



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 943 and 944 (as introduced 5-3-16)
Sponsor: Senator Ken Horn (S.B. 943)
Senator Dale W. Zorn (S.B. 944)
Committee: Michigan Competitiveness

Date Completed: 5-20-16

CONTENT

Senate Bill 943 would amend the Corrections Code to require field operations administration regions of the Department of Corrections (DOC) to report periodically to the Department of Health and Human Services (DHHS) regarding parole absconders.

Senate Bill 944 would amend the Social Welfare Act to prohibit the DHHS from granting public assistance to parole absconders.

The bills are tie-barred and each would take effect 90 days after its enactment.

Senate Bill 943

The bill would require each DOC field operations administration region, on a quarterly basis, to give the DHHS a list of supervised individuals within the region who had absconded from supervision.

"Field operations administration region" would mean one of the geographic regions delineated by the DOC that are charged with the responsibility of overseeing supervised individuals within the region, including those on probation and those released from prison on parole, and that employ parole and probation agents to engage in direct supervision of the individuals.

"Supervised individual" would mean a person who has been released from prison on parole.

"Abscond" would mean that an individual supervised under the Corrections Code fails to report to his or her supervising agent and intentionally fails to advise the agent of his or her whereabouts.

Senate Bill 944

The Social Welfare Act prohibits the DHHS from granting public assistance to an individual if the Department receives information that he or she is subject to arrest under an outstanding warrant arising from a felony charge. If Federal approval is required in order to prevent the loss of Federal reimbursement as a result of the application of this prohibition to a recipient receiving Family Independence Assistance or food stamps, however, the DHHS must promptly take any action necessary to obtain that approval. In the absence of any necessary Federal approval, the DHHS must apply the prohibition only to recipients of State family assistance and State disability assistance.

The Act requires the DHHS Director, or the Director's designee, to review information provided by the Department of State Police under the C.J.I.S. Policy Council Act to determine whether public assistance recipients or applicants are subject to arrest under an outstanding warrant. The DHHS may not grant public assistance to an individual if it receives information from the State Police that the person is subject to an arrest under an outstanding warrant.

Under the bill, the DHHS also could not grant public assistance to an individual if the Department received information from the DOC that the individual had absconded from parole, as proposed by Senate Bill 943. This prohibition would be subject to the Federal approval provision that currently applies regarding a person subject to arrest under an outstanding warrant.

The DHHS Director, or his or her designee, would have to review information provided by a DOC field operations administration region, as proposed by Senate Bill 943, to determine whether public assistance recipients or applicants had absconded from supervision. The DHHS could not grant public assistance to an individual if it received information from a field operations administration region the person had absconded from supervision.

Proposed MCL 791.284 (S.B. 943)
MCL 400.10b (S.B. 944)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Senate Bill 943

The bill would have no fiscal impact on State or local government. The additional required report would be completed using the Department of Corrections' existing appropriations.

Senate Bill 944

The bill could result in maximum annual savings to the State of approximately \$8.3 million in Gross expenditures and \$4.2 million in General Fund/General Purpose expenditures, based on the average of expenditures for 2014, 2015, and 2016.¹ The bill would have no fiscal impact on local government.

From information provided by the Michigan Department of Corrections, the figures for parole absconders for the past two years and current year are shown in Table 1.

Table 1

Parole Absconders	
<u>Year</u>	<u>Number</u>
2014	1,635
2015	1,383
2016	1,211

Funding for the public assistance programs covered under the bill is provided by Federal and State revenue sources. Therefore, if benefits were severed for both federally and State-funded programs, there would be Gross expenditure savings; however, the only General Fund/General Purpose savings would be due to a reduction in the caseloads of State-funded programs.

¹ The numbers for 2016 in this analysis are annualized based on data through March of the current year.

Although Senate Bill 943 would require the Michigan Department of Corrections to provide a quarterly list of parole absconders to the Michigan Department of Health and Human Services to determine the number of absconders who were receiving public assistance, it is not currently known how many parole absconders are presently receiving public assistance. For purposes of determining the maximum fiscal savings under Senate Bill 944, this analysis will assume that the entire population of parole absconders is receiving public assistance benefits for an entire fiscal year.

For the programs that are federally funded, the Federal portion of the Family Independence Program and the Food Assistance Program, assuming all of the parole absconders were receiving the average public assistance benefit amounts, Table 2 shows the savings if these individuals had been severed from benefits in the prior two years and the current year.

Table 2

Federally Funded Public Assistance Benefits	
<i>100% of Parole Absconders</i>	
<u>Year</u>	<u>Maximum Potential Expenditure Savings</u>
2014	\$4,683,164
2015	\$3,869,584
2016	\$3,382,329
Total	\$11,935,077

For the programs that are State-funded, the State portion of the Family Independence Program and the State Disability Assistance program, if all of the parole absconders were receiving the average public assistance benefit amounts, Table 3 shows the savings if these individuals had been severed from benefits in the prior two years and the current year.

Table 3

State-Funded Public Assistance Benefits	
<i>100% of Parole Absconders</i>	
<u>Year</u>	<u>Maximum Potential Expenditure Savings</u>
2014	\$4,896,092
2015	\$4,086,787
2016	\$3,852,430
Total	\$12,835,309

This analysis assumes the maximum possible savings if all of the parole absconders were indeed receiving public assistance benefits for an entire fiscal year. This may or may not be the case as the number of parole absconders who are receiving public assistance benefits is not currently known. The number of absconders who are actually receiving benefits could range from the entire known universe of absconders to a very small number of absconders. As a result, there would be uncertainty in the total savings until quarterly reports were delivered by the DOC to the DHHS as required by Senate Bill 943.

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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.