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**Report to the Minnesota Legislature**  
**Recommendations on Performance-based Funding for the**  
**Minnesota Family Investment Program**

January 2004

Prepared by the Minnesota Department of Human Services  
Program Assessment and Integrity Division

For further information, please contact:

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**This Report to the Legislature is mandated by Minnesota Session Laws 2003, First Special Session, Chapter 14, Article 1, Section 94.**

Subd. 9. [REPORT.] The commissioner shall, in consultation with counties and tribes: (1) determine how performance-based allocations under subdivision 7, paragraph (a), clauses (2) and (3), will be allocated to groupings of counties and tribes when groupings are used to measure expected performance ranges for the self-support index under section 256J.751, subdivision 2, clause (7); and (2) determine how performance-based allocations under subdivision 7, paragraph (a), clauses (2) and (3), will be allocated to tribes. The commissioner shall report to the legislature on the formulas developed in clauses (1) and (2) by January 1, 2004.

**Acknowledgements**

DHS also gratefully acknowledges the efforts of members of the state-county MFIP Performance Measurement Workgroup, and the Minnesota Association of County Social Service Administrators (MACSSA) who have offered insight into the issues underlying performance measurement at the state and local levels.

**The following is a summary of the costs of preparing this report, as mandated by the Laws of 1994:**

State Staff Assistance	\$1,200
Printing and Mailing	<u>\$10</u>
TOTAL COST	\$1,210

## Background

Effective July 1, 2003, the Minnesota Legislature created the Minnesota Family Investment Program (MFIP) Consolidated Fund as the primary funding source for counties and tribes to use in carrying out their responsibilities for welfare reform (Minn. Stat. Sec. 256J.626). The Consolidated Fund combines TANF and General Fund appropriations from many different funding streams covering 11 programs into a single fund. These include:

- MFIP Employment and Training Services
- Emergency Assistance
- County Administrative Aid
- Supported Work Programs
- Work Literacy Language Programs
- Bilingual Employment and Training Services

Creation of the Consolidated Fund gives counties and tribes greater flexibility to allocate funding in ways that will be most effective in their area, however, it also makes counties and tribes more responsible for difficult decisions that must be made regarding the allocation of limited resources. Consolidated Fund legislation switches the funding period from state fiscal year (SFY) to calendar year and establishes a 2005 Consolidated Fund funding base for each county and tribe.

Beginning in 2005, Consolidated Fund monies will be allocated using a two-step process as part of a process to link some county funding to performance. The initial allocation will be 95 percent of the county's or tribal provider's Consolidated Fund funding base. The remaining 5 percent of each county's or tribal provider's funding base will be allocated based on performance. The initial allocation, plus any additional performance-based funding earned the previous year, will be available to counties and tribal providers each January, beginning in January 2005. Attached is a DHS Bulletin, issued concurrently with this Report, further detailing this performance-based allocation system for the counties and tribes.

Two issues related to these performance-based allocations were left unresolved by the 2003 Legislature. These are:

1. The treatment, and possible grouping, of small counties in the performance-based funding system; and
2. The treatment of tribes in the performance-based funding system.

During 2003, a state-county-tribal workgroup considered these issues. Below are the DHS recommendations for their resolution. No further Legislative action is needed to implement these recommendations.

## Recommendations

### *Issue #1: Small counties and grouping*

Some small counties present special challenges in a performance-based allocation system because their relatively small caseloads make it possible for a single family finding or losing work or moving on or off MFIP cash to have a significant numerical impact on county performance. In addition, DHS is using a statistical technique known as logistic regression to produce ranges of expected performance for each county in the state. Typically, use of this type of regression model is less effective with small numbers of cases, yielding a much larger range of expected performance for the smallest counties.<sup>1</sup>

One solution to this dilemma that was considered was to break small counties into groups and evaluate the performance of the groups rather than individual counties. Members of the MFIP county performance workgroup considered a variety of scenarios for grouping counties, including grouping counties that share a common Employment Services provider. However, on the advice of the Minnesota Association of County Social Service Administrators (MACSSA), this option was rejected. Several county representatives felt uncomfortable linking their performance-based funding to performance in other counties.

A second approach considered was to remove some small counties from the performance-based system altogether. This approach is difficult because choosing the caseload size at which counties would be excluded would be arbitrary. The MACSSA Self-Sufficiency Committee agreed that trying to draw a line between large and small counties would be arbitrary and recommended including even small counties in the performance-based system.

#### **Recommendation:**

DHS recommends to the 2004 Legislature that all counties be included in the performance-based allocation system. Thus the performance-based allocation system enacted by the Legislature and detailed in the attached bulletin will apply equally to small counties and all other counties.

Because of the wording of 2003 Legislation pertaining to performance measurement, statutory changes are not needed to implement this recommendation.

### *Issue #2: Tribes*

The second unresolved issue has to do with treatment of tribal providers. There are five tribal providers (Leech Lake Band, Mille Lacs Band, Minnesota Chippewa Tribe, Red Lake Band, White Earth Band) that contract directly with the state to serve MFIP

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<sup>1</sup> For more information on this regression technique, see the DHS report entitled *Leveling the Playing Field: Measuring County MFIP Performance* at the following internet address:  
<http://edocs2.dhs.state.mn.us/lfsrver/Legacy/DM-0157I-ENG>.

participants. In the past, DHS has included MFIP participants served by these providers in the county performance measurement system. For example, a participant living in St. Louis county but served by the Minnesota Chippewa Tribe would have been reported as a St. Louis County participant. Because tribal providers are being treated similarly to counties with respect to allocations under the new MFIP Consolidated Fund, it makes sense to report separate performance data for the tribal providers.

**Recommendation:**

Based on consultation with tribal providers and counties, DHS recommends to the Legislature that tribal providers be treated the same as counties in the performance-based allocation system. Thus, MFIP participants served by tribal providers will be included in the performance measures of their tribal provider rather than their county of residence.

Beginning in January 2004, the MFIP Participation Rate will be determined for each tribal provider. Beginning in April 2004, each tribal provider will be assessed on the three-year Self-support Index and each will have its own range of expected performance. Participants will be assigned to the last provider known to have served them (the same rule that applies for counties).

Because of the wording of 2003 Legislation pertaining to performance measurement, statutory changes are not needed to implement this recommendation.

**Attachment**

**DHS Bulletin #03-11-05**

**Process to Receive Performance-based Funds  
for the Minnesota Family Investment Program (MFIP)**

# Bulletin

December 23, 2003

Minnesota Department of Human Services ■ 444 Lafayette Rd. ■ St. Paul, MN 55155

## OF INTEREST TO

- County Directors
- County Income Maintenance Supervisors and Workers
- MFIP Employment Services Providers
- Tribal Representatives

## ACTION

Please read and make any changes necessary.

## DUE DATE

None.

## Process to Receive Performance-based Funds for the Minnesota Family Investment Program (MFIP)

### TOPIC

Performance-based funding for MFIP pursuant to 2003 legislative changes.

### PURPOSE

Explain the major features of the process that will be used to allocate performance-based funding to counties and tribes based on achievement on the Three-year Self-support Index and the MFIP Participation Rate.

### CONTACT

#### General Questions

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#### Data Issues

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### SIGNED

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MARIA GOMEZ

Assistant Commissioner  
Children and Family Services

## **I. Purpose**

The purpose of this bulletin is to explain major features of the process that will be used to allocate performance-based funding for MFIP.

## **II. Background**

### **A. The Consolidated Fund**

Effective July 1, 2003, the Minnesota Legislature created the MFIP Consolidated Fund as the primary funding source for counties and tribes to use in carrying out their responsibilities for welfare reform. The Consolidated Fund combines TANF and General Fund appropriations from many different funding streams covering 11 programs into a single fund. These include:

- MFIP Employment and Training Services
- Emergency Assistance
- County Administrative Aid
- Supported Work Programs
- Work Literacy Language Programs
- Bilingual Employment and Training Services

Creation of the Consolidated Fund gives counties and tribes greater flexibility to allocate funding in ways that will be most effective in their area, however, it also makes counties and tribes more responsible for difficult decisions that must be made regarding the allocation of limited resources. Consolidated Fund legislation switches the funding period from state fiscal year (SFY) to calendar year and establishes a 2005 Consolidated Fund funding base for each county and tribe.

Beginning in 2005, Consolidated Fund monies will be allocated using a two-step process as part of a process to link some county funding to performance. The initial allocation will be 95 percent of the county's or tribal provider's Consolidated Fund funding base. DHS will provide counties and tribal providers with an estimate of this allocation at the close of each legislative session and finalize the amount by July 1 of each year. The remaining 5 percent of each county's or tribal provider's funding base will be allocated based on performance. DHS will notify counties and tribal providers of any performance-based funds they will receive by October 31 of each year. The initial allocation, plus any additional performance-based funding earned the previous year, will be available to counties and tribal providers each January, beginning in January 2005.

For a more complete explanation of the Consolidated Fund, see the Bulletin entitled "Implementing the MFIP and CCSA Consolidated Funds" found at: <http://www.dhs.state.mn.us/FMO/LegalMgt/Bulletins/pdf/2003/03-68-10.pdf>. A subsequent bulletin, entitled "Tribal Implementation of MFIP Consolidated Funds," provides additional

detail on how the Consolidated Fund will work in relationship to tribal providers. It is available at: <http://www.dhs.state.mn.us/FMO/LegalMgt/Bulletins/pdf/2003/03-11-02.pdf>.

### **B. Measures used for Performance-based Funding**

The first measurement used for purposes of performance-based funding is Indicator 8d of the MFIP Management Indicators Report and is called the "Three-year Self-support Index." This indicator tracks whether adults are either working 30 or more hours per week or no longer receiving MFIP cash payments three years after a baseline quarter. Issues #8 and #9 of the MFIP Evaluation Notes describe this measure in greater detail and may be found at:

<http://edocs2.dhs.state.mn.us/lfsrver/Legacy/DM-0157h-ENG> and

<http://edocs2.dhs.state.mn.us/lfsrver/Legacy/DM-0157l-ENG>. The most recent issue of the Management Indicators Report, for the period from April through June 2003, may be found at: <http://edocs2.dhs.state.mn.us/lfsrver/Legacy/DM-0081B-ENG>.

The second measure, the MFIP Participation Rate, is more a process measure than the Self-support Index. The basic definition of a county's or tribal provider's MFIP Participation Rate is the percentage of participants in a given month who are fully engaged in the work or work-related activity requirements of MFIP. DHS first reported the MFIP Participation Rate in July 2003 for the quarter of January through March of 2003. The rate is computed each quarter and appears as Indicator 5 of the MFIP Management Indicators Report. MFIP Evaluation Notes #10 describes this measure more fully and may be found at:

<http://edocs2.dhs.state.mn.us/lfsrver/Legacy/DM-0157j-ENG>.

### **III. Ways to Earn Performance-based Funding**

Beginning in 2005, counties and tribal providers will have the opportunity to increase their allocation up to a maximum of 102.5 percent of their Consolidated Fund funding base. There are two ways to do this. Up to 5 percent of a county's or tribal provider's funding base can be earned by performance on the Three-year Self-support Index and 2.5 percent of the funding base can be earned by performance on the MFIP Participation Rate.

#### **A. Achievement on the Three-year Self-support Index**

As shown in Table 1 on page 5, data from the second and fourth quarters of each state fiscal year are used to determine performance-based funding for the Self-support Index. Data from October through December 2003 and April through June 2004 are used to determine the Self-support performance-based funding for 2005.

Depending on their level of achievement on the Self-support Index, counties and tribes will receive one of the following:

**Performance-based Funding of 5 percent**

A county or tribal provider that performs **above** the top of its range of expected performance on the Three-year Self-support Index in both the second and fourth quarter measurements from the previous state fiscal year will receive an additional allocation equal to 5 percent of its Consolidated Fund funding base (5 percent of the 100 percent funding base).

**Performance-based Funding of 2.5 percent**

Counties and tribal providers that do not receive performance-based funding of 5 percent will receive an additional allocation equal to 2.5 percent of its Consolidated Fund funding base (2.5 percent of the 100 percent funding base) for **either**:

- Performing **within** their range of expected performance in both the second and fourth quarter measurements in the preceding state fiscal year or
- Performing **above** the top of their range of expected performance during either the second or fourth quarter of measurement and **within** their expected range of performance in the other quarter.

**No Performance-based Funding**

Counties and tribes that perform below their range of expected performance during either the second or fourth quarter measurements in the preceding state fiscal year will not receive performance-based funding for this measure.

**Table 1: Management Indicators Report Timelines**

<b>Data covering:</b>	<b>DHS Report</b>	<b>Relationship to Performance-Based Funds</b>
Jan.-March 2003	July 2003	None – FYI only
April-June 2003	Oct. 2003	None – FYI only
July-Sept. 2003	Jan. 2004	MFIP Work Participation Rate counts toward 2005 performance-based allocation.
Oct.-Dec. 2003	April 2004	MFIP Work Participation Rate and Three-year Self-support Index count toward 2005 performance-based allocation.
Jan.-March 2004	July 2004	MFIP Work Participation Rate counts toward 2005 performance-based allocation.
April-June 2004	Oct. 2004	MFIP Work Participation Rate and Three-year Self-support Index count toward 2005 performance-based allocation.
July-Sept. 2004	Jan. 2005	MFIP Work Participation Rate counts toward 2006 performance-based allocation.
Oct.-Dec. 2004	April 2005	MFIP Work Participation Rate and Three-year Self-support Index count toward 2006 performance-based allocation.
Jan.-March 2005	July 2005	MFIP Work Participation Rate counts toward 2006 performance-based allocation.
April-June 2005	Oct. 2005	MFIP Work Participation Rate and Three-year Self-support Index count toward 2006 performance-based allocation.
July-Sept. 2005	Jan. 2006	MFIP Work Participation Rate counts toward 2007 performance-based allocation.
Oct.-Dec. 2005	April 2006	MFIP Work Participation Rate and Three-year Self-support Index count toward 2007 performance-based allocation.

**B. Achievement on the MFIP Participation Rate**

A county or tribal provider that achieves a 50 percent rate or higher on the MFIP Participation Rate will receive additional funding equal to 2.5 percent of its Consolidated Fund funding base, i.e. 2.5 percent of the 100 percent funding base. The measurement used in this case is an average of the county or tribal provider's MFIP Participation Rate averaged across the four quarters of the most recent state fiscal year for which the measurements are available.

For example, as illustrated in Table 1, data from the four quarters of July through September 2003; October through December 2003; January through March 2004 and April through June 2004 are averaged to give a score that determines whether the county or tribal provider will receive 2005 performance-based funding for their MFIP Participation Rate.

**Note about Tips in the Appendix:** To get full credit for their success on the MFIP Participation Rate, counties and tribes must correctly enter data on both MAXIS and on the Department of Employment and Economic Development's MIS system. Data accuracy is crucial for both financial workers and job counselors. Because some MAXIS fields used to compute performance are not related to calculating eligibility, financial workers and their supervisors will need to make special efforts not to overlook them. The appendix contains tips intended to help financial workers and job counselors increase data accuracy and thereby improve the MFIP Participation Rate.

#### **IV. Fund Management Issues**

##### **A. Scenario 1: Less than Full 5 percent Set-aside is Allocated to Counties and Tribal Providers**

Counties and tribal providers will initially receive 95 percent of the available Consolidated Fund monies and the remaining 5 percent may be awarded based on performance. In the event that counties and tribal providers earn less than the full 5 percent of performance-based funding, the full 5 percent set-aside will not be needed. In that case, the commissioner of DHS is authorized to add any unallocated portion of the 5 percent funding to the funding pool for Innovation Projects. This funding pool of \$3 million was appropriated in 2003 to test innovative approaches to improving outcomes for MFIP participants and persons at risk of receiving poor outcomes.

##### **B. Scenario 2: More than Full 5 percent Set-aside is Earned by Counties and Tribal Providers**

A county or tribal provider with high performance on both the Self-support Index and the MFIP Participation Rate could earn as much as 7.5 percent of their full funding base in performance-based funding. Because original county and tribal allocations are 95 percent of total available funding, it is possible for a county or tribal provider to receive up to 102.5 percent of its full funding base. While it is not expected, it is possible that so many counties and tribal provider will earn dual performance-based funding that available funding will be insufficient to cover both the additional allocations and the original county and tribal allocations. In that event, 2003 legislation has authorized the commissioner to make up the shortfall by using any unobligated funds from the Innovation Projects funding described above.

In the even less likely event that after using unobligated funds from innovation projects there is still insufficient funding to award all performance-based funding described above, the commissioner must proportionally reduce the allocation of each county and tribal provider with respect to their maximum funding base.

## **V. Recommendations for the 2004 Legislature**

Two issues related to performance-based allocations were left unresolved by the 2003 Legislature and will be addressed in a 2004 report to the Legislature.

The first issue is how to treat small counties. Some small counties present special challenges in a performance-based allocation system because their relatively small caseloads make it possible for a single family finding or losing work or moving on or off MFIP cash to have a significant numerical impact on county performance. One solution to this dilemma that was considered was to break small counties into groups and evaluate the performance of the groups rather than individual counties. On the advice of the Minnesota Association of County Social Service Administrators (MACSSA), this option was rejected. A second approach considered was to remove some small counties from the performance-based system altogether. This approach is difficult because choosing the caseload size at which counties would be excluded would be arbitrary. The MACSSA Self-Sufficiency Committee agreed that trying to draw a line between large and small counties would be arbitrary and recommended including even small counties in the performance-based system. Based on this input, DHS plans to recommend to the 2004 Legislature that all counties be included in the performance-based allocation system. Thus policies described in this bulletin will apply equally to small counties and all other counties.

The second unresolved issue has to do with treatment of tribal providers. There are five tribal providers (Leech Lake Band, Mille Lacs Band, Minnesota Chippewa Tribe, Red Lake Band, White Earth Band) serving MFIP participants. Based on consultation with tribal providers and counties, DHS plans to recommend to the Legislature that tribal providers be treated the same as counties in the performance-based allocation system. Thus, MFIP participants served by tribal providers will be included in the performance measures of their tribal provider rather than the county. Beginning in January 2004, the MFIP Participation Rate will be determined for each tribal provider. Beginning in April 2004, each tribal provider will be assessed on the three-year Self-support Index and each will have its own range of expected performance. Participants will be assigned to the last provider known to have served them.

Because of the wording of 2003 Legislation pertaining to performance measurement, statutory changes are not needed to implement these recommendations.

### **Special Needs**

This information is available in other forms to people with disabilities by contacting us at (651) 296-1835 (voice), or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).

## **Appendix: Tips on Improving the MFIP Participation Rate**

The MFIP Participation Rate is calculated using data from two systems: DHS's MAXIS and the Department of Employment and Economic Development's MIS. Data from both systems are collected in the DHS data warehouse and matched by Social Security number (SSN).

In order to ensure that the county receives full credit for its performance on the MFIP Participation Rate, it is important to ensure that information is correct in all MAXIS and MIS fields that affect the rate. Listed below are tips about fields that are especially important.

For more information on any of these tips, contact Michele Mead at 651-296-5075 or [michele.mead@state.mn.us](mailto:michele.mead@state.mn.us).

### **MAXIS data**

#### **Social Security Number**

- In matching MAXIS and MIS data in the data warehouse, the MAXIS SSN is primary and is matched with the MIS SSN. No MIS work activity hours are counted for a case where the MAXIS SSN is missing or incorrect. Check all "P's" (pending verifications of SSN's) and resubmit the correct number when necessary.
- Be alert to mismatches between SSN's on MAXIS and the MIS and correct them. Statewide there have been as many as 2000 mismatches per month which means that these cases could not be counted toward the MFIP Participation Rate.

#### **Work Hours**

- Record the correct number of hours on STAT/JOBS, BUSI, and RBIC.
- Record the correct number of both prospective and retrospective hours. Prospective hours are counted when retrospective hours are missing, for example, in cases closed prior to receipt of retrospective hours and in the case of migrants (who are budgeted prospectively).
- In the case of students, record Work Study income on the JOBS panel each month. While it may seem unimportant to enter this data because the income is excluded, the hours count toward the participation rate.
- Even if a case is in sanction, record work hours accurately. In sanctioned cases where work hours count, correctly noting hours in this panel could mean the difference between the case being counted as participating or not participating.

#### **School Hours**

- In the SCHL panel, accurately code F= full time, H= half time, L=less than half time and school type so that teen caregiver hours will be calculated correctly.
- Record the last grade completed on MEMI correctly. This field helps determine whether the participant's education is a countable activity.
- When high school or GED is completed, change SCHL and MEMI accordingly.

### **Age of Youngest Child**

- Record the birthdate of the youngest child correctly. The required hours of participation are less for cases with a child under six. In addition, these caregivers do not have to participate in core activities in order for their non-core activities to count. An incorrect birth year for the youngest child could mean a successfully participating caregiver is not counted toward the MFIP Participation rate.

### **Marital Status of Teen Caregivers**

- Record the marital status of teen caregivers correctly. Married teen caregivers are counted as meeting the participation requirement if they meet their school requirements. This is true regardless of the actual number of hours they participate and regardless of whether their activities are core or non-core. Correctly coding their marital status could mean the difference between this caregiver being counted or not.

### **Correcting Previous Month's Errors**

Financial workers generally do not correct a previous month's error unless there is an overpayment. However, for the MFIP Participation Rate to be calculated correctly, it will be important to correct errors in some MAXIS fields.

- Update STAT/JOBS, BUSI, and RBIC. By updating the STAT panels in the proper footer month in MAXIS, the changes will be captured in the calculation of the participation rate. This is true even though a new ELIG approval cannot be done. Panels up to two months old can be updated.
- Record past month exemptions. Exempt caregivers are disregarded from the participation rate but only if the exemption is recorded. Even though a new ELIG approval cannot be done, updating the STAT panels in the proper footer month in MAXIS will allow changes to be captured in the participation rate. Panels up to two months old can be updated.

## MIS Data

For the county to perform well on the MFIP Participation Rate, it is important for job counselors to help participants develop and follow Employment Plans tailored to their individual needs. To the degree that it is compatible with a sound Employment Plan and all MFIP policy, they should also:

- Enroll participants in countable activities for the appropriate number of hours. See the lists below.
- Be knowledgeable about which activities are non-countable. Some activities that were formerly countable are no longer countable. Knowing what they are reduces the chance of mistakenly assuming that participants enrolled in them have met the required hours of participation.
- Ensure that participants are enrolled in the right mix of core and non-core activities.
- Update the MIS regularly to reflect participants' actual activities.
- Check ES VIEW to make sure that the SSN on the MIS matches that on MAXIS.

For an explanation of the hourly requirements for various types of participants, the list of non-countable activities, and the rules about core and non-core activities, see Issue 10 of MFIP Evaluation notes entitled *The MFIP Participation Rate*. It is available at <http://edocs2.dhs.state.mn.us/lfserver/Legacy/DM-0157J-ENG>.

## Core Activities

- **Paid work.** This category includes unsubsidized employment, subsidized employment and On-the-Job Training. This is the only activity for which data are collected from MAXIS, the DHS eligibility system.
- **Assessment or Job search** (MIS activity codes 82 and 12). This category includes both assessment and job search. Six weeks of this activity may be counted for each participant in each federal fiscal year (October through September).
- **Work experience** (MIS activity code 45). This category consists of Community Work Experience Program (CWEP) activities.
- **Community service programs** (MIS activity code 43). This category consists of volunteer and community service.
- **Post-secondary vocational education and training lasting 12 months or less** (MIS activity code 31). This category includes programs that can be completed in 12 months or less if participants attend fulltime. However, months are still counted if the program designed to last 12 months takes participants longer than 12 months to complete. Extending a 12-month

program most often occurs when participants combine education with part-time employment. Reasonable amounts of preparation or study time may be counted under this activity.

- **Providing childcare for persons participating in a community services program** (MIS activity code 97). This category includes only those participants who are providing child care for participants in CWEP (MIS activity code 45).

### Non-Core Activities

- **Job skills training directly relating to employment** (MIS activity code 46). This category applies to participants using self-employment as a means to become self-sufficient. Activities may include participating in Self Employment Investment Demonstration (SEID) activities, receiving technical advice and training in small business development, receiving assistance in securing seed capital for business start-up costs, etc.
- **Education directly related to employment if the participant has no high school diploma or GED.** This category includes the following three sub-categories. Note that for immigrants who received the equivalent of a high school education before arrival in the U.S., participation in these activities is not a countable activity.
  - A. **English as a Second Language (ESL) training** (MIS activity code 35). This activity includes proficiency training for participants who need to improve their ability to speak, read or write English. Under state law, participants must be below a spoken language proficiency level (SL) of SL 6 for ESL to be an approved work activity.
  - B. **Adult Basic Education (ABE) or Remedial Training** (MIS activity code 36). This activity allows participants to achieve a basic literacy level equivalent to successful completion of grade eight. Basic education is instruction offering these skills for the first time. Remedial training repeats this basic literacy training for the participant. Reasonable amounts of preparation or study time are also countable hours. Under state law, participants must have reading or math skills below the 9<sup>th</sup> grade level for ABE to be an approved work activity.
  - C. **Intensive Work Literacy** (MIS activity code 37). This activity consists of participants in a Work Literacy Language Program, which utilizes special funds provided by state legislation and issued through the New Americans section of the Adult Supports Division at DHS. The combined total months of participation in ESL and Intensive Work Literacy may not exceed 24 months.
- **High school or GED classes.** This category consists of taking classes necessary for a high school diploma (MIS activity code 38) and classes preparing the participant for a high school equivalency certificate (MIS activity code 39). Reasonable amounts of preparation or study time are also countable hours.