

**SUBSTITUTE FOR
HOUSE BILL NO. 4309**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2006, from the following funds:

APPROPRIATION SUMMARY:

Full-time equated classified positions..... 80.0

1	GROSS APPROPRIATION.....	\$	(400,000)
2	Total interdepartmental grants and intradepartmental		
3	transfers		0
4	ADJUSTED GROSS APPROPRIATION.....	\$	(400,000)
5	Total federal revenues.....		0
6	Total local revenues.....		0
7	Total private revenues.....		0
8	Total other state restricted revenues.....		0
9	State general fund/general purpose.....	\$	(400,000)
10	Sec. 102. DEPARTMENT OF HUMAN SERVICES		
11	(1) APPROPRIATION SUMMARY		
12	Full-time equated classified positions.....		80.0
13	GROSS APPROPRIATION.....	\$	(12,900,000)
14	Total interdepartmental grants and intradepartmental		
15	transfers		0
16	ADJUSTED GROSS APPROPRIATION.....	\$	(12,900,000)
17	Total federal revenues.....		0
18	Total local revenues.....		0
19	Total private revenues.....		0
20	Total other state restricted revenues.....		0
21	State general fund/general purpose.....	\$	(12,900,000)
22	(2) PUBLIC ASSISTANCE		
23	Family independence program.....	\$	(392,121,800)
24	Family independence program.....		392,121,800
25	Family independence program.....		(14,344,300)
26	State disability assistance.....		<u>(390,000)</u>

1	GROSS APPROPRIATION.....	\$	(14,734,300)
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		(996,500)
5	State general fund/general purpose.....	\$	(13,737,800)
6	(3) CENTRAL SUPPORT ACCOUNTS		
7	Travel.....	\$	12,800
8	Payroll taxes and fringe benefits.....		<u>431,300</u>
9	GROSS APPROPRIATION.....	\$	444,100
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues.....		310,900
13	Special revenue funds:		
14	State general fund/general purpose.....	\$	133,200
15	(4) LOCAL OFFICE STAFF AND OPERATIONS		
16	Full-time equated classified positions..... 80.0		
17	Field staff, salaries and wages--80.0 FTE positions ..	\$	806,500
18	Contractual services, supplies, and materials.....		8,700
19	SSI advocates.....		<u>575,000</u>
20	GROSS APPROPRIATION.....	\$	1,390,200
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues.....		685,600
24	Special revenue funds:		
25	State general fund/general purpose.....	\$	704,600
26	Sec. 103. DEPARTMENT OF LABOR AND ECONOMIC GROWTH		

1 (1) APPROPRIATION SUMMARY

2	GROSS APPROPRIATION.....	\$	12,500,000
3	Total interdepartmental grants and intradepartmental		
4	transfers		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	12,500,000
6	Total federal revenues.....		0
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total other state restricted revenues.....		0
10	State general fund/general purpose.....	\$	12,500,000
11	(2) DEPARTMENT GRANTS		
12	Welfare-to-work programs.....	\$	(113,798,600)
13	Welfare-to-work programs.....		113,798,600
14	Welfare-to-work programs.....		<u>12,500,000</u>
15	GROSS APPROPRIATION.....	\$	12,500,000
16	Appropriated from:		
17	State general fund/general purpose.....	\$	12,500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

20 GENERAL SECTIONS

21 Sec. 201. In accordance with the provisions of section 30 of
22 article IX of the state constitution of 1963, total state spending
23 from state resources in this appropriation act for the fiscal year
24 ending September 30, 2006 is (\$400,000.00) and state appropriations
25 paid to local units of government are \$0.

1 Sec. 202. The appropriations made and expenditures authorized
2 under this act and the departments, commissions, boards, offices,
3 and programs for which appropriations are made under this act are
4 subject to the management and budget act, 1984 PA 431, MCL 18.1101
5 to 18.1594.

6 HUMAN SERVICES

7 Sec. 301. (1) Beginning December 31, 2006, if the department
8 has determined that an individual is eligible to participate in the
9 work first program, family independence program assistance shall be
10 paid to that individual's program group for not longer than a
11 cumulative total of 48 months after the establishment of the
12 state's temporary assistance for needy families program on October
13 1, 1996. Any month in which the unemployment rate in the county in
14 which the individual resides is higher than 10% shall not be
15 counted toward the cumulative total of 48 months for family
16 independence program assistance. Any month in which all adult
17 recipients in the program group are temporarily exempted from work
18 first participation shall not be counted toward the cumulative
19 total of 48 months for family independence program assistance.

20 (2) If the department determines that an individual is
21 eligible to participate in the work first program, family
22 independence program assistance shall not be paid to that
23 individual's program group for longer than 24 consecutive months
24 during any period starting with the first payment received after
25 December 31, 2006 or after the completion of the individual's
26 personal responsibility plan and personal work plan, whichever is

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1 earlier. Once assistance is suspended under this subsection, the
2 individual shall remain ineligible for further assistance for a
3 period of 12 months.

4 (3) Nothing in this section prevents the department from
5 providing family independence program assistance to program groups
6 in which adult recipients are determined to be exempt under section
7 57f(3) or 56i(1)(c) of the social welfare act, 1939 PA 280, MCL
8 400.57f and 400.56i.

9 Sec. 302. (1) If a family independence program assistance
10 recipient does not meet the recipient's personal responsibility
11 plan or personal work plan requirements, the department shall
12 impose a penalty.

13 (2) The department shall implement a schedule of sanctions for
14 instances of noncompliance as described in this subsection. After
15 termination of family independence program assistance, the penalty
16 shall be as follows:

17 (a) For the first instance of noncompliance, the recipient's
18 program group is ineligible for family independence program
19 assistance for not less than 3 calendar months.

20 (b) For the second instance of noncompliance, the recipient's
21 program group is ineligible for family independence program
22 assistance for not less than 3 calendar months.

23 (c) For a third instance of noncompliance, the recipient's
24 program group is ineligible for family independence program
25 assistance for not less than [24] calendar months.

26 (d) For a fourth instance of noncompliance, the recipient's
27 group is permanently ineligible for family independence program

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1 assistance.

2 (3) For the first, second, and third instances of
3 noncompliance resulting in termination of family independence
4 assistance for any period of time, both of the following apply:

5 (a) Family independence program assistance may be approved to
6 begin at the conclusion of the sanction period if the recipient
7 attends a joint meeting with his or her family independence
8 specialist caseworker and work first program caseworker and
9 develops an approved corrective action plan. The meeting shall
10 include a discussion and official warning regarding sanctions that
11 may be imposed for future instances of noncompliance.

12 (b) The period of time the recipient is ineligible to receive
13 family independence program assistance applies toward the
14 recipient's 48-month cumulative total established in section 301.

[(4) A recipient not receiving family independence program
assistance due to a sanction or other temporary disqualification shall
still be required to meet his or her mandatory work requirements for the
last 30 days of the period of ineligibility unless that recipient is
exempt from these requirements for other reasons.]

15 Sec. 303. From the funds appropriated in part 1 for family
16 independence program, in calculating family assistance monthly
17 benefit amounts, the department shall disregard earned income from
18 the amount subtracted from a program group's payment standard in
19 accordance with the following provisions:

20 (a) For program groups in which all adults are exempt from the
21 work first program, the department shall disregard the first
22 \$200.00 of earned income plus 20% of any remaining earned income.

23 (b) For program groups that contain an adult not exempt from
24 the work first program and that are meeting the relevant federal
25 work participation requirement, the department shall disregard the
26 first \$200.00 of earned income plus 20% of any remaining earned
27 income.

1 (c) For program groups that contain an adult not exempt from
2 the work first program but that are not meeting the relevant
3 federal work participation requirement, the department shall
4 disregard 20% of any earned income.

5 Sec. 304. (1) All adult family independence program assistance
6 recipients exempt from the work first program requirements on the
7 basis of incapacitation as referenced in section 57f(3)(f)(ii) of
8 the social welfare act, 1939 PA 280, MCL 400.57f, but who have not
9 yet qualified for federal supplemental security income assistance
10 shall be referred to a Michigan works agency that will refer the
11 recipient to a community-based organization with demonstrated
12 ability of providing vocational rehabilitation and evaluation
13 services for persons with disabilities for further assessment.
14 Based on this assessment, recipients shall be categorized as 1 of
15 the following:

16 (a) Able to participate in outside work.

17 (b) Able to participate in work with some support. The
18 department shall contract with a qualified community-based
19 organization to provide employment and rehabilitation services for
20 these individuals.

21 (c) Likely eligible for federal supplemental security income.
22 These individuals will be referred to the legal services
23 association of Michigan for SSI advocacy assistance. The department
24 shall contract with the legal services association of Michigan for
25 SSI advocacy services at a cost not to exceed \$650.00 per case.
26 Contract funding shall be outcomes-based, with not more than
27 \$350.00 provided upon referral and not more than \$300.00 paid based

1 upon successfully gaining SSI eligibility for the applicant.

2 (2) By September 30, 2006, the department shall complete the
3 assessments for all applicable family independence assistance
4 program clients with cases open as of the effective date of this
5 act.

6 Sec. 305. The department shall submit a report to the house
7 and senate appropriations subcommittees on the department budget,
8 the house and senate fiscal agencies, the house and senate policy
9 offices, and the state budget office by October 15, 2006 on the
10 results of the department's assessments of family independence
11 program clients exempted from work first due to a claimed
12 disability. The report shall outline the number of clients who
13 were:

14 (a) Determined work ready and referred to the work first
15 program.

16 (b) Determined work ready with additional support and referred
17 to a qualified community-based organization for further assessment
18 and employment and rehabilitation services.

19 (c) Determined likely to be eligible for federal SSI
20 assistance and referred to legal services association.

21 Sec. 306. (1) In determining a program group's family
22 independence program assistance monthly payment standard, the
23 department shall not take into consideration in calculating the
24 payment standard the geographical area or shelter area in which the
25 program group resides. The department shall not adjust a program
26 group's family independence program assistance payment standard
27 based on whether a recipient is exempt from the work first program

1 requirements.

2 (2) The family independence program assistance monthly payment
3 standard for households in which only eligible children are counted
4 in determining family size or in which the grantee is receiving
5 supplemental security income shall be paid at an amount not to
6 exceed the amount per family size listed as follows:

7	Family Size	Grant Level
8	1	\$137.00
9	2	\$266.00
10	3	\$411.00
11	4	\$548.00
12	5	\$689.00
13	6	\$828.00
14	7	\$910.00

15 (3) For all other individuals eligible to receive family
16 independence program assistance who are not described under
17 subsection (2), the family independence program assistance monthly
18 payment standard shall be paid at an amount not to exceed the
19 amount per family size listed as follows:

20	Family Size	Grant Level
21	1	\$276.00
22	2	\$371.00
23	3	\$459.00
24	4	\$563.00
25	5	\$659.00
26	6	\$792.00
27	7	\$868.00

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(4) For the purposes of determining the payment standard under subsections (2) and (3), for a family of 8 or more the payment standard is increased by \$79.00 for each additional family member over 7.

Sec. 307. Appropriations in part 1 include funding for an additional 80 new specialized field office staff positions to facilitate the statewide expansion of the department's existing pilot program aimed at assisting long-term welfare recipients. The expanded "Express JET" program would provide each county at least 1 specialized staff member assigned to monitor both cases that are referred to the work first program and cases that are referred back to the department from work first due to compliance issues. These specialized staff would ensure that all client work activities are recognized and counted as well as prompt action on cases moving between the department and work first, including the application of sanctions where necessary. The goal of the program is to maximize client engagement in work participation activities that are countable toward federal requirements. The 80 new positions are in addition to the 22 positions already included in the fiscal year 2005-2006 budget for the existing pilot program.

[Sec. 308. An individual who has been convicted of a felony under part 74 of the public health code, 1978 PA 368, MCL 333.7401 to 333.7461, on or after January 1, 1997 is not eligible to receive assistance under the family independence program.

Sec. 309. An individual who has been convicted of a violent felony as that term is defined under section 36 of the corrections code of 1953, 1953 PA 232, MCL 791.236, or of section 158 of the Michigan penal code, 1931 PA 328, MCL 750.158, is not eligible to receive assistance under the family independence program.

Sec. 310. An individual who is a fugitive from justice or who has been found in violation of his or her probation or parole is not eligible to receive assistance under the family independence program. The department shall cooperate with law enforcement officials in investigations of such individuals and shall provide law enforcement officials with the last known address of such individuals when requested.

Sec. 311. The department shall implement a pilot program of suspicion-based substance abuse testing as a condition for family independence assistance eligibility according to a protocol that includes all of the following steps:

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(a) The department administers a substance abuse survey.

(b) A substance abuse professional screens the individual for suspicion of substance abuse using an empirically validated substance abuse screening tool in a 1-on-1 contact.

(c) The substance abuse professional gathers additional information about the individual, including information gathered from a drug-screening test.

(d) The substance abuse professional determines the level of treatment needed and makes the appropriate referral.

Sec. 312. The department shall obtain proof from all family independence program recipients that they are legal United States citizens or are otherwise legally residing in this country before approving cash assistance. In all instances in which the department becomes aware that a person that is residing in this country illegally has either obtained or applied for public assistance, the department shall refer the matter to an appropriate law enforcement authority for further action.]

21 **LABOR AND ECONOMIC GROWTH**

22 Sec. 401. (1) The appropriation in part 1 to the department
23 for the work first program shall be expended for grants that
24 provide unsubsidized employment, subsidized private employment,
25 work experience, on-the-job training, job search and job readiness
26 assistance, community service, vocational educational training, GED

1 completion, job skills training, education directly related to
2 employment, and child care services to those providing community
3 service to department of human services recipients and may, as
4 resources are available, be expended for grants that provide those
5 services to former family independence program recipients, as well
6 as to recipients of noncash public assistance, specifically child
7 day care, Medicaid, or food stamp benefits. The work first program,
8 however, shall not be construed to be an entitlement to services.
9 Any unexpended portion of the appropriation in part 1 for the work
10 first program shall be carried forward into the subsequent fiscal
11 year and be available for expenditure.

12 (2) An applicant's participation in the work first program
13 shall be limited to a Michigan works! agency. The Michigan works!
14 agency shall contract for services with a school district,
15 intermediate school district, community college, public or private
16 nonprofit college or university, nonprofit organization that
17 provides school-to-work transition programs or that provides
18 employment and training services or vocational rehabilitation
19 programs or state licensed accredited vocational or technical
20 education programs, proprietary school licensed by the state board
21 of education, local workforce development board, or a consortium
22 consisting of any combination of school districts, intermediate
23 school districts, community colleges, nonprofit organizations
24 described in this subsection, licensed proprietary schools, or
25 public or private nonprofit colleges or universities described in
26 this subsection.

27 (3) The department and the department of human services shall

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1 develop a process, a set of procedures, and an instrument for
2 providing confidential screening of individuals after the
3 eligibility determination. The department shall do the following,
4 as applicable, based on the screening:

5 (a) An individual who is determined to be work eligible and
6 job ready shall be provided assistance with job search and job
7 placement. The individual shall also be referred to local agencies
8 for GED completion, literacy training, or vocational training
9 opportunities as needed.

10 (b) An individual who is determined to be work eligible but
11 lacking job skills, education, or training or to have substance
12 abuse problems shall be provided job training, GED completion,
13 literacy training, English as a second language, vocational
14 training, substance abuse treatment, job coaching, and life skills
15 training for not more than 12 months.

16 (c) An individual who has applied or intends to apply for SSI,
17 has mental or physical impairments, or has other similar
18 impediments shall be referred to a [community-based organization with
19 demonstrated ability of providing vocational rehabilitation and
20 evaluation services for persons with disabilities] for a more thorough
21 evaluation and

22 assessment of work participation level. The department shall do the
23 following, as applicable, based on that evaluation and assessment:

24 (i) If the individual is able to participate in outside work,
25 he or she shall be referred back to a Michigan works! agency for
26 work activities, including job search and placement, vocational
27 education, literacy training, GED completion, and other similar
28 programs.

(ii) If the individual is able to participate in work but needs

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1 a supported work environment, he or she shall continue employment
2 activities [with a qualified community-based organization].

3 (iii) If the individual is eligible for SSI or disability, he or
4 she shall be referred to the department of human services that will
5 refer the recipient to the legal services association of Michigan
6 for the SSA advocacy program. The department of human services
7 shall contract with the legal services association of Michigan at a
8 rate not to exceed \$350.00 for each referral and \$300.00 for each
9 successful applicant.

10 (4) Work first program participants shall include recipients
11 of the department of human services program established under
12 section 57a of the social welfare act, 1939 PA 280, MCL 400.57a,
13 and individuals who are referred to a job club program by a county
14 department of human services board or a county friend of the court
15 if the participation in the job club is part of an application
16 submitted under this section.

17 (5) Participants in the work first program shall not be
18 enrolled and counted in membership in a school district or
19 intermediate school district.

20 (6) The department will work with the department of human
21 services to coordinate support services to work first participants
22 relating to special or emergency needs.

23 (7) Work first program participants shall be given an
24 explanation of the program including their benefits and
25 responsibilities during development of the personal work plan and
26 personal responsibility plan as developed respectively by a
27 Michigan works! agency and the department of human services. This

1 explanation shall include clear guidelines with regard to an
2 individual's eligibility for postemployment training support and
3 for applying hours in training toward work requirements. The
4 department, the department of human services, and the Michigan
5 works! agencies shall develop and implement a shared assessment
6 process and evaluation tool to identify barriers that may prevent
7 the participant from obtaining employment in an occupationally
8 relevant and demand-driven occupation and assistance that may be
9 needed to remove the barriers, including transportation, education,
10 and job training.

11 (8) The department shall make every effort to place a minimum
12 of 50% of clients who participate in the work first program in
13 positions that provide wages of \$8.00 per hour or more.

14 (9) The department shall provide to the subcommittees of the
15 house and senate appropriations committees with jurisdiction over
16 the budgets for the department of human services and the department
17 of labor and economic growth, the fiscal agencies, and the state
18 budget director by May 15 and November 15 of each year a report on
19 the work first grants and programs. The report due by May 15 shall
20 provide the information described in this subsection for each
21 Michigan works! agency grant or contract awarded during the
22 immediately preceding 2 quarters of the state fiscal year. The
23 report due by November 15 shall provide the information described
24 in this subsection for each grant or contract awarded during the
25 immediately preceding full fiscal year. The reports shall contain
26 all of the following:

27 (a) The amount and recipient of each grant or contract.

(b) The number of participants in each service delivery area and all of the following:

(i) The number of participants who meet federal work participation requirements.

(ii) The number of participants who located employment through work first in unsubsidized employment.

(iii) The number of participants who located employment through work first in subsidized private employment.

(iv) The average wage of participants who found employment.

(v) The number of participants who retained their jobs for 6 months.

(vi) The number of participants placed in employment training and education programs including each of the following programs:

(A) Work experience.

(B) On-the-job training.

(C) Job search or job readiness assistance.

(D) Community service.

(E) Vocational educational training.

(F) Job skills training.

(G) GED.

(H) Education directly related to employment.

(vii) The number of participants who complete their GED.

(viii) The number of clients referred to work first who failed to report.

(ix) A compilation of barriers to employment by incidence and type experienced by participants.

(x) The number of participants referred back to the department

1 of human services.

2 (10) The department shall make available to work first
3 participants guidelines on eligibility for postemployment training
4 and how training or education hours are applied toward work
5 participation requirements. These guidelines will be presented by
6 the department of human services and the department contracted
7 staff in accordance with department policy issuances and department
8 of human services program bulletins. These guidelines presented by
9 the department and the department of human services shall balance
10 the ability of participants to obtain training and subsequent long-
11 term high-wage employment with the need to connect participants
12 with the workplace. Any and all training or education and community
13 service, with the exception of high school completion, English as a
14 second language, fast-track literacy, and GED preparation, must be
15 occupationally relevant and in demand in the labor market as
16 determined by the workforce development board. Participants must
17 make satisfactory progress to continue in a training or education
18 component.

19 (11) A work first participant shall participate in work
20 activities for at least the minimum average number of hours per
21 week specified in 42 USC 607(c). However, a work first participant
22 may meet the work participation requirement by participating in
23 comprehensive basic skills education for the minimum time
24 determined by the assessment and evaluation provided in subsection
25 (7). A combination of basic skills training, occupational training,
26 and community service up to the maximum determined by the
27 assessment and evaluation provided in subsection (7) may be used to

1 satisfy the work participation requirements. Training or education
2 may last up to 12 months, and the calculated hours may include
3 actual classroom seat time up to 15 hours per week plus up to 1
4 hour of study time for each hour of classroom seat time. Community
5 service shall be used only for cases where federal work
6 participation requirements cannot be met without this activity.
7 Work first participants may enroll in additional hours of classroom
8 seat time beyond 15 hours. However, these hours and the related
9 study time will not count toward the work participation
10 requirement. Assistance may be provided for up to 2 years or 24
11 months.

12 (12) Work first participants may meet the work participation
13 requirement through enrollment in a short-term vocational program
14 requiring 20 hours of classroom seat time per week for a period not
15 to exceed 6 months, or by enrollment in full-time internships,
16 practicums, or clinicals required by an academic or training
17 institution for licensure, professional certification, or degree
18 completion, without an additional work requirement. In cases where
19 a short-term vocational program lasts less than 6 months, the
20 participant shall be eligible to enroll in 1 additional short-term
21 vocational program for a combined period not to exceed a total of
22 12 months.

23 (13) Work first participants who lack a high school diploma or
24 GED and who enroll in high school completion, English as a second
25 language, fast-track literacy, or classes to obtain a GED may count
26 up to 10 hours of classroom seat time, combined with a minimum
27 number of hours of work per week, to meet their work participation

1 requirement. There shall be no time limit on high school
2 completion. GED preparation shall be limited to 12 months.

3 (14) Work first participants who are assessed at a reading or
4 math skill level of below ninth grade on a standardized assessment
5 will participate in an appropriate high school completion, English
6 as a second language, fast-track literacy, or GED completion
7 program to address these deficiencies as determined to be
8 appropriate by the assessment and evaluation provided in subsection
9 (7) and as the Michigan works! agency identifies local resources to
10 provide the services. The department will work with the department
11 of human services to develop appropriate programs and incentives to
12 increase participation in and successful completion of these
13 programs.

14 (15) As used in this section, "work first program" means the
15 jobs, education, and training program.

16 **REPEALER**

17 Sec. 501. Section 405 of 2005 PA 156 is repealed.