

CLARIFY WORK FIRST PARTICIPATION

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House Bill 4482 as introduced

Sponsor: Rep. Brenda Clack

Committee: Families and Children's Services

Complete to 3-27-07

A SUMMARY OF HOUSE BILL 4482 AS REPORTED FROM COMMITTEE

The bill would re-write sections of the Social Welfare Act dealing with the required participation in Work First program for eligibility for family independence assistance.

The bill would specify that after the Department of Human Services has made an initial determination that an adult or child aged 16 or over who is not attending school full-time *might* be eligible for assistance (and is not exempt from Work First participation), that individual *would be required to participate in assigned work-related activities*. Then the DHS, the individual, and a Work First representative would develop the family's self-sufficiency plan. If an applicant who is not exempt from Work First participation fails to cooperate with Work First, the *family* would be ineligible for family independence assistance. The bill also would clarify that the department would be required to impose penalties, under Section 57g, if a recipient fails to comply with any Work First requirements as stated in the act.

The bill would also rewrite the provision regarding orientation sessions held by DHS and the Department of Labor and Economic Growth (DLEG). The act currently requires the departments to conduct joint orientation sessions at least weekly. The bill would say DHS or DLEG may conduct weekly orientation sessions. Language that an applicant need participate in work-related activities only after completing an orientation would be eliminated.

MCL 400.57d and 57g

FISCAL IMPACT:

The bill would reduce state costs related to cash assistance payments under the Family Independence Program (FIP), which serves low-income families with children. It amends a section of the Social Welfare Act originally revised in welfare reform legislation enacted in December 2005. In the earlier legislation, the act was revised to require the Department of Human Services to make a determination on FIP eligibility and open the FIP case *before* referring a client to the Work First Program to participate in work-related activities. Prior to the 2005 legislation, the FIP case was not opened until the client appeared at Work First and began his or her assigned work activities.

The unintended result of the new policy was a sharp rise in the FIP caseload and FIP-related costs beginning in May 2006 when the new policy was implemented. It is believed that much of this caseload increase is due to the increase in clients who having their cases opened, but then failing to begin their work assignment. Under the provisions of the 2005 legislation, these cases are opened, whereas under the previous policy, the cases would not have been opened.

The bill revises the provisions of the 2005 legislation by eliminating the requirement that FIP eligibility be determined before the Work First referral. For those clients not exempt from Work First participation, participation in assigned work activities will again have to occur before the FIP case is opened. This should reduce the number of new cases opened, thereby reducing overall FIP costs.

POSITIONS:

The Department of Human Services testified in support of the bill. (3-20-07)

Legislative Analyst: E. Best
Fiscal Analyst: Robert Schneider

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.