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BILL ANALYSIS

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House Bill 6580 (Substitute H-2 as passed by the House)
Sponsor: Representative Jerry O. Kooiman
House Committee: Family and Children Services

CONTENT

The bill would amend the Social Welfare Act to do the following:

-- Require a recipient to be evaluated and assessed before a family self-sufficiency plan was developed for the recipient's family assistance program group.
-- Establish a 48-month lifetime cumulative limit on Family Independence Program (FIP) assistance for an individual who resided in a county where a Jobs, Education and Training (JET) program was available.
-- Permit a 12-month extension of FIP assistance beyond the 48-month limit under certain circumstances.
-- Exempt from Work First requirements certain individuals with low intellectual capacity, chronic and untreatable mental health problems, or physical limitations combined with low intellectual capacity.
-- Establish penalties for noncompliance with a self-sufficiency plan, including a three-month termination of assistance for a first and second instance, and a 12-month termination of assistance for a third instance.
-- Specify that the penalty periods would count toward the 48-month lifetime limit.
-- Specify that a month would not count toward the 48-month lifetime limit under certain circumstances, including a local unemployment rate greater than 9%.
-- Require the Department of Human Services (DHS) to develop and implement a plan to increase the earned income disregard for FIP recipients to a maximum of 67% of earned income by September 30, 2010.
-- Require the DHS to pay $10 per month for six months, under certain conditions, to an individual who left the FIP program because he or she no longer met the financial eligibility requirements.
-- Require the DHS to collect from district and county offices certain information on FIP and Work First and report annually to the Legislature.

Certain provisions of the bill would not apply after September 30, 2011. The bill is tie-barred to House Bill 6587.

MCL 400.57 et al. Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State government. The family self-sufficiency plan is required by the Federal Temporary Assistance for Needy Families block grant regulations reauthorized by the Deficit Reduction Act of 2005. Under the new Federal rules and regulations, the states must require cash assistance clients to participate in work or work, education or training activities that would prepare them for work. The FY 2006-07 appropriation for the Department of Human Services assumes pilot program implementation for districts representing 50% of the cash assistance caseload. There is insufficient information to determine at this time how much in additional costs the State would increase if more than 50% of the caseload were affected by the bill's provisions.

Date Completed: 12-7-06 Fiscal Analyst: Constance Cole