

HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5438

(As amended December 13, 2005)

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending sections 14i, 57, 57a, and 57e (MCL 400.14i, 400.57,
400.57a, and 400.57e), section 14i as amended by 2004 PA 571,
section 57 as added by 1995 PA 223, section 57a as amended by 1999
PA 26, and section 57e as amended by 2001 PA 280, and by adding
section 57w.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14i. Section 57f(3)(c), (e), and (f) and section 57g(4),
2 (5), (6), and (7) ~~shall~~ DO not apply after ~~[December 31, 2005~~
3 **SEPTEMBER 30, 2009]**.

4 Sec. 57. (1) As used in this section and sections 57a to ~~57g~~
5 **57W:**

1 (a) "Adult-supervised household" means either of the
2 following:

3 (i) The place of residence of a parent, stepparent, or legal
4 guardian of a minor parent.

5 (ii) A living arrangement not described in subparagraph (i) that
6 the ~~family independence agency~~ **DEPARTMENT** approves as a family
7 setting that provides care and control of a minor parent and his or
8 her child and supportive services including, but not limited to,
9 counseling, guidance, or supervision.

10 (b) "Caretaker" means an individual who is acting as parent
11 for a child in the absence or because of the disability of the
12 child's parent or stepparent and who is the child's legal guardian,
13 grandparent, great grandparent, great-great grandparent, sibling,
14 stepsibling, aunt, great aunt, great-great aunt, uncle, great
15 uncle, great-great uncle, nephew, niece, first cousin, or first
16 cousin once-removed, a spouse of any person listed above, a parent
17 of the putative father, or an unrelated individual aged 21 or older
18 whose appointment as legal guardian of the child is pending.

19 (c) "Child" means an individual who is not emancipated under
20 ~~Act No. 293 of the Public Acts of 1968, being sections 722.1 to~~
21 ~~722.6 of the Michigan Compiled Laws 1968 PA 293, MCL 722.1 TO~~
22 **722.6**, who lives with a parent or caretaker, and who is either of
23 the following:

24 (i) Under the age of 18.

25 (ii) Age 18 or 19, a full-time high school student, and
26 reasonably expected to graduate from high school before the age of
27 20.

1 (d) "Family" means 1 or more of the following:

2 (i) A household consisting of a child and either of the
3 following:

4 (A) A parent or stepparent of the child.

5 (B) A caretaker of the child.

6 (ii) A pregnant woman.

7 (iii) A parent of a child in foster care.

8 (e) "Family independence assistance" means financial
9 assistance provided to a family under the family independence
10 program.

11 (f) "Family independence assistance group" means all those
12 members of a program group who receive family independence
13 assistance.

14 (g) "Family independence program" means the program of
15 financial assistance established under section 57a.

16 **(H) "FAMILY SELF-SUFFICIENCY PLAN" MEANS A DOCUMENT DESCRIBED**
17 **IN SECTION 57E THAT IS EXECUTED BY A FAMILY IN RETURN FOR RECEIVING**
18 **FAMILY INDEPENDENCE ASSISTANCE.**

19 (I) ~~(h)~~ "Minor parent" means an individual under the age of
20 18 who is not emancipated under ~~Act No. 293 of the Public Acts of~~
21 ~~1968~~ 1968 PA 293, MCL 722.1 TO 722.6, and who is either the
22 biological parent of a child living in the same household or a
23 pregnant woman.

24 (J) ~~(i)~~ "Payment standard" means the standard upon which
25 family independence program benefits are based if the family
26 independence assistance group has no net income.

27 (K) ~~(j)~~ "Program group" means a family and all those

1 individuals living with a family whose income and assets are
2 considered for purposes of determining financial eligibility for
3 family independence assistance.

4 (l) ~~-(k)-~~ "Recipient" means an individual receiving family
5 independence assistance.

6 ~~----- (l) "Social contract" means a document described in section 57e~~
7 ~~that is executed by a family in return for the receipt of family~~
8 ~~independence assistance.~~

9 (m) "Substance abuse" means that term as defined in section
10 6107 of the public health code, ~~Act No. 368 of the Public Acts of~~
11 ~~1978, being section 333.6107 of the Michigan Compiled Laws 1978 PA~~
12 **368, MCL 333.6107.**

13 (n) "Substance abuse treatment" means outpatient or inpatient
14 services or participation in alcoholics anonymous or a similar
15 program.

16 (o) **"SUPPLEMENTAL SECURITY INCOME" MEANS THE PROGRAM OF**
17 **SUPPLEMENTAL SECURITY INCOME PROVIDED UNDER TITLE XVI.**

18 (p) ~~-(e)-~~ "Work first" means the program of employment and
19 training administered by the ~~Michigan jobs commission~~ **DEPARTMENT**
20 **OF LABOR AND ECONOMIC GROWTH** for applicants and recipients of
21 family independence assistance.

22 (2) A reference in this act to "aid to dependent children" or
23 "aid to families with dependent children" means "family
24 independence assistance".

25 Sec. 57a. (1) The ~~family independence agency~~ **DEPARTMENT**
26 shall establish and administer the family independence program to
27 provide assistance to families who are making efforts to achieve

1 independence.

2 (2) The ~~family independence agency~~ **DEPARTMENT** shall
3 administer the family independence program to accomplish all of the
4 following:

5 (a) Provide financial support to eligible families while they
6 pursue self-improvement activities and engage in efforts to become
7 financially independent.

8 (b) Ensure that recipients who are minor parents live in
9 adult-supervised households in order to reduce long-term dependency
10 on financial assistance.

11 (c) Assist families in determining and overcoming the barriers
12 preventing them from achieving financial independence.

13 (d) Ensure that families pursue other sources of support
14 available to them.

15 (3) The ~~family independence agency~~ **DEPARTMENT** shall
16 establish income and asset levels for eligibility, types of income
17 and assets to be considered in making eligibility determinations,
18 payment standards, composition of the program group and the family
19 independence assistance group, program budgeting and accounting
20 methods, and client reporting requirements to meet the following
21 goals:

22 (a) Efficient, fair, cost-effective administration of the
23 family independence program.

24 (b) Provision of family independence assistance to families
25 willing to work toward eventual self-sufficiency.

26 **(4) AT THE TIME THE DEPARTMENT DETERMINES THAT AN INDIVIDUAL**
27 **IS ELIGIBLE TO RECEIVE FAMILY INDEPENDENCE ASSISTANCE UNDER THIS**

1 ACT, THE DEPARTMENT SHALL DETERMINE WHETHER THAT INDIVIDUAL IS
2 ELIGIBLE TO PARTICIPATE IN THE WORK FIRST PROGRAM OR IF THE
3 INDIVIDUAL IS EXEMPT FROM WORK FIRST PARTICIPATION UNDER SECTION
4 57F. IF THE DEPARTMENT DETERMINES THAT AN INDIVIDUAL IS ELIGIBLE TO
5 PARTICIPATE IN THE WORK FIRST PROGRAM, FAMILY INDEPENDENCE
6 ASSISTANCE SHALL BE PAID TO THAT INDIVIDUAL FOR NOT LONGER THAN A
7 CUMULATIVE TOTAL OF 48 MONTHS DURING THAT INDIVIDUAL'S LIFETIME.
8 ANY MONTH IN WHICH THE UNEMPLOYMENT RATE IN THE COUNTY IN WHICH THE
9 INDIVIDUAL RESIDES IS HIGHER THAN 10% SHALL NOT BE COUNTED TOWARD
10 THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR FAMILY
11 INDEPENDENCE ASSISTANCE. ANY MONTH IN WHICH AN INDIVIDUAL IS
12 TEMPORARILY EXEMPTED FROM WORK FIRST PARTICIPATION SHALL NOT BE
13 COUNTED TOWARD THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR
14 FAMILY INDEPENDENCE ASSISTANCE. IF THE RECIPIENT IS MEETING ALL THE
15 REQUIREMENTS OUTLINED IN HIS OR HER FAMILY SELF-SUFFICIENCY PLAN,
16 HAS NEVER RECEIVED A PENALTY UNDER SECTION 57G, AND LABOR MARKET
17 CONDITIONS OR EMPLOYMENT BARRIERS PREVENT EMPLOYMENT PLACEMENT, A
18 RECIPIENT MAY APPLY TO THE DEPARTMENT FOR AN EXTENSION OF FAMILY
19 INDEPENDENCE ASSISTANCE BENEFITS FOR A PERIOD NOT TO EXCEED 12
20 MONTHS OVER THE 48-MONTH CUMULATIVE LIFETIME TOTAL. NOTHING IN THIS
21 SUBSECTION SHALL PREVENT THE DEPARTMENT FROM PROVIDING ASSISTANCE
22 TO INDIVIDUALS WHO ARE DETERMINED TO BE EXEMPT UNDER SECTION 57F(3)
23 OR 56I(1)(C).

24 (5) NOT LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE OF THE
25 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE DEPARTMENT SHALL
26 DETERMINE THE NUMBER OF MONTHS EACH FAMILY INDEPENDENCE ASSISTANCE
27 RECIPIENT WHO IS NOT EXEMPT FROM WORK FIRST PARTICIPATION UNDER

1 SECTION 57F HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE. IF THE
2 DEPARTMENT DETERMINES THAT A FAMILY INDEPENDENCE ASSISTANCE
3 RECIPIENT HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE FOR A
4 CUMULATIVE TOTAL OF 35 MONTHS OR LESS AS OF THE EFFECTIVE DATE OF
5 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE 48-MONTH
6 CUMULATIVE LIFETIME TOTAL DESCRIBED IN SUBSECTION (4) APPLIES TO
7 THAT RECIPIENT. IF THE DEPARTMENT DETERMINES THAT A FAMILY
8 INDEPENDENCE ASSISTANCE RECIPIENT HAS RECEIVED FAMILY INDEPENDENCE
9 ASSISTANCE FOR A CUMULATIVE TOTAL OF 36 MONTHS OR MORE AS OF THE
10 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION,
11 THAT RECIPIENT IS REQUIRED TO MEET WITH A DEPARTMENT WORKER AND
12 WORK FIRST CASEWORKER WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF
13 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION. AT THE TIME OF THE
14 MEETING REQUIRED IN THIS SUBSECTION, A NEW FAMILY SELF-SUFFICIENCY
15 PLAN SHALL BE DEVELOPED. NOT LATER THAN 15 MONTHS AFTER THE
16 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, IF
17 A RECIPIENT HAS HAD THE MEETING REQUIRED UNDER THIS SUBSECTION AND
18 IS MEETING ALL THE REQUIREMENTS OUTLINED IN HIS OR HER FAMILY SELF-
19 SUFFICIENCY PLAN BUT LABOR MARKET CONDITIONS OR EMPLOYMENT BARRIERS
20 PREVENT EMPLOYMENT PLACEMENT, THE RECIPIENT MAY APPLY TO THE
21 DEPARTMENT FOR AN EXTENSION OF FAMILY INDEPENDENCE ASSISTANCE
22 BENEFITS FOR A PERIOD NOT TO EXCEED 12 MONTHS. NOTHING IN THIS
23 SUBSECTION SHALL PREVENT THE DEPARTMENT FROM PROVIDING ASSISTANCE
24 TO INDIVIDUALS WHO ARE DETERMINED TO BE EXEMPT UNDER SECTION 57F(3)
25 OR 56I(1)(C).

26 (6) ~~—(4)—~~ Not later than October 1, 2001, the ~~—family~~
27 ~~independence agency—~~ DEPARTMENT shall implement an automated finger

1 imaging system designed to prevent an individual from receiving
2 cash assistance, food stamps, or both under more than 1 name.
3 Beginning at the effective date of the establishment and
4 implementation of the finger imaging system, an individual applying
5 for cash assistance, food stamps, or both must provide the ~~family~~
6 ~~independence agency~~ **DEPARTMENT** with an automated finger image or
7 images as a condition of eligibility. Finger imaging obtained
8 ~~pursuant to~~ **UNDER** this subsection shall be used only for the
9 purposes of reducing fraud in obtaining public benefits or
10 assistance under this act.

11 (7) ~~(5)~~ The ~~family independence agency~~ **DEPARTMENT** shall
12 establish the automated finger image system that, at a minimum,
13 includes the following:

14 (a) Confidentiality of the automated finger image records
15 taken ~~pursuant~~ **ACCORDING** to this section.

16 (b) A system for administrative appeal of a matter relating to
17 the taking or verification of an individual's automated finger
18 image.

19 (c) A requirement to exempt children from providing the
20 automated finger image unless there is a reasonable suspicion that
21 the family group is committing fraud. For the purpose of this
22 subdivision, "family group" means a family and all those
23 individuals living with a family who apply for or receive cash
24 assistance, food stamps, or both.

25 (d) A requirement to exempt individuals from whom the
26 automated finger image technology is unable to obtain an accurate
27 finger image.

1 (e) A requirement to exempt patients placed in nursing homes
2 from providing the automated finger image.

3 (f) In addition to the population groups named in subdivisions
4 (c), (d), and (e), authority to exempt certain other population
5 groups from providing the automated finger image including, but not
6 limited to, homebound recipients.

7 (8) ~~—(6)—~~ The ~~family independence agency~~ **DEPARTMENT** shall
8 remove an individual's finger image from the department's file if
9 the individual has not received benefits or assistance from the
10 ~~family independence agency~~ **DEPARTMENT** within the previous 12
11 months.

12 (9) ~~—(7)—~~ The ~~family independence agency~~ **DEPARTMENT** may
13 negotiate and enter into a compact or reciprocal agreement with
14 another state department, the federal government, an agency of the
15 federal government, or an agency of another state for the purpose
16 of implementing and administering the finger imaging provisions of
17 this section as long as the compact or reciprocal agreement is not
18 inconsistent with the limitations of use and access contained in
19 subsection ~~—(4)—~~ (6).

20 (10) ~~—(8)—~~ The ~~family independence agency~~ **DEPARTMENT** shall
21 conduct ~~semi-annual~~ **SEMIANNUAL** security reviews to monitor the
22 automated finger imaging system to insure that all of the following
23 occur:

24 (a) All records maintained as part of the system are accurate
25 and complete.

26 (b) Effective software and hardware designs have been
27 instituted with security features to prevent unauthorized access to

1 records.

2 (c) Access to record information is restricted to authorized
3 personnel.

4 (d) System and operational programs are used that will
5 prohibit inquiry, record updates, or destruction of records from a
6 terminal other than automated finger imaging system terminals that
7 are designated to permit inquiry, record updates, or destruction of
8 records.

9 (e) System and operational programs are used to detect and
10 report all unauthorized attempts to penetrate an automated finger
11 imaging system, program, or file.

12 (11) ~~—(9)—~~ Beginning December 31 of the first year the
13 automated finger imaging system has been fully implemented, the
14 ~~family independence agency~~ **DEPARTMENT** shall compile and report
15 annually to the senate and house committees having jurisdiction
16 over ~~family independence agency~~ **DEPARTMENT** matters the following
17 information concerning the operation of the automated finger
18 imaging system:

19 (a) An analysis of the costs and savings of the system
20 including, but not limited to, administrative costs, operation
21 costs, and actual savings due to confirmed fraud and fraud
22 deterrence.

23 (b) The number of individuals who have applied for assistance
24 under more than 1 name.

25 (c) The number of individuals refusing to provide a finger
26 image and the reasons for the refusal.

27 (d) A detailed summary of the results of reviews required by

1 subsection ~~-(8)-~~ (10).

2 (12) ~~-(10)-~~ Except as necessary to carry out a compact or
3 agreement under subsection ~~-(7)-~~ (9) or unless otherwise required
4 by law, the ~~family independence agency~~ **DEPARTMENT** shall not sell,
5 transfer, or release information identifying an individual named in
6 the automated finger imaging system record to a third person,
7 including, but not limited to, another state department or agency.

8 (13) ~~-(11)-~~ A person shall not disclose information from the
9 automated finger imaging system record in a manner that is not
10 authorized by law or rule. A ~~violation of~~ **PERSON WHO VIOLATES**
11 this subsection is **GUILTY OF** a misdemeanor punishable by
12 imprisonment for not more than 93 days or a fine of not more than
13 \$500.00, or both.

14 (14) ~~-(12)-~~ At the time an individual applies for cash
15 assistance, food stamps, or both, the ~~family independence agency~~
16 **DEPARTMENT** shall inform the individual of all of the following:

17 (a) The requirement to allow the department to take a finger
18 image from the individual.

19 (b) The fact that the finger image may be compared to the
20 finger images of other benefit recipients to prevent duplicate
21 participation.

22 (c) The fact that the department is prohibited by law from
23 using the finger image for a different purpose.

24 Sec. 57e. (1) Each family receiving family independence
25 assistance shall execute a ~~social contract~~ **FAMILY SELF-**
26 **SUFFICIENCY PLAN** outlining the responsibilities of members of the
27 family independence assistance group. The ~~social contract~~ **FAMILY**

1 **SELF-SUFFICIENCY PLAN** shall be developed jointly by the ~~family~~
2 ~~independence agency~~ **DEPARTMENT, A WORK FIRST REPRESENTATIVE,** and
3 the adult family members ~~and~~ **OF THE FAMILY INDEPENDENCE**
4 **ASSISTANCE GROUP. THE DEPARTMENT AND THE WORK FIRST REPRESENTATIVE**
5 **SHALL COMPLETE A THOROUGH ASSESSMENT TO FACILITATE DEVELOPMENT OF**
6 **THE FAMILY SELF-SUFFICIENCY PLAN, INCLUDING CONSIDERATION OF**
7 **REFERRAL TO A LIFE SKILLS PROGRAM, AND DETERMINATION AS TO WHETHER**
8 **THE FAMILY INDEPENDENCE ASSISTANCE GROUP'S ADULT MEMBERS ARE**
9 **ELIGIBLE TO PARTICIPATE IN THE WORK FIRST PROGRAM OR ARE EXEMPT**
10 **FROM WORK FIRST PARTICIPATION UNDER SECTION 57F. THE FAMILY SELF-**
11 **SUFFICIENCY PLAN** shall identify compliance goals that are to be met
12 by members of the family independence assistance group **AND GOALS**
13 **AND RESPONSIBILITIES OF THE MEMBERS OF THE FAMILY INDEPENDENCE**
14 **ASSISTANCE GROUP, THE DEPARTMENT, AND THE WORK FIRST PROGRAM. THE**
15 **PLAN SHALL IDENTIFY THE FAMILY INDEPENDENCE ASSISTANCE GROUP'S**
16 **BARRIERS TO EMPLOYMENT.** The ~~social contract~~ **FAMILY SELF-**
17 **SUFFICIENCY PLAN** shall reflect the individual needs and abilities
18 of the particular family, and shall include at least all of the
19 following:

20 (a) The obligation of each adult and each child aged 16 or
21 older who is not attending elementary or secondary school full-time
22 to participate in work first unless exempt under section 57f.

23 (b) The obligation of each minor parent who has not completed
24 secondary school to attend school.

25 (c) Except as provided in section 57f(3), the obligation of
26 each adult to engage in employment, work first activities,
27 education or training, community service activities, or self-

1 improvement activities, as determined appropriate by the ~~family~~
2 ~~independence agency~~ **DEPARTMENT**, up to 40 hours per week.

3 (d) The obligation to cooperate in the establishment of
4 paternity and the procurement of child support, if applicable.

5 (e) The obligation of a recipient who fails to comply with
6 compliance goals due to substance abuse to participate in substance
7 abuse treatment and submit to any periodic drug testing required by
8 the treatment program.

9 (f) Any other obligation the ~~family independence agency~~
10 **DEPARTMENT** determines is necessary to enable the family to achieve
11 independence.

12 (2) The ~~family independence agency~~ **DEPARTMENT** shall monitor
13 each family's compliance with the ~~social contract~~ **FAMILY SELF-**
14 **SUFFICIENCY PLAN**.

15 **SEC. 57W. IF A RECIPIENT REQUESTS A REDETERMINATION OR TO BE**
16 **EXEMPT FROM PARTICIPATION IN WORK FIRST UNDER SECTION 57F, THE**
17 **DEPARTMENT SHALL EVALUATE THE INDIVIDUAL WITH A WORK FIRST**
18 **CASEWORKER TO DETERMINE WHETHER THE RECIPIENT IS ELIGIBLE TO**
19 **PARTICIPATE IN OTHER ACTIVITIES AS SET FORTH IN SECTION 57E.**

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No. 892 of the 93rd Legislature is enacted into
22 law.