



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5353 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative Jack A. Horton

House Committee: Human Services

Senate Committee: Families, Mental Health and Human Services

CONTENT

The bill would amend the Social Welfare Act to:

- Change references to the "state department of social services" to the "family independence agency"; require the Agency to establish and administer the Family Independence Program, which would replace the current Aid to Dependent Children Program; and specify the eligibility criteria for the independence assistance program, including a requirement that a minor parent and his or her child live in an adult-supervised household.
- Require each family that received family independence assistance to enter into a social contract outlining the family's responsibilities, including participation in a Work First employment and training program, but exempt certain assistance recipients from the Work First requirements.
- Provide for penalties for fraud or failure to comply with the social contract.
- Specify the types of rules, regulations, and policies that the Agency could develop, and provide that policies necessary to administer the assistance programs would be exempt from statutory rule promulgation requirements for 12 months.
- Specify that the Social Welfare Act would have to be read in conjunction with the annual appropriation act for the Family Independence Agency.

The bill is tie-barred to House Bill 5354, which would amend the Administrative Procedures Act to exempt from that Act's definition of "rule" certain policies and regulations developed by the Agency.

MCL 400.1 et al.

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The content of this bill, in and of itself, does not lend itself to a fiscal impact assessment. Due to the broad nature of the language, theoretically, the Department could institute either a much more costly or less costly program. Pragmatically, public testimony indicates that the Family Independence Program would be a codification and continuation of the welfare policies that have been in effect for the last few years; i.e., relating Work First and the Social Contract to the receipt of assistance. As such, the Senate Fiscal Agency would estimate a continuation of the savings resulting from the decline in assistance caseloads, which is already included in the Department of Social Services FY 1995-96 budget, for the near future.

Date Completed: 12-4-95

Fiscal Analyst: J. Walker

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