

# **Texas Work Verification Plan**

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

Texas is 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.

This legislation also amended the Texas Human Resources Code, Chapter 31, and established time limits and work requirements for mandatory TANF recipients. Under the 1995 state law, adult TANF recipients are subject to time-limited benefits as short as one year (for the most highly educated and job ready), followed by a five-year “freeze-out” of benefits. In 2003, the Texas Legislature amended the Texas Human Resources Code to require a pay-for-performance model for families receiving TANF. The statute requires that individuals must engage in work activities to receive TANF cash assistance and Medicaid assistance for adults. It also established a full-family sanction of all TANF cash benefits for noncompliance with work requirements.

The Health and Human Services Commission (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. HHSC provides TWC with information on clients who are receiving TANF and eligible for Choices services.

TWC administers the Choices program, which is operated by 28 Local Workforce Development Boards (Boards). The Boards contract with providers (contractors) to provide Choices services through the Texas workforce system. The contractors schedule, monitor, and verify Choices participation, and submit sanction requests for noncompliance with Choices work requirements to HHSC.

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, HHSC’s automated System for Applications of Verifications, Eligibility, Referral and Reports (SAVERR), and the 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. Texas Workforce Center 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 SSP-MOE Data Report.

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. TWC and the Boards regularly perform extensive labor market analyses that focus on the needs of the state’s employers. Understanding the

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demands of employers is the first step 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.

In addition, welfare reform in Texas reinforces the importance of working, the temporary nature of public assistance, and the belief that parents are responsible for the care and well being of their families. Since 1996, caseloads have dropped substantially and Texas has received more than \$78 million in federal high-performance bonuses for assisting welfare recipients.

### **I. Countable Work Activities**

#### **Unsubsidized employment**

- 1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Unsubsidized employment is a core activity and 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. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours worked in unsubsidized employment as allowable work participation hours except for paid holidays and other paid leave, which are included in countable hours.

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. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in unsubsidized employment:

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- pay check stubs;
- time cards or time sheets signed by the employer or the employer's designated representative (e.g., supervisor);
- signed letters from the employer or the employer's designated representative certifying the hours worked by the participant. The letters must be mailed or faxed by the employer;
- phone calls from the employer or the employer's designated representative with one of the above forms of documentation following within one week; and
- online documentation services, such as TALX, The Work Number, etc.

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 will be kept to a minimum.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

### Documentation:

- 1. For self-employment, describe how the State counts and verifies the hours of participation. A State may not count more hours toward the participation rate for a self-employed individual than the individual's self-employment income (gross income less business expenses) divided by the Federal minimum wage. The State may also describe an alternative methodology to count and verify hours a client is engaged in self-employment.**

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

TWC accepts the following forms of documentation as verification of self-employment income:

- Quarterly tax filings;
- Invoices;
- Receipts; and
- Copies of checks for payment.

HHSC advisors and Texas Workforce Center staff must inform households orally and in writing to keep self-employment records and receipts for verification purposes for future recertifications.

The individual's net self-employment income (gross self-employment wages minus business expenses—using the same formula used for determining TANF eligibility) is divided by the federal minimum wage to determine the number of hours worked.

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For the work participation rate for self-employed individuals, TWC counts no more hours 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.

### **2. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.**

The Administration for Children and Families (ACF) provided guidance to TWC clarifying that if TWC received new documentation of hours at any time after the initial projection of hours was calculated, the projection would have to be recalculated. TWC requires that work-eligible individuals provide documentation of continued employment at least once a month to ensure that the work-eligible individual is still eligible for support services. This guidance would require TWC to recalculate the projected hours every month.

Based on this guidance, TWC has chosen not to allow projection of hours at this time. If TWC changes its position, prior to implementation TWC will modify the work verification plan to include necessary information on the projection of hours' provision in its application.

### **Subsidized private sector employment and Subsidized public sector employment**

#### **1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Subsidized employment is a core activity and is full-time or part-time employment that is subsidized in full or in part and complies with this section. Subsidized employment may occur in either the private sector or public sector. Boards are precluded from being the employer of record for work-eligible individuals enrolled in a subsidized employment activity. Subsidized employment includes:

- 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; and
- 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.

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In addition, Choices rules clarify that subsidized employment placements must:

- prepare and move individuals into unsubsidized employment; and
- be allotted to employers who expect to retain individuals as regular unsubsidized employees once the subsidized employment has ended.

**2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours worked in subsidized employment as allowable work participation hours except for paid holidays and other paid leave, which are counted as hours of participation.

**3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in subsidized employment:

- pay check stubs;
- time cards or time sheets signed by the employer or the employer's designated representative (e.g., supervisor);
- signed letters from the employer or the employer's designated representative certifying the hours worked by the participant. The letters must be mailed or faxed by the employer; and
- phone calls from the employer or the employer's designated representative, with one of the above forms of documentation following within one week.
- online documentation services, such as TALX, The Work Number, etc.

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 will be kept to a minimum.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

### **Documentation:**

**1. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.**

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The Administration for Children and Families (ACF) provided guidance to TWC clarifying that if TWC received new documentation of hours at any time after the initial projection of hours was calculated, the projection would have to be recalculated. TWC requires that work-eligible individuals provide documentation of continued employment at least once a month to ensure that the work-eligible individual is still eligible for support services. This guidance would require TWC to recalculate the projected hours every month.

Based on this guidance, TWC has chosen not to allow projection of hours at this time. If TWC changes its position, prior to implementation TWC will modify the work verification plan to include necessary information on the projection of hours' provision in its application.

### **Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available**

#### **1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Work experience is a core activity. A case-by-case determination is made on whether to authorize, arrange, or refer work-eligible individuals for unsalaried, work-based training to improve the employability of those who have been unable to find unsubsidized employment. All work-eligible individuals who are unemployed after completing job search activities are evaluated on an individual basis to determine if enrollment in work experience shall be required based on available resources and the local labor market.

TWC requires that each work experience placement:

- be time-limited;
- be designed to move work-eligible individuals into regular employment quickly ; and
- has designated hours, tasks, skills attainment objectives, and staff supervision.

TWC requires that entities that enter into nonfinancial agreements with a Board identify work experience positions and provide job training and work experience within their organizations. These positions must enable work-eligible individuals to gain the skills necessary to compete for positions within the organization as well as positions in the labor market.

Choices rules include the following supervision and documentation requirements:

- Work experience activities must be supervised by an employer, work-site sponsor, or the service provider's designated representative on an ongoing daily basis; and
- Work experience activities must be documented every two weeks.

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- 2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

Texas counts only actual hours of participation in work experience activities as allowable work participation hours. TWC also counts certain excused absences as participation as set forth in Section II of this plan.

- 3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in work experience:

- attendance records from the service provider;
- time cards or time sheets signed by the service provider or the service provider's designated representative (e.g., supervisor);
- signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

- 4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised daily by the service provider or the service provider's designated representative (e.g., supervisor). The Choices rules clarify and enforce this supervision requirement.

### **On-the-job training (OJT)**

- 1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

OJT is a core activity. A case-by-case 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 training provided by an employer to a work-eligible individual who is engaged in productive work in a job. OJT must:

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- provide knowledge or skills essential to the full and adequate performance of the job;
- 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 individual; and
- include training specified by the employer.

The goal—after satisfactory completion of OJT—is unsubsidized employment with the employer. Boards do not contract with employers who 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

TWC has amended its Choices rules to add the following supervision and documentation requirements:

- OJT must be supervised by the employer, work-site sponsor, or the service provider’s designated representative on an daily basis; and
- OJT must be documented every two weeks.

**2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours of participation in OJT as allowable work participation hours except for paid holidays and other paid leave, which are counted as hours of participation.

**3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation accepted as verification of hours of participation in OJT:

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- pay check stubs;
- time cards or time sheets signed by the employer or the employer's designated representative (e.g., supervisor);
- signed letters from the employer or the employer's designated representative certifying the hours worked by the participant. The letters must be mailed or faxed by the employer; and
- phone calls from the employer or the employer's designated representative, with one of the above forms of documentation following within one week.
- online documentation services, such as TALX, The Work Number, etc.

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 will be kept to a minimum.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

### Documentation:

#### **1. Describe the nature of training provided by employers that distinguishes this from subsidized employment.**

OJT is training provided by an employer to a work-eligible individual 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. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.**

The Administration for Children and Families (ACF) provided guidance to TWC clarifying that if TWC received new documentation of hours at any time after the initial projection of hours was calculated, the projection would have to be recalculated. TWC requires that work-eligible individuals provide documentation of continued employment at least once a month to ensure that the work-eligible individual is still eligible for support services. This guidance would require TWC to recalculate the projected hours every month.

Based on this guidance, TWC has chosen not to allow projection of hours at this time. If TWC changes its position, prior to implementation TWC will modify the

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work verification plan to include necessary information on the projection of hours' provision in its application.

### **Job search and job readiness assistance**

- 1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Job search and job readiness are core activities and are limited to six weeks in a federal fiscal year, with no more than four consecutive weeks. A partial week may count as a full week of participation for a recipient only once per federal fiscal year.

TWC defines job search as follows:

Job search activities—Acts of seeking and obtaining employment, including:

- job referrals;
- researching available jobs;
- occupational exploration, including information on local emerging and high-growth, high-demand occupations;
- job fairs;
- applying or interviewing for job vacancies; and
- contacting potential employers by phone, mail, in person or Internet.

TWC defines job readiness activities as follows:

Job readiness activities—Activities designed to assist work-eligible individuals with addressing issues that will aid the individuals in seeking, obtaining, and retaining employment, including:

- life skills;
- guidance and motivation for development of positive work behaviors necessary for the labor market;
- job skills assessment;
- substance abuse treatment;
- mental health treatment;
- rehabilitation activities;
- job counseling;
- interviewing skills and practice interviews; and
- assistance with applications and resumes.

Job search and job readiness services incorporate the following:

- Individual and group activities;
- Staff-assisted services in which Texas Workforce Center staff provides direction and guidance to job seekers, including appropriate referrals based on their skills and abilities to prescheduled job interviews; and preparatory activities that are essential to obtaining and retaining employment; and

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- Client-directed activities in which clients independently identify employment opportunities based upon their employment strengths and preparatory activities that are essential to obtaining and retaining employment.

Job search and job readiness services are limited to activities necessary for work-eligible individuals to secure immediate employment, and provide individual assistance or coordinated, planned, and supervised activities that prepare work-eligible individuals for seeking employment.

Job search and job readiness services are supervised on an ongoing basis and are documented in TWIST. TWC requires that job search and job readiness activities be supervised and documented daily.

**2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours of participation in job search and job readiness activities as allowable work participation hours. TWC also counts certain excused absences as participation, as set forth in Section II of this plan.

TWC requires all job search participants to maintain a daily log of their job search participation and employment contacts. The log must contain:

- information on potential employers contacted in person, by Internet, or by phone, including the method of contact, the date and time of contact, the job opening, and the employer's name and contact information; and
- daily records of the time spent engaged in job search.

Participants must submit their logs at least weekly. Case managers must review the logs and ensure the accuracy of the reported information by conducting random verification reviews of 10 percent of the job search logs on a weekly basis. Verification reviews include contact with the listed employers to verify the documented information and confirm completed job interviews and other related measures. When logs are incomplete or verification does not validate the activity, the hours associated with the unverifiable contacts must not be reported. If, in the verification process, TWC discovers systemic data validation problems, TWC 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.

TWC has chosen to not allow distance learning for any of the allowable work activities, unless it is performed in a supervised setting. Supervised settings include a workforce center, educational institution or other applicable setting where a responsible party is physically present and supervising the completion of the computer based training.

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While distance learning modules can track hours of participation and satisfactory progress in the activity, TWC is concerned that, when performed outside of a supervised setting, participation in this activity cannot be monitored to ensure that the work eligible individual is actually the one completing the hours of participation.

### **3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in job search and job readiness:

- attendance records from the service provider;
- time cards or time sheets signed by the service provider or the service provider's designated representative (e.g., supervisor);
- signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

In the case of client-directed job search, job search contacts are verified using a job search contacts reporting sheet, completed by the participant and periodically audited. TWC requires all job search participants to maintain a daily log of their job search participation and employment contacts. The log must contain the following:

- information on potential employers contacted in person, by Internet, or by phone, including the method of contact, the date and time of contact, the job opening, and the employer's name and contact information; and
- daily records of the time spent engaged in job search.

Participants must submit their logs at least weekly. Case managers must review the logs and ensure the accuracy of the reported information by conducting random verification reviews of 10 percent of the job search logs on a weekly basis. Verification reviews include contact with the listed employers to verify the documented information and confirm completed job interviews and other related measures. When logs are incomplete or verification does not validate the activity, the hours associated with the unverifiable contacts must not be reported. If, in the verification process, TWC discovers systemic data validation problems, TWC

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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.

#### **4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised by the service provider or the service provider's designated representative (e.g., supervisor).

TWC requires job search and job readiness activities to be supervised daily.

In the case of client-directed job search, Texas Workforce Center staff supervises participation by ensuring that Choices participants in job search and job readiness activities are supervised daily by appropriate staff. However, daily supervision does not necessarily mean daily contact—particularly as it pertains to participant-directed job search. Boards must ensure that case managers are accessible daily to allow Choices participants to report job search progress or seek additional guidance.

Boards must also ensure that Texas Workforce Center staff maintains weekly contact with the participant to document and verify daily participation and discuss the progress of job search.

Boards must obtain weekly verification for job search and job readiness activities. TWC requires verification sources for job search and job readiness—e.g., job search logs or job readiness provider forms—to be modified to reflect the daily documentation requirement.

#### **Documentation:**

- 1. If the State intends to count substance abuse treatment, mental health treatment and rehabilitation activities, describe the criteria to determine whether recipients are “otherwise employable” and establish the necessity of treatment or therapy. Describe the certification requirements for qualified medical or mental health professionals used in this process.**

TWC allows substance abuse treatment, mental health treatment, and rehabilitation activities to count as participation in allowable job readiness activities. Allowable treatment or therapy activities are necessary to assist Choices participants with seeking, obtaining, or retaining employment. Choices participants are determined to be “otherwise employable” through their assessment with a Choices case manager. If the assessment indicates possible substance abuse, mental health, or other disability issues, the case manager will refer the Choices participant to a qualified medical or mental health professional for further evaluation. Qualified medical or mental health professionals providing the evaluations must be licensed or Board certified by the State of Texas. The

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qualified medical or mental health professional will provide the case manager with the results of the evaluation. If treatment is recommended, verification from the qualified medical or mental health professional must include:

- a statement from the qualified medical or mental health professional that treatment is necessary for the individual to seek, accept, or retain employment;
- the type and duration of the treatment; and
- allowable hours of participation in work or work related activities outside of treatment.

Acceptable verification to document medical necessity includes a Physician's Statement (HHSC Form 1836) or other standardized medical form used by a treatment or therapy agency, signed by a qualified medical or mental health professional.

Currently, TWC is working with the state agencies responsible for overseeing substance abuse treatment, mental health treatment, and rehabilitation activities to develop and implement a standard coordination and assessment process.

**2. Describe how the State ensures that no more than six total weeks (four consecutive weeks) of job search and job readiness assistance are reported in a fiscal year (or a total of 12 weeks in States that meet the definition of a “needy State” for the Contingency Fund).**

TWC's Choices rules allow Boards to provide job search and job readiness for only four consecutive weeks and a maximum of six weeks in the federal fiscal year. Participation above these levels will result in disallowed costs for the Board. In addition, Texas' automated work participation rate calculation in TWIST is coded so that participation in job search and job readiness is counted for only four consecutive weeks and a maximum of six weeks in the federal fiscal year. Any participation above these levels is not counted and or reported to the U.S. Department of Health and Human Services (HHS). TWC counts weeks with any hours of participation in job search and/or job readiness activities toward the cumulative six-week job search/job readiness limit. Consecutive weeks of job search and/or job readiness participation are counted until there is a week with no participation in either.

***Example:*** A Choices participant participates as follows:

*Week 1: 2 hours in job search*

*Week 2: 8 hours in job readiness*

*Week 3: 12 hours in job search*

*Week 4: 0 hours in job search and job readiness*

*Week 5: 12 hours in job readiness and 10 hours in job search*

*At the end of the month, the customer has accumulated four weeks toward the six-week limit of participation in job search and job readiness, and one week toward*

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*his or her cumulative participation limit of four weeks in job search and/or job readiness (because there was no participation in job search and/or job readiness in week 4). Hours of participation in job search and/or job readiness could be reported for two more weeks, and subsequently, any participation in job search and/or job readiness will not be reported as participation.*

### Community service programs

**1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Participation in community service programs is a core activity.

A case-by-case determination is made on whether to authorize, arrange, or refer work-eligible individuals to a community service program. These programs must provide employment or training activities to recipients through unsalaried, work-based positions in the public or private nonprofit sectors and be designed to improve the employability of recipients who have been unable to find employment.

Choices rules clarify that community service programs:

- contain structured, supervised activities that are a direct benefit to the community;
  - include work performed:
    - in a school or head-start program;
    - in a church;
    - in a government or nonprofit agency; or
    - in AmeriCorps, VISTA, or other private volunteer organization.
  - are limited to positions that serve a useful community purpose in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care; and
  - are supervised daily, and are documented every two weeks.
- 2. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation. Describe how the State determines the number of countable hours of participation for each State activity reported under community service programs.**

TWC counts only actual hours of participation in community service activities as allowable work participation hours. TWC also counts certain excused absences as participation, as set forth in Section II of this plan.

**3. Describe how the State verifies the actual hours of participation for the**

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**activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in community service:

- Attendance records from service provider;
- Time cards or time sheets signed by the service provider or the service provider's designated representative (e.g., supervisor);
- Signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- Phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

#### **4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised by the service provider or the service provider's designated representative (e.g., supervisor). TWC Choices rules require daily supervision of community service activities.

#### **Documentation:**

##### **1. Describe how the types of community service positions that create an employer/employee relationship and are subject to the FLSA minimum wage requirements will be determined.**

TWC considers community service programs to be subject to the FLSA minimum wage requirements unless a Choices participant is considered a volunteer or trainee as defined by the U.S. Department of Labor (DOL). TWC has issued the following guidance to the Boards to clarify whether a Choices participant is considered an employee, volunteer, or trainee for FLSA purposes.

A volunteer in a work experience or community service site is different from an employee if the volunteer does not perform identical tasks or have the same responsibilities as a regular unsubsidized employee and those tasks do not benefit the employer. A Choices participant is considered a volunteer under FLSA if the individual:

- performs hours of service for a public agency for civic, charitable, or humanitarian reasons, without promise, expectation, or receipt of

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compensation for services rendered, although a volunteer can be paid expenses, reasonable benefits, or a nominal fee to perform such services;

- offers services freely and without pressure or coercion; and
- is not otherwise employed by the same public agency to perform the same type of services as those for which the individual proposes to volunteer.

Section 811.29(a)(3) of the Choices rules defines training that is not subject to FLSA requirements as follows:

- The training is similar to that given in a vocational school;
- The training is for the benefit of the trainees;
- The trainees do not displace regular employees;
- The employers derive no immediate advantage from trainees' activities;
- The trainees are not entitled to a job after training is completed; and
- The employers and trainees understand that trainees are not paid.

If the work experience or community service placements meet the definition of a volunteer or trainee, then a Choices participant is not subject to FLSA when calculating participation hours.

TWC has advised Boards to contact DOL with any additional questions about the determination of whether a work experience or community service position is subject to FLSA provisions.

**2. If the State permits self-initiated community service positions, describe how it determines that the position provides a direct community service and improves the recipient's employability.**

Choices rules prohibit Boards from allowing self-initiated community service positions. If these activities are counted as participation in the future, TWC will amend its work verification plan to address this issue.

**Vocational educational training (not to exceed 12 months with respect to any individual)**

**1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Vocational educational training is a core activity and a case-by-case determination is made on whether to authorize, arrange, or refer work-eligible individuals for vocational educational training.

Vocational educational training:

- Relates to the types of jobs available in the labor market;
- Is consistent with employment goals identified in the family employment plan, when possible;

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- Is provided only if there is an expectation that employment will be secured upon completion of the training; and
- Has a lifetime limit of 12 months.

Choices rules clarify vocational educational training programs as training that:

- prepares participants for a specific trade, occupation, or vocation that requires training other than a baccalaureate or advanced degree;
- includes activities that provide work-eligible individuals with the knowledge and skills to perform a specific trade, occupation, or vocation;
- is provided by education or training organizations including, vocational-technical schools, community colleges, postsecondary institutions, proprietary schools, nonprofit organizations, and secondary schools offering vocational education, as long as the vocational education provided by the secondary school does not consist of secondary school training and is not part of a secondary school degree.

TWC counts supervised study or homework time toward a work-eligible individual's family participation requirement, if:

- study or homework time is directly correlated to the demands of the course work for out-of-class preparation as described by the educational institution;
- the educational institution's policy requires a certain number of out-of-class preparation hours; and
- study or homework time has been directly verified by the educational institution.

TWC counts study time as participation only if it is monitored, supervised, and documented. Only a responsible party may supervise study or homework time. Responsible parties include instructors, teachers, librarians, tutors, service providers' designated representatives, or case managers who can verify and document that Choices participants are actually studying the material related to the education or training Choices activity in which they are enrolled.

Written verification, such as a letter or e-mail from the responsible party verifying that the Choices participant took part in supervised study time, is sufficient verification of supervised study time as long as the verification includes the participant's name, the actual hours of participation in supervised study time, the responsible party's name, and the name and phone number of the person verifying hours. However, if the responsible party did not supervise the study time, he or she cannot provide verification. For example, if an instructor's letter indicates that three hours of study time per week are necessary to meet the requirements of his or her class, this is insufficient to verify three hours of study time. Verification must indicate that Choices participants performed actual hours of supervised study time, and that they were supervised by the person providing verification.

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TWC verifies that the work-eligible individual is making good or satisfactory progress as determined by the educational institution.

Vocational educational training is supervised on an ongoing basis and is documented in TWIST. TWC requires vocational educational training to be supervised daily and documented every two weeks.

**2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours of participation and supervised study time in vocational educational training activities as allowable work participation hours. TWC also counts certain excused absences as participation, as outlined in Section II of this plan.

TWC has chosen to not allow distance learning for any of the allowable work activities, unless it is performed in a supervised setting. Supervised settings include a workforce center, educational institution or other applicable setting where a responsible party is physically present and supervising the completion of the computer based training.

While distance learning modules can track hours of participation and satisfactory progress in the activity, TWC is concerned that, when performed outside of a supervised setting, participation in this activity cannot be monitored to ensure that the work eligible individual is actually the one completing the hours of participation.

**3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in vocational educational training:

- Attendance records from the service provider;
- Time cards or time sheets signed by the service provider or the service provider's designated representative (supervisor, etc.);
- Signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- Phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

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All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

#### **4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised by the service provider or the service provider's designated representative (e.g., supervisor). TWC requires daily supervision of vocational educational training.

#### **Documentation:**

##### **1. Describe how the State ensures participation in vocational educational training does not count beyond the statutory limitations limiting participation to 12 months lifetime per individual.**

TWC's Choices rules allow Boards only to provide a lifetime maximum of 12 months of vocational education training. Participation above this level will result in disallowed costs for the Board. In addition, Texas' automated work participation rate calculation in TWIST is coded to count participation in vocational education training only for a lifetime maximum of 12 months. Any participation above this level is not counted and or reported to HHS.

TWC counts months with any hours of participation in vocational educational training activities toward the lifetime 12-month vocational educational training limit.

*Example: A Choices participant participates for six months in a certified nursing assistant training program at a local community college. At the end of the six months, the Choices participant has accumulated six months toward the lifetime 12-month vocational educational training limit. Hours of participation in vocational educational training activities can be reported for six more months, however any participation in vocational educational training activities beyond that will not be reported as participation.*

##### **2. Explain how the State 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 education training.**

Currently, TWC does not count basic and remedial education and ESL as participation in vocational education training. TWC is exploring this option, and if these activities count as participation in vocational educational training in the future, TWC will amend its work verification plan to address this issue.

#### **Job skills training directly related to employment**

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### **1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

Job skills training is a non-core activity and services are designed to increase a work-eligible individual's employability. Job skills training may also include activities ensuring that work-eligible individuals become familiar with workplace expectations and exhibit work behavior and attitudes necessary to compete successfully in the labor market. Various types of activities that are directly related to employment may qualify, such as personal development and pre-employment classes.

Job skills training includes:

- (1) ESL or Workforce Adult Literacy services;
- (2) entrepreneurial training provided prior to business start-up; and
- (3) self-employment assistance.

Self-employment assistance is provided to work-eligible individuals currently engaged in operating a small business and to work-eligible individuals based upon an objective assessment process that identifies individuals who are likely to succeed in operating a small business. Self-employment assistance includes microenterprise training services such as business counseling, financial assistance, and technical assistance.

Microenterprise training is included in job skills training because it teaches the specific skills and competencies necessary to successfully operate a small business, which is analogous to the necessity for certified nursing assistant training to become a certified nursing assistant.

Job skills training is directly related to employment and consistent with employment goals identified in the family employment plan, when possible.

A case-by-case determination is made on whether to authorize, arrange, or refer work-eligible individuals for job skills training as set forth in the family employment plan.

TWC counts supervised study or homework time toward a work-eligible individual's family participation requirement, if:

- study or homework time is directly correlated to the demands of the course work for out-of-class preparation as described by the educational institution;
- the educational institution's policy requires a certain number of out-of-class preparation hours; and
- study or homework time has been directly verified by the educational institution.

TWC counts study time as participation only if it is monitored, supervised, and documented. Only a responsible party may supervise study or homework time.

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Responsible parties include instructors, teachers, librarians, tutors, service providers' designated representatives, or case managers who can verify and document that Choices participants are actually studying the material related to the education or training Choices activity in which they are enrolled.

Written verification, such as a letter or e-mail from the responsible party verifying that the Choices participant took part in supervised study time, is sufficient verification of supervised study time as long as the verification includes the participant's name, the actual hours of participation in supervised study time, the responsible party's name, and the name and phone number of the person verifying hours. However, if the responsible party did not supervise the study time, he or she cannot provide verification. For example, if an instructor's letter indicates that three hours of study time per week are necessary to meet the requirements of his or her class, this is insufficient to verify three hours of study time. Verification must indicate that Choices participants performed actual hours of supervised study time, and that they were supervised by the person providing verification.

TWC verifies that the work-eligible individual is making good and satisfactory progress as determined by the educational institution.

Job skills training is supervised on an ongoing basis and is documented in TWIST. TWC requires job skills training to be supervised daily and documented at least every two weeks.

**2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours of participation and supervised study time in job skills training activities as allowable work participation hours. TWC also counts certain excused absences as participation, as set forth in Section II of this plan.

TWC has chosen to not allow distance learning for any of the allowable work activities, unless it is performed in a supervised setting. Supervised settings include a workforce center, educational institution or other applicable setting where a responsible party is physically present and supervising the completion of the computer based training.

While distance learning modules can track hours of participation and satisfactory progress in the activity, TWC is concerned that, when performed outside of a supervised setting, participation in this activity cannot be monitored to ensure that the work eligible individual is actually the one completing the hours of participation.

**3. Describe how the State verifies the actual hours of participation for the**

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**activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in job skills training:

- Attendance records from the service provider;
- Time cards or time sheets signed by the service provider or the service provider's designated representative (e.g., supervisor);
- Signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- Phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

#### **4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised by the service provider or the service provider's designated representative (e.g., supervisor). TWC Choices rules require job skills training to be supervised daily.

#### **Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency**

##### **1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

In the case of a recipient who has not received a high school diploma or a certificate of high school equivalency, education directly related to employment is a non-core activity.

A case-by-case determination is made on whether to authorize, arrange, or refer work-eligible individuals for Adult Basic Education (ABE), ESL, or Workforce Adult Literacy.

In addition, TWC requires educational services to directly provide education, knowledge, and skills for specific occupations, work settings, jobs, or job offers.

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TWC counts supervised study or homework time toward a work-eligible individual's family participation requirement, if:

- study or homework time is directly correlated to the demands of the course work for out-of-class preparation as described by the educational institution;
- the educational institution's policy requires a certain number of out-of-class preparation hours; and
- study or homework time has been directly verified by the educational institution.

TWC counts study time as participation only if it is monitored, supervised, and documented. Only a responsible party may supervise study or homework time. Responsible parties include instructors, teachers, librarians, tutors, service providers' designated representatives, or case managers who can verify and document that Choices participants are actually studying the material related to the education or training Choices activity in which they are enrolled.

Written verification, such as a letter or e-mail from the responsible party verifying that the Choices participant took part in supervised study time, is sufficient verification of supervised study time as long as the verification includes the participant's name, the actual hours of participation in supervised study time, the responsible party's name, and the name and phone number of the person verifying hours. However, if the responsible party did not supervise the study time, he or she cannot provide verification. For example, if an instructor's letter indicates that three hours of study time per week are necessary to meet the requirements of his or her class, this is insufficient to verify three hours of study time. Verification must indicate that Choices participants performed actual hours of supervised study time, and that they were supervised by the person providing verification.

TWC verifies that the work-eligible individual is making good and satisfactory progress as determined by the educational institution.

Work-eligible individuals enrolled in educational services are supervised on an ongoing basis and participation is documented in TWIST. TWC requires educational services to be supervised daily and documented at least every two weeks.

- 2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours of participation, and supervised study time, in education directly related to employment activities as allowable work participation hours. TWC also allows certain excused absences to count as participation, as outlined in Section II of this plan.

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TWC has chosen to not allow distance learning for any of the allowable work activities, unless it is performed in a supervised setting. Supervised settings include a workforce center, educational institution or other applicable setting where a responsible party is physically present and supervising the completion of the computer based training.

While distance learning modules can track hours of participation and satisfactory progress in the activity, TWC is concerned that, when performed outside of a supervised setting, participation in this activity cannot be monitored to ensure that the work eligible individual is actually the one completing the hours of participation.

**3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in education directly related to employment:

- Attendance records from the service provider;
- Time cards or time sheets signed by the service provider or the service provider's designated representative (e.g., supervisor);
- Signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- Phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

**4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised by the service provider or the service provider's designated representative (e.g., supervisor). TWC requires educational services to be supervised daily.

**Documentation:**

**1. Describe the State's criteria for "good or satisfactory progress" and when and how it is documented.**

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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.

### **Satisfactory attendance at 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**

#### **1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

In the case of a recipient who has not completed secondary school or received such a certificate, satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence 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 a certificate of general equivalence.

TWC counts supervised study or homework time toward a work-eligible individual’s family participation requirement, if:

- study or homework time is directly correlated to the demands of the course work for out-of-class preparation as described by the educational institution;
- the educational institution’s policy requires a certain number of out-of-class preparation hours; and
- study or homework time has been directly verified by the educational institution.

TWC counts study time as participation only if it is monitored, supervised, and documented. Only a responsible party may supervise study or homework time. Responsible parties include instructors, teachers, librarians, tutors, service providers’ designated representatives, or case managers who can verify and document that Choices participants are actually studying the material related to the education or training Choices activity in which they are enrolled.

Written verification, such as a letter or e-mail from the responsible party verifying that the Choices participant took part in supervised study time, is sufficient verification of supervised study time as long as the verification includes the participant’s name, the actual hours of participation in supervised study time, the responsible party’s name, and the name and phone number of the person verifying hours. However, if the responsible party did not supervise the study time, he or she cannot provide verification. For example, if an instructor’s letter indicates that three hours of study time per week are necessary to meet the requirements of his or her class, this is insufficient to verify three hours of study time.

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Verification must indicate that Choices participants performed actual hours of supervised study time, and that they were supervised by the person providing verification.

TWC verifies that the work-eligible individual is making good and satisfactory progress as determined by the educational institution.

Work-eligible individuals 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 every two weeks.

**2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

TWC counts only actual hours of participation and supervised study time in satisfactory school attendance activities as allowable work participation hours. TWC also counts certain excused absences as participation, as outlined in Section II of this plan. Boards are instructed to enter actual hours of participation for secondary school attendance in TWIST, and TWC reports only actual hours of participation in satisfactory school attendance.

TWC has chosen to not allow distance learning for any of the allowable work activities, unless it is performed in a supervised setting. Supervised settings include a workforce center, educational institution or other applicable setting where a responsible party is physically present and supervising the completion of the computer based training.

While distance learning modules can track hours of participation and satisfactory progress in the activity, TWC is concerned that, when performed outside of a supervised setting, participation in this activity cannot be monitored to ensure that the work eligible individual is actually the one completing the hours of participation.

**3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

TWC has amended its guidance to Boards and has removed self-attestation as an acceptable form of verification. More stringent requirements have been placed on acceptable documentation. TWC has issued further guidance to Boards clarifying that only the following forms of documentation will be accepted as verification of hours of participation in satisfactory school attendance:

- Attendance records from the service provider;

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- Time cards or time sheets signed by the service provider or the service provider's designated representative (e.g., supervisor);
- Signed letters from the service provider or the service provider's designated representative certifying the hours of participation by the participant. The letters must be mailed or faxed from the service provider; and
- Phone calls from the service provider or the service provider's designated representative, with one of the above forms of documentation following within one week.

All documentation must be recorded in TWIST and any necessary supporting documentation must be retained.

#### **4. Describe the methods of daily supervision for each unpaid work activity.**

Participation in each unpaid work activity is supervised by the service provider or the service provider's designated representative (e.g., supervisor). TWC Choices rules require that attendance in secondary school be supervised daily.

#### **Documentation:**

##### **1. Describe the State's criteria for "good or satisfactory progress" and when and how it is documented.**

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.

##### **Providing child care services to an individual who is participating in a community service program**

##### **1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)**

At this time, TWC has chosen not to include as a work activity providing child care services to an individual who is participating in a community service program. If TWC changes its position, prior to implementing this provision, TWC will modify the work verification plan to include necessary information on providing child care services to an individual who is participating in a community service program in its application.

##### **2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.**

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N/A

- 3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.**

N/A

- 4. Describe the methods of daily supervision for each unpaid work activity.**

N/A

## II. Hours Engaged in Work

### Excused Absences

**Describe the State's excused absence policies for unpaid work activities. This includes its policies for holidays as well as the ten additional excused absences that the State may count in a 12-month period. If the policies vary by work activity, the State should describe how they vary and for which activities.**

TWC Choices rules count certain excused absences as participation for all unpaid work activities. TWC counts short-term excused absences in unpaid work activities as actual participation if they meet the following conditions:

- The absence is because of a holiday;
- The excused absences for days other than holidays total no more than ten days within a 12-month period and do not exceed two excused absences per month; and
- The individual is scheduled to participate in work activities during the time period in which the holiday or excused absence falls. Participation credit for excused absences may not exceed the number of hours the participant was scheduled to participate on the date of the excused absence.

The following reasons may constitute an excused absence:

- Temporary illness or incapacitation;
- Court appearance;
- Caring for a disabled or ill family member who requires the Choices participant's presence in the home.
- A demonstration that there is:
  - (1) no available transportation and the distance prohibits walking; or
  - (2) no available job within reasonable commuting distance, as defined by the Board;
- An inability to obtain needed child care, as defined by the Board and based on the following reasons:

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- (1) Informal child care by a relative or under other arrangements is unavailable or is unsuitable based on the parent's evaluation or Board policy regarding child care, where applicable;
  - (2) Eligible child care providers are unavailable;
  - (3) Affordable child care arrangements within maximum rates established by the Board are unavailable;
  - (4) Appropriate child care within a reasonable distance from home or the work site is unavailable; or
  - (5) Child care arrangement is interrupted, precluding participation;
- An absence of other support services necessary for participation;
  - Receipt of a job referral that results in an offer below the federal minimum wage, except when a lower wage is permissible under federal minimum wage law;
  - An individual or family crisis or a family circumstance that may preclude participation; or
  - Family violence.

Federal law (5 U.S.C. §6103) establishes the following public holidays for federal employees. If the holiday falls on Sunday, it usually is observed on Monday; if the holiday falls on Saturday, it usually is observed on Friday.

- New Year's Day
- Birthday of Martin Luther King, Jr.
- Washington's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

If a service provider closes on one of these federal holidays, TWC will consider the date to be a holiday for the purpose of excused absences for unpaid work activities.

### **FLSA Deeming**

**If the State wishes to use the “deeming” provision permitted at §§ 261.31 and 261.32 for work experience or community service programs, describe how the State determines the work hours requirement, including how the monthly TANF grant and food stamp allotment are combined and divided by the appropriate minimum wage to meet the “core” participation requirement. Include a statement certifying that the State has adopted a “mini” Simplified Food Stamp Program in order to count the value of food stamp benefits. The Food and Nutrition Service has**

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**indicated that a TANF work experience or community service program can serve as the Food Stamp Workfare Program, which would otherwise be required before a State could combine the food stamp allotment to calculate the hours required.**

**If State policies or procedures differ for work experience and community service programs on FLSA deeming, the State should make those differences clear.**

In October 2006, the Food and Nutrition Service authorized Texas to operate a “mini” Simplified Food Stamp Program (mini-SFSP). TWC has amended its Choices rules to apply the deeming provision, permitted by the interim regulations, to FLSA-covered activities.

However, TWC is temporarily suspending the use of the deeming provision. There are a number of policy decisions and automation changes that must be implemented before TWC can appropriately apply the deeming provision. TWC is currently working with HHSC to implement all the necessary automation changes. At this time, TWC does not have an estimated time frame for the availability of this option.

Prior to implementing the deeming provision, TWC will amend its work verification plan to include necessary information on the application of the deeming provision.

Texas certifies that the state has adopted a mini-SFSP to count the value of food stamp benefits. Additionally, Choices provides community service and work experience programs that replace the Food Stamp Workfare requirement listed in the interim regulations.

### III. Work-Eligible Individual

#### Documentation:

- 1. Describe the State’s procedures for identifying all work-eligible individuals, as defined at § 261.2. This should include the procedures needed to identify a non-recipient parent *excluded* from the definition of work-eligible individual. These are:**
  - A minor parent who is not the head-of-household and not spouse of the head-of-household;**
  - An alien who is ineligible to receive assistance due to his or her immigration status; and**
  - At State option, on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits.**

**The State should also describe its procedures for identifying a parent caring for a disabled family member, who may also be excluded from the definition of a work-eligible individual. The procedures should define the terms “disabled,” “family member” and “attending school full-time.” This should**

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**include a means of ensuring that the need for care in the home is supported by medical documentation and describe the nature of the medical documentation used to make such determinations. If the State includes in this group parents caring for a family member with a temporary disability, the State must describe its procedures for determining when the family member is no longer disabled and ensuring that the parent is then identified as a work-eligible individual.**

HHSC is able to identify a minor parent who is not head of household or spouse of head of household; an alien ineligible to receive assistance because of immigration status; and a recipient of SSI. HHSC plans to modify client data to distinguish non-recipient parents from non-recipient other relative caretakers. HHSC currently exempts a TANF parent or other relative who cares for a disabled family member from the work requirement. HHSC is refining client data in the TANF universe to allow identification of a parent caring for a disabled family member who does not attend school full time. HHSC can currently identify a parent caring for a disabled family member who does not attend school full time in the stratified sample used for federal reporting. 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 Retirement and Survivors Disability Insurance (RSDI) because of disability 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 who does not attend school full time must provide verification of the family member's disability, regardless of SSI/RSDI 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 Texas

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Workforce Centers for Choices services. Texas Workforce Center 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.

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

HHSC currently relies on attendance verification from the school to determine if the child is attending school full time. If the child has more than 10 absences, HHSC requests verification of school attendance from the school. The school determines if the child meets school attendance requirements, regardless of the number of absences. HHSC Quality Control staff ensures via verification of client data in the sample that only a parent caring for a disabled family member who does not attend school full time is excluded from the work eligible calculation.

**2. Describe verification procedures for ensuring the accuracy in reporting of work-eligible individuals on the TANF Data Report and the SSP-MOE Data Report, including:**

- **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 of work-eligible individuals.

- 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 new data item, Work-Eligible Individual, has been incorporated into that calculation beginning October 1, 2006.
- The primary data source is composed of strip files from System for Application, Verification, Eligibility, Referral and Reporting (SAVERR), Generic WorkSheet (GWS) and SSI reporting. Quality Control staff re-verifies all data for validity in the stratified sample.

**3. Describe the procedures that show how the State ensures that, for each work-eligible individual, it accurately inputs data into the automated data**

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**processing system, properly tracks the hours, and accurately reports countable hours to HHS that do not include participation in an activity that does not meet a Federal definition.**

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 has chosen to not allow distance learning for any of the allowable work activities, unless it is performed in a supervised setting. Supervised settings include a workforce center, educational institution or other applicable setting where a responsible party is physically present and supervising the completion of the computer based training.

While distance learning modules can track hours of participation and satisfactory progress in the activity, TWC is concerned that, when performed outside of a supervised setting, participation in this activity cannot be monitored to ensure that the work eligible individual is actually the one completing the hours of participation.

TWC requires each Board to monitor itself and its contractors 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.

Service providers submit documentation and verification of participation in services to Texas Workforce Center staff. Participants also provide valid sources of documentation of participation in employment and training activities to Texas Workforce Centers. Texas Workforce Center 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. Texas Workforce Center 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

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conducts case reading to ensure policies and procedures are followed, and quality assurance staff randomly monitors for data integrity.

### IV. Internal Controls

#### Documentation:

- 1. Describe the internal controls designed to ensure established work verification procedures are properly being employed. Such controls may include supervisory guidance, policy directives, and staff training plans, as well as quality assurance processes, such as monitoring procedures to ensure adherence to procedures by staff, providers and contractors. For example, to ensure the State is identifying all work-eligible individuals, a State may periodically check the disability status of a family member who is temporarily disabled, as the parent caring for the disabled family member would become a work-eligible individual once the family member is no longer disabled.**

TWC provides rules, guidance, and training to state and local staff to ensure that they are well-versed in all policy, including policy around the work verification plan. TWC requires each Board to monitor itself and its contractors 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 of oversight and monitoring of the 28 Boards and their contractors. This system ensures accountability and appropriate contractor use of over \$850 million in federal and state funds administered by TWC for workforce development purposes and subsidized child care services.

Subrecipient Monitoring reviews Choices cases to make the following determinations:

- Is the activity the client is participating in an allowable activity? (Ensure the client 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 timesheets, job search logs, etc. for the hours entered into TWIST.)
- If the client is not meeting participation requirements, did the Board follow its reasonable and timely notification policy? (Ensure the Board is initiating

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sanctions or applying good cause to clients not meeting participation requirements.)

Subrecipient Monitoring visits each Board once a year. They test 10 percent of the units being tested (whether those are expenditures, participants, etc. - whatever is defined as the "unit") if it 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 the "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 they will take to resolve them in their 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 Contract Management

Workforce Contract Management provides a continuous analysis of the 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.

Its primary functions are:

- 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;
- 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, providing each Board with a monthly report reflecting the Board's effectiveness in engaging work-eligible individuals in employment-focused work activities, and recommending strategies for improvement;
- 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 9 digits, unique, and not start with 000.
- First Name and Last Name are required fields, and must start with a letter.

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- 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 in 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 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 Support Desk until the defect is repaired;
- Re-testing and verifying completion of repaired defects;
- Analyzing submitted defects involving new and modified program policies; and
- Documenting current processes, and reviewing written specification additions/modifications and creating the test case for the defect.

### TWIST Support Desk Unit

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

- TWC state office staff and trainers
- Other state agencies' system users
- Board staff and contractors

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.

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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.

- 2. Describe the internal controls to control for data errors, including transcription and coding errors, data omissions, computational errors, and compilation errors. For example, a State might automatically review the case record of each work-eligible individual whose reported average weekly hours of participation are unusually high (e.g., 70 or more hours per week) by examining the documentation used to support those hours.**

TWC flags cases with participation in excess of 50 hours per week, either in one activity or combined participation in multiple activities. Boards will be required to review these cases for increased documentation or correction. TWC monitors will 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 contractors 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 gather and validate data items received through HHSC's automated systems and from quality control staff. 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. Code also has been developed to flag values that are out of range or invalid according to federal regulations, which can then be reviewed and corrected before the reports are submitted.

- 3. Describe the checks used to isolate electronic systems and programming errors and the steps to ensure that all work participation report items are internally consistent. For example, a State might obtain the raw data (prior to input into an automated data processing system) for a sample of work-eligible individuals and determine manually the average weekly hours of**

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**participation for each work activity for a month and compare that result to what the State actually reported to HHS.**

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 done 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.

- 4. Describe any sampling and estimation techniques employed in data validation. The Work Verification Plan should document the soundness of all statistical procedures utilized in the verification process. All estimation techniques must be reasonable and fully described in the plan. For estimates based on sampling or other statistical techniques, the plan must contain, as appropriate, the step-by-step computations of precision, affirming that the produced estimates are within statistically acceptable levels of reliability and validity.**

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**

**Under the "complete and accurate" standard for data reporting, States should validate all data submitted in its TANF Data Report and, if applicable, the SSP-MOE Data Report. In addition to the work activities, the following data elements are used in calculating the work participation rates:**

- **Reporting Month**
- **Stratum**
- **Case Number**
- **Disposition**
- **Type of Family for Work Participation**
- **Amount of Food Stamps Assistance**
- **Receives Subsidized Child Care**
- **Amounts of TANF (and SSP-MOE) Assistance**
- **Family Affiliation Code**
- **Non-custodial Parent Indicator**
- **Date of Birth (Adult)**
- **Relationship to Head-of-Household**
- **Parent with Minor Child**

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- **Work-Eligible Individual Indicator**
- **Date of Birth (Child)**

### Documentation:

1. **For each of the above data elements, describe the State's data validation procedures to ensure "complete and accurate" data reporting.**

HHSC is in the process of implementing procedures to enhance the ability to break out TANF families by case characteristic.

- **Reporting Month:**

The dates TANF and SSP-MOE 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.

- **Stratum:**

A stratum code is assigned through HHSC's automated systems to each case that is pulled in the TANF or SSP-MOE 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 or SSP-MOE 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:**

Some of the data elements used to calculate Type of Family for Work Participation are gathered through HHSC's automated systems, and some are gathered through case reviews on sampled cases. 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:**

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

- **Family Affiliation Code:**

Some of the data elements used to calculate Family Affiliation Code are gathered through HHSC's automated systems, and some are gathered through case reviews 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 and, if necessary, client contact.

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

Relationship to Head-of-Household is collected and validated through case reviews on sampled cases and, if necessary, client contact.

- **Parent with Minor Child:**

Parent with Minor Child is collected and validated through case reviews on sampled cases and, if necessary, client contact.

- **Work-Eligible Individual Indicator:**

Texas will calculate this new data element from data gathered through HHSC's automated systems. It will be 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 and, if necessary, client contact.

- **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 contractors to ensure accurate data entry. TWC monitors 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.

## 2. Describe any procedures employed to eliminate data inconsistencies between two or more data elements.

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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.

### Work Participation Status

- 1. Describe the State's procedures to ensure that a family is not disregarded from the work participation rate for more than 12 months per lifetime based on being a single custodial parent with a child less than one year of age.**

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

In addition, Texas' work participation rate calculation is coded so only those adults who are exempt because of 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. Describe the State's procedures to ensure that a family is not disregarded from the work participation rate for more than three months in any period of 12 consecutive months based on a work-eligible individual's refusal to participate in work.**

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 does not receive TANF. As a result, these families are not included in the calculation of work participation rates.

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- 3. Describe the State's procedures for ensuring a family deemed engaged in work based on 20 hours of participation in countable work activities meets the requirements of a single custodial parent or caretaker relative with a child under age six.**

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 for 20 hours in core activities, 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.