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BILL ANALYSIS

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House Bill 4482 (as passed by the House)
Sponsor: Representative Brenda Clack
House Committee: Families and Children's Services
Senate Committee: Families and Human Services

Date Completed: 5-7-07

CONTENT

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

- Require an individual to participate in assigned work-related activities once it was determined that he or she might be eligible for family independence assistance.**
- Permit either the Department of Human Resources (DHS) or the Department of Labor and Economic Growth (DLEG) to conduct weekly orientation sessions for family independence assistance applicants, rather than requiring the departments to conduct joint weekly sessions.**
- Apply two different definitions of "noncompliance" in the Act to two separate sets of penalties; those that were in effect until March 30, 2007, and those that took effect on April 1, 2007.**

Work First Requirements

Under the Act, after the DHS initially determines that an adult or a child aged 16 or older who is not attending elementary or secondary school full-time is eligible for family independence assistance, that individual must attend a joint orientation session for assistance applicants, conducted by the DHS and DLEG.

Under the bill, instead, after the DHS made an initial determination that the individual might be eligible for assistance and was not exempt from Work First participation under the Act, the individual would have to participate in assigned work-related activities.

Currently, if an individual fails to cooperate with Work First or other required employment or training activities, the family is ineligible for assistance. The bill would retain this provision but refer to an applicant who was not exempt from Work First participation, rather than an individual.

The Act requires the DHS and DLEG to conduct joint orientation sessions for family independence assistance applicants at least weekly. The bill, instead, would allow either the DHS or DLEG to conduct weekly sessions.

Definition of Noncompliance

Section 57g describes penalties for noncompliance with the Act that were in effect until March 31, 2007, and also contains separate provisions for penalties that took effect on April 1, 2007.

There are two different definitions of "noncompliance" in that section. Under the bill, for the purposes of the provisions that expired March 31, 2007, the following definition would apply:

- A recipient quits a job.
- A recipient is fired for misconduct or absenteeism without good cause.
- A recipient voluntarily reduces the hours of employment or otherwise reduces earnings.
- A recipient does not participate in Work First activities.

For the purposes of the penalties that took effect on April 1, 2007, "noncompliance" would mean one or more of the following:

- A recipient quits a job.
- A recipient is fired for misconduct or absenteeism.
- A recipient does not participate in Work First activities.
- A recipient is noncompliant with his or her family self-sufficiency plan.

MCL 400.57d & 400.57g

BACKGROUND

Public Act 323 of 2005, which took effect on December 19, 2005, amended the provisions in the Social Welfare Act for the orientation session. Previously, the Act required an individual to attend the joint orientation session after the DHS had determined that the individual might be eligible for assistance. Public Act 323 instead requires an individual to attend a joint orientation session after the DHS has determined that he or she is eligible for assistance. After completion of the orientation, the individual, the DHS, and a Work First representative must develop a family self-sufficiency plan.

Public Act 468 of 2006 and related legislation made various amendments to the Social Welfare Act regarding the receipt of family independence assistance and participation in Work First. Among other changes, Public Act 468 established new penalties for noncompliance with Work First and other noncompliance without good cause. The new penalties apply from April 1, 2007, through September 30, 2011.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have a fiscal impact on State government. The Department of Human Services has experienced a 13% increase in the Family Independence Program (FIP) caseloads since May 2006. The Department indicates that this caseload increase is partly attributable to a policy change in 2005 to the Social Welfare Act that requires FIP cases to be opened before clients attend the orientation session and begin participation in work-related activities. The elimination of the 2005 legislative policy would reduce the number of case openings and save FIP payment costs.

Fiscal Analyst: Constance Cole

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.