

SUBSTITUTE FOR
HOUSE BILL NO. 5438

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

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 2015.

4 Sec. 57a. (1) The ~~family independence agency~~ **DEPARTMENT**
5 shall establish and administer the family independence program to
6 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 AN INDIVIDUAL IS**
27 **ELIGIBLE TO RECEIVE FAMILY INDEPENDENCE ASSISTANCE UNDER THIS ACT,**

1 THE DEPARTMENT SHALL DETERMINE WHETHER THAT INDIVIDUAL IS ELIGIBLE
2 TO PARTICIPATE IN THE WORK FIRST PROGRAM OR IF THE INDIVIDUAL IS
3 EXEMPT FROM WORK FIRST PARTICIPATION UNDER SECTION 57F. IF THE
4 DEPARTMENT DETERMINES THAT AN INDIVIDUAL IS ELIGIBLE TO PARTICIPATE
5 IN THE WORK FIRST PROGRAM, FAMILY INDEPENDENCE ASSISTANCE SHALL BE
6 PAID TO THAT INDIVIDUAL FOR NOT LONGER THAN A CUMULATIVE TOTAL OF
7 48 MONTHS DURING THAT INDIVIDUAL'S LIFETIME. ANY MONTH IN WHICH THE
8 UNEMPLOYMENT RATE IN THE METROPOLITAN STATISTICAL AREA 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 DEFERRED FROM WORK FIRST PARTICIPATION SHALL NOT BE
13 COUNTED TOWARD THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR
14 FAMILY INDEPENDENCE ASSISTANCE.

15 (5) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THE
16 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE DEPARTMENT SHALL
17 DETERMINE THE NUMBER OF MONTHS EACH FAMILY INDEPENDENCE ASSISTANCE
18 RECIPIENT WHO IS NOT EXEMPT FROM WORK FIRST PARTICIPATION UNDER
19 SECTION 57F HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE. IF THE
20 DEPARTMENT DETERMINES THAT A FAMILY INDEPENDENCE ASSISTANCE
21 RECIPIENT HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE FOR A
22 CUMULATIVE TOTAL OF 36 MONTHS OR MORE AS OF THE EFFECTIVE DATE OF
23 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, THAT RECIPIENT IS
24 ELIGIBLE TO RECEIVE FAMILY INDEPENDENCE ASSISTANCE FOR NOT MORE
25 THAN 1 YEAR AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
26 ADDED THIS SUBSECTION.

27 (6) THE DEPARTMENT SHALL REASSESS THE RECIPIENT'S ELIGIBILITY

1 FOR FAMILY INDEPENDENCE ASSISTANCE NOT LATER THAN 24 MONTHS AFTER
2 THE DATE THE APPLICATION FOR FAMILY INDEPENDENCE ASSISTANCE WAS
3 APPROVED.

4 (7) ~~-(4)-~~ Not later than October 1, 2001, the ~~family~~
5 ~~independence agency~~ **DEPARTMENT** shall implement an automated finger
6 imaging system designed to prevent an individual from receiving
7 cash assistance, food stamps, or both under more than 1 name.
8 Beginning at the effective date of the establishment and
9 implementation of the finger imaging system, an individual applying
10 for cash assistance, food stamps, or both must provide the ~~family~~
11 ~~independence agency~~ **DEPARTMENT** with an automated finger image or
12 images as a condition of eligibility. Finger imaging obtained
13 ~~pursuant to~~ **UNDER** this subsection shall be used only for the
14 purposes of reducing fraud in obtaining public benefits or
15 assistance under this act.

16 (8) ~~-(5)-~~ The ~~family independence agency~~ **DEPARTMENT** shall
17 establish the automated finger image system that, at a minimum,
18 includes the following:

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

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

24 (c) A requirement to exempt children from providing the
25 automated finger image unless there is a reasonable suspicion that
26 the family group is committing fraud. For the purpose of this
27 subdivision, "family group" means a family and all those

1 individuals living with a family who apply for or receive cash
2 assistance, food stamps, or both.

3 (d) A requirement to exempt individuals from whom the
4 automated finger image technology is unable to obtain an accurate
5 finger image.

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

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

12 (9) ~~-(6)-~~ The ~~family independence agency~~ **DEPARTMENT** shall
13 remove an individual's finger image from the department's file if
14 the individual has not received benefits or assistance from the
15 ~~family independence agency~~ **DEPARTMENT** within the previous 12
16 months.

17 (10) ~~-(7)-~~ The ~~family independence agency~~ **DEPARTMENT** may
18 negotiate and enter into a compact or reciprocal agreement with
19 another state department, the federal government, an agency of the
20 federal government, or an agency of another state for the purpose
21 of implementing and administering the finger imaging provisions of
22 this section as long as the compact or reciprocal agreement is not
23 inconsistent with the limitations of use and access contained in
24 subsection ~~-(4)-~~ (7).

25 (11) ~~-(8)-~~ The ~~family independence agency~~ **DEPARTMENT** shall
26 conduct ~~semi-annual~~ **SEMIANNUAL** security reviews to monitor the
27 automated finger imaging system to insure that all of the following

1 occur:

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

4 (b) Effective software and hardware designs have been
5 instituted with security features to prevent unauthorized access to
6 records.

7 (c) Access to record information is restricted to authorized
8 personnel.

9 (d) System and operational programs are used that will
10 prohibit inquiry, record updates, or destruction of records from a
11 terminal other than automated finger imaging system terminals that
12 are designated to permit inquiry, record updates, or destruction of
13 records.

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

17 (12) ~~-(9)-~~ Beginning December 31 of the first year the
18 automated finger imaging system has been fully implemented, the
19 ~~family independence agency~~ **DEPARTMENT** shall compile and report
20 annually to the senate and house committees having jurisdiction
21 over ~~family independence agency~~ **DEPARTMENT** matters the following
22 information concerning the operation of the automated finger
23 imaging system:

24 (a) An analysis of the costs and savings of the system
25 including, but not limited to, administrative costs, operation
26 costs, and actual savings due to confirmed fraud and fraud
27 deterrence.

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

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

5 (d) A detailed summary of the results of reviews required by
6 subsection ~~-(8)-~~ (11).

7 (13) ~~-(10)-~~ Except as necessary to carry out a compact or
8 agreement under subsection ~~-(7)-~~ (10) or unless otherwise required
9 by law, the ~~family independence agency~~ **DEPARTMENT** shall not sell,
10 transfer, or release information identifying an individual named in
11 the automated finger imaging system record to a third person,
12 including, but not limited to, another state department or agency.

13 (14) ~~-(11)-~~ A person shall not disclose information from the
14 automated finger imaging system record in a manner that is not
15 authorized by law or rule. A violation of this subsection is a
16 misdemeanor punishable by imprisonment for not more than 93 days or
17 a fine of not more than \$500.00, or both.

18 (15) ~~-(12)-~~ At the time an individual applies for cash
19 assistance, food stamps, or both, the ~~family independence agency~~
20 **DEPARTMENT** shall inform the individual of all of the following:

21 (a) The requirement to allow the department to take a finger
22 image from the individual.

23 (b) The fact that the finger image may be compared to the
24 finger images of other benefit recipients to prevent duplicate
25 participation.

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

1 Sec. 57f. (1) The ~~family independence agency~~ **DEPARTMENT**
2 shall enter into an agreement with the department of ~~career~~
3 ~~development~~ **LABOR AND ECONOMIC GROWTH** in order to facilitate the
4 administration of work first. The ~~family independence agency~~
5 **DEPARTMENT** shall make information on the program available to the
6 legislature.

7 (2) Except as otherwise provided in subsection (3), every
8 member of a family independence assistance group shall be referred
9 to and shall participate in work first. The particular activities
10 in which the recipient is required or authorized to participate,
11 the number of hours of work required, and other details of work
12 first shall be developed by the department ~~of career development~~
13 ~~and the family independence agency~~ **AND THE DEPARTMENT OF LABOR AND**
14 **ECONOMIC GROWTH** and shall be set forth in the recipient's ~~social~~
15 ~~contract~~ **PERSONAL DEVELOPMENT PLAN**. If a recipient has cooperated
16 with work first, the recipient may enroll in a program approved by
17 the local workforce development board. Any and all training or
18 education with the exception of high school completion and GED
19 preparation must be occupationally relevant and in demand in the
20 labor market as determined by the local workforce development board
21 and may be no more than 2 years in duration. Participants must make
22 satisfactory progress while in training or education. **THE**
23 **DEPARTMENT SHALL WORK WITH THE DEPARTMENT OF LABOR AND ECONOMIC**
24 **GROWTH TO IDENTIFY BARRIERS THAT PREVENT WORK FIRST PARTICIPANTS**
25 **FROM OBTAINING EMPLOYMENT AND SELF-SUFFICIENCY.**

26 (3) **ALL FAMILY INDEPENDENCE PROGRAM RECIPIENTS ARE WORK OR**
27 **TRAINING ELIGIBLE UNLESS EXEMPTED FROM WORK FIRST PARTICIPATION**

UNDER THIS SUBSECTION. The following individuals are exempt from participation in work first:

(a) A child under the age of 16.

(b) A child aged 16 or older, or a minor parent, who is attending elementary or secondary school full-time.

(c) The **CUSTODIAL** parent of a child under the age of 3 months. The ~~family independence agency may~~ **DEPARTMENT SHALL** require a **CUSTODIAL** parent exempted from participation in work first under this subdivision to participate in family services, including, but not limited to, instruction in parenting, nutrition, ~~and~~ child development, **AND ABSTINENCE-BASED FAMILY PLANNING** beginning 6 weeks after the birth of his or her child until the child is 3 months old as fulfillment of that parent's ~~social contract~~ **PERSONAL DEVELOPMENT PLAN** obligation under section 57e(1)(c).

(d) An individual aged 65 or older.

(e) A recipient of supplemental security income. **AN INDIVIDUAL WHO IS APPLYING FOR SUPPLEMENTAL SECURITY INCOME IS NOT AUTOMATICALLY EXEMPT FROM PARTICIPATION IN WORK FIRST DURING THE APPLICATION PROCESS FOR SUPPLEMENTAL SECURITY INCOME.**

(f) An individual who meets 1 or more of the following criteria to the extent that the individual, based on **WRITTEN** medical ~~evidence~~ **VERIFICATION PROVIDED BY A PHYSICIAN, PSYCHIATRIST, OR PSYCHOLOGIST** and an assessment of need by the ~~family independence agency~~ **DEPARTMENT**, is severely restricted in his or her ability to participate in employment or training activities:

(i) A recipient of social security disability, or medical

1 assistance due to disability or blindness.

2 (ii) An individual suffering from a physical or mental
3 impairment that meets federal supplemental security income
4 disability standards, except that no minimum duration is required.

5 (iii) The spouse of an individual described in subparagraph (i)
6 or (ii) who is the full-time caregiver of that individual.

7 (iv) A parent or caretaker of a child who is suffering from a
8 physical or mental impairment that meets the federal supplemental
9 security income disability standards, except that no minimum
10 duration is required.

11 (4) In addition to those individuals exempt under subsection
12 (3), the ~~family independence agency~~ **DEPARTMENT** may grant a
13 temporary exemption from participation in work first, not to exceed
14 90 days, to an individual who is suffering from a ~~documented~~
15 short-term mental or physical illness, limitation, or disability
16 that severely restricts his or her ability to participate in
17 employment or training activities **AS DOCUMENTED IN WRITING BY A**
18 **PHYSICIAN, PSYCHIATRIST, OR PSYCHOLOGIST**. An individual with a
19 ~~documented~~ mental or physical illness, limitation, or disability
20 **AS DESCRIBED IN THIS SECTION** that does not severely restrict his or
21 her ability to participate in employment or training activities
22 ~~shall be~~ **IS** required to participate in work first at a medically
23 permissible level.

24 (5) An individual is not disabled for purposes of this section
25 if substance abuse is a contributing factor material to the
26 determination of disability.

27 **(6) INDIVIDUALS EXEMPT FROM PARTICIPATION IN WORK FIRST UNDER**

1 THIS SECTION SHALL BE EVALUATED BY THE DEPARTMENT TO DETERMINE
2 ELIGIBILITY TO PARTICIPATE IN OTHER WORK-RELATED ACTIVITIES. IF AN
3 INDIVIDUAL IS ELIGIBLE TO PARTICIPATE IN OTHER WORK-RELATED
4 ACTIVITIES, THE DEPARTMENT SHALL REFER HIM OR HER TO THOSE
5 ACTIVITIES.

6 (7) THE DEPARTMENT SHALL REEVALUATE AN INDIVIDUAL EXEMPT FROM
7 PARTICIPATION IN WORK FIRST UNDER SUBSECTION (3) EVERY 120 DAYS TO
8 DETERMINE WHETHER THE INDIVIDUAL CONTINUES TO BE EXEMPT FROM WORK
9 FIRST PARTICIPATION.

10 (8) AN INDIVIDUAL EXEMPT FROM PARTICIPATION IN WORK FIRST DUE
11 TO A MENTAL OR PHYSICAL ILLNESS, LIMITATION, OR DISABILITY AS
12 DOCUMENTED IN WRITING BY A PHYSICIAN, PSYCHIATRIST, OR PSYCHOLOGIST
13 SHALL BE EVALUATED NOT LATER THAN 90 DAYS FROM THE DEPARTMENT'S
14 RECEIPT OF THAT DOCUMENTATION FOR ELIGIBILITY IN THE SUPPLEMENTAL
15 SECURITY INCOME PROGRAM.

16 SEC. 57P. IF A PROGRAM GROUP MEMBER IS EMPLOYED AS PART OF HIS
17 OR HER WORK FIRST PARTICIPATION REQUIREMENT, THAT PROGRAM GROUP'S
18 FAMILY INDEPENDENCE ASSISTANCE PAYMENT STANDARD SHALL BE REDUCED BY
19 10% NOT LATER THAN 90 DAYS AFTER THE MEMBER'S INITIAL JOB
20 PLACEMENT.

21 Enacting section 1. This amendatory act does not take effect
22 unless all of the following bills of the 93rd Legislature are
23 enacted into law:

24 (a) House Bill No. 5439.

25 (b) House Bill No. 5440.

26 (c) House Bill No. 5441.

27 (d) House Bill No. 5442.

- 1 (e) House Bill No. 5443.
- 2 (f) House Bill No. 5444.
- 3 (g) House Bill No. 5445.
- 4 (h) House Bill No. 5446.