



Senate Fiscal Agency
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Senate Bill 501 (Substitute S-2 as reported)
Sponsor: Senator Mark H. Schauer
Committee: Commerce and Labor

CONTENT

The bill would amend the Michigan Economic and Social Opportunity Act to:

- Define "department" as the Family Independence Agency, or another department or agency designated by the Governor to distribute Federal community services block grants.
- Rename the Bureau of Community Services as the "Bureau of Community Action and Economic Opportunity"; make its activities mandatory; and require it to serve as an advocate to remove administrative barriers to self-sufficiency and to seek additional resources for antipoverty strategies.
- Revise the membership of the Commission on Economic and Social Opportunity, and rename it the "Commission on Community Action and Economic Opportunity".
- Require the Commission to convene a biennial State forum to analyze poverty trends and make recommendations to reduce poverty; make recommendations based on reports from the Bureau on strategies to reduce poverty; and evaluate poverty reduction laws and programs and recommend appropriate changes to the Governor and the Legislature.
- Require the Commission and the Bureau to implement an education program to increase awareness of the nature and extent of poverty in Michigan.
- Require the Commission, in coordination with community action agencies (CAAs), to establish an education and information program to increase public awareness of poverty and existing community social and economic programs.
- Require CAAs to coordinate with welfare-to-work strategies and implement strategies to increase long-term economic self-sufficiency.
- Allow CAAs to provide food and services to counteract starvation and malnutrition; establish links between governmental and other programs for the effective delivery of services; and encourage private sector participation in efforts to reduce poverty.
- Revise membership requirements for a CAA board, and delete responsibilities of a board.
- Delete a requirement that each CAA and other agency desiring funds develop a program budget request.
- Provide that the distribution of funds to CAAs would have to meet Federal requirements.

MCL 400.1103 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill could have an indeterminate fiscal impact on the State. The Federal Community Services Block Grant (CSBG) State allocation for FY 2003-04 is \$24.4 million. The majority, or 90%, of the funds are passed through to community action agencies for direct services or administration. The remaining funds are limited at 5% each for discretionary spending (training, technical assistance, and special CAA projects) and State administrative costs. The costs for administration could exceed the 5% limit as a result of an increase in the Commission's responsibilities. The State could experience cost increases associated with salaries and wages and contractual services, supplies and materials, and would be required to use General Fund or other fund sources to augment CSBG funding availability for this purpose.

Date Completed: 6-27-03

Fiscal Analyst: Constance Cole