



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 892 (Substitute S-1 as reported)
Senate Bill 893 (Substitute S-1 as reported)
Senate Bill 894 (Substitute S-1 as reported)
Sponsor: Senator Bill Hardiman (S.B. 892)
 Senator Alan L. Cropsey (S.B. 893)
 Senator Irma Clark-Coleman (S.B. 894)
Committee: Families and Human Services

CONTENT

Senate Bill 892 (S-1) would amend the Social Welfare Act to do the following:

- Require each family receiving family independence assistance to develop a family independence plan that would include the recipient's goals, responsibilities, expectations, and current barriers to employment and self-sufficiency, in place of the current requirement for a social contract.
- Require an individual unable to find employment through the Work First program to participate in training or counseling for at least 10 hours per week.
- Require a recipient of family independence assistance who lacked a high school diploma or GED to enroll in a course to obtain a diploma or GED.
- Allow an individual to count up to 20 hours of education or training once toward the 40-hour-per-week work requirement for up to 24 months, under certain conditions.
- Allow an individual one six-month exemption from Work First work requirements for education or training, under certain conditions.
- Establish as a State goal for the family independence caseload at least 50% involvement in employment activities, and require the Department of Human Services (DHS) to report the current percentage to the Legislature each quarter.
- Require the DHS and the Department of Labor and Economic Growth (DLEG) to track Family Independence Program (FIP) recipients and Work First participants by Social Security number; and require the tracking information to be shared between the DHS and DLEG and provided to the Legislature.

Senate Bill 893 (S-1) would amend the Social Welfare Act to prohibit a person from receiving family independence assistance for more than 48 months during that person's lifetime, with one possible extension of 12 months under certain circumstances; revise the penalties for noncompliance with provisions of the Act and rules; and require the DHS to make educational material relating to adoption available to recipients of assistance.

Senate Bill 894 (S-1) would amend the Social Welfare Act to require an individual to attend a joint orientation session after being determined eligible for family independence assistance (rather than as a condition of eligibility after a determination that he or she might be eligible); require joint orientation sessions to include an initial assessment of an individual's skills and job readiness, and to include basic life skills orientation to prepare the person for employment; require an individual lacking basic life skills necessary for employment to be referred for further assessment and training; and require a recipient to meet with family independence and Work First caseworkers if he or she received a penalty resulting in termination from the FIP for 30 days or more.

FISCAL IMPACT

The bills would have a fiscal impact on State government. The bills would provide sanctions that would close cases not in compliance with the family independence plan. If an estimated 16% of cases closed for half of FY 2005-06, approximately \$30 million would be saved. The policy to limit deferment of cases for Supplemental Security Income application and expect these recipients to be employed could affect an estimated 2,400 cases, resulting in savings of \$6 million. The bills would provide for an increased number of recipients expected to work. If the bills provided a 12% increase in cases with income in the first year, approximately \$37.5 million in income would offset the cost of full grant payments. The extended monitoring of recipients referred to the Work First Program would increase the costs for Michigan Works Agency services; services for approximately 19,800 additional cases would cost about \$35 million. In addition, full-time equated positions would be needed for monitoring cases; if 40 county or multiple-county sites were served, the cost would be about \$2.5 million.

The amendments would affect by immediate closure approximately 17% of the caseload due to a 48 month life-time limit on cash assistance. An estimated savings of \$34 million would result if none of the cases were provided an extension of benefits and closed for 6 months of the fiscal year.

Date Completed: 11-30-05

Fiscal Analyst: Constance Cole

S0506\sb892sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.