hours of participation. Activities assigned by MWAs are entered on the OSMIS. Activity begin date, number of planned work activity hours and employer data are also entered. OSMIS data elements are sent to the FSSP for display and inclusion on it. The FSSP then displays all activity assignments including required, planned, actual and countable hours of participation gathered from the DHS systems, as well MWA entered data gathered through the OSMIS. This data is stored in the DHS Data Warehouse for retrieval and reporting purposes.

### **Local Office Case Review Plans**

A systematic review of randomly selected participant files on a regular basis is an essential internal control. Assigned reviewers substantiate participant activity assignments and actual hours of participation through source documentation in the files to ensure consistent compliance with TANF verification requirements. The reviewed files must contain all pertinent records, case notes, and any other sort of case-relevant materials that verify actual hours of participation during the evaluated time period.

Workforce Development Agency, State of Michigan/Michigan Works! Agency (MWA)  
Case Review Procedures

The WDASOM assesses a sample of cases that have been assigned to participate at the MWAs. The state has 25 local MWAs providing workforce development services to people in their respective areas. The average total number of cases at each MWA over a 24-month period (from Fiscal Year 2005 – Fiscal year 2006) was calculated to account for month-to-month fluctuations. The sum of the averages, 62,228, provides the number of cases to be considered as the statistical population.

Every quarter, WDASOM derives its sample based on a 90 percent confidence level with a precision level of  $\pm 5$  percent. Accordingly, the state's overall quarterly sample will consist of approximately 270 randomly selected cases. To validate the reported work participation data, 0.43 percent of the total cases at each MWA will be randomly selected and reviewed for proper documentation. The sample is stratified and allocated based on relative case size so that MWAs with larger caseloads are doing more reviews. To account for MWAs in which 0.43 percent of the total caseload is too small to realistically represent the caseload, the minimum number of cases to be evaluated at each MWA was set at three; this means the total sample size will actually be about 277 per quarter. After determining the sample, the WDASOM will notify the MWAs as to the case reviews to conduct in order to ensure that the proper documentation (defined in Section I of Michigan's Work Verification Plan) is included for each activity reported during the sampled period.

The MWAs designate staff to conduct the reviews. During the review process, the designated staff must complete the Data Verification Checklist for every selected participant file. The Data Verification Checklist identifies the MWA, participant, review month, and the appropriate documentation used for verification. The checklist also contains a weekly log to complete for each participant. The weekly log records individuals' allowable activity assignments, actual hours of participation in allowable activities, and the dates individuals participated in those activities.

Following the completion of each quarterly case file review, the MWAs will prepare and submit summary reports of their findings to the WDASOM. The reports will include identification of which files were reviewed, whether or not adequate documentation existed for those files, and the total error rate for the sample. Currently, Michigan is in the process of implementing many new review procedure requirements that will take time to stabilize. Therefore, the goal is to have 25 percent or less (or a two file minimum, whichever is greater) of the sampled files contain errors because of inadequate or improper documentation.

*Corrective Action*

The WDASOM requires and assumes that the MWAs are themselves taking the appropriate actions to correct all errors in samples files. The MWAs must inform the WDASOM if more

than 25 percent (with a two file minimum) of their reviewed case files contain errors or inadequate documentation. The MWAs must also describe the corrective action taken to address the current file errors, and furthermore, and how similar errors will be prevented in the future. When necessary, the WDASOM and the DHS will provide supplementary instruction and technical assistance to counties and providers to ensure that the most serious deficiencies are addressed and corrected immediately.

### **Monitoring and Reporting Procedures**

Michigan monitors and reports actual hours of participation during the Stratified Simple Random Sample process. Monthly meetings are held with sample reviewers to analyze and discuss all sample cases for the previous month. All inconsistencies are evaluated and shared with DHS and MWA offices for review and correction.

Michigan uses the Stratified Simple Random Sample reporting method. Cases included in the monthly sample are manually checked and verified using new data elements for ensuring the accuracy in reporting of WEIs.

Data flows through multiple systems including Bridges, FSSP and OSMIS. These systems generate the stratified simple random sample. The systems use coding to distinguish between clients served by DHS and those who are assigned to the MWAs. Once a case is chosen for a sample month, actual documentation is gathered from the MWA to substantiate the actual hours of participation in assigned activities. The results of this review are then entered into the ACF data system.

For the purpose of estimating the Work Participation Rate, we use a stratified simple random sampling design. There will be three strata for the active caseload (3060) and one stratum for the closed cases (816). It is our view that this sample size provides a reasonable precise estimate for the work participation rate for All Families. The precision is within plus or minus two percentage points at a 95 percent confidence level.

Michigan's TANF Sampling Plan is attached to this document (Attachment A). Appendix B of the Sampling Plan details the estimation techniques and computation of precision affirming that the produced estimates are within statistically acceptable levels of reliability and validity.

## V. Verification of Data for Work Participation Rate Calculation

### Documentation:

- Reporting Month – system generated at time of population frame construction
- Stratum – algorithm based on case criteria
- Case Number – DHS database; sampling unit
- Disposition – algorithm based on case criteria
- Type of Family for Work Participation – algorithm based on case criteria
- Amount of Food Stamps Assistance – DHS database
- Receives Subsidized Child Care – DHS database
- Amounts of TANF (and SSP-MOE) Assistance – DHS database
- Family Affiliation Code – algorithm based on case criteria
- Non-custodial Parent Indicator – algorithm based on case criteria
- Date of Birth (Adult) – DHS database
- Relationship to Head-of-Household – DHS database and case records
- Parent with Minor Child – algorithm based on case criteria
- Work-Eligible Individual Indicator – algorithm based on case criteria
- Date of Birth (Child) – DHS database

TANF Federal Report data is obtained for the review month through computerized case record information, matches with other electronic data sources and the manual data collection process, data elements are checked using range and consistency edits. When errors are indicated, data is corrected.

### Work Participation Status

When a Work Eligible Individual is caring for a child less than two months old, Bridges sets the Cash Participation Code to “Caretaker of a Child Under 2 months” or “CA” in the DHS Data Warehouse. Employment codes are monitored using Bridges and the SW-211 report in the DHS CMT environment. Workers are alerted when a child turns two months old.

Michigan currently applies a full family sanction to all cases containing a noncompliant WEI. Therefore, Michigan will not disregard from work a participant for more than three months in any 12-month period. The 12-month lifetime limit is manually tracked using a database created by the TANF Data Reporting Unit.

When there is only one WEI in the FIP group and any one child’s age is less than six years old, required hours of participation will be set at 20 hours per week. When the youngest child’s age is greater than six years old, then required hours of participation will be set at 30 hours per week. Required hours of participation will be calculated using requirements in the DHS Bridges that look at the number of adults and the ages of the children in the FIP group. Required hours of participation will be updated by these systems on a daily basis.