

## **ASSISTANCE BENEFITS AFTER MARRIAGE**

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**Senate Bill 752 (H-1) as reported from House committee**

**Sponsor: Sen. Wayne Schmidt**

**House Committee: Families, Children, and Seniors**

**Senate Committee: Families, Seniors, and Human Services**

**Complete to 6-12-18**

Analysis available at

<http://www.legislature.mi.gov>

## **SUMMARY:**

Senate Bill 752 would amend the Social Welfare Act to require the Department of Health and Human Services (DHHS) to exclude a new spouse's income for a certain period of time when determining financial eligibility for Family Independence Program (FIP) assistance and when determining a program group's income and assets if the household income does not exceed twice the income asset limits set by the department.

Currently under the Act, the DHHS is required to establish and administer the FIP to provide temporary assistance to families who are making efforts to achieve independence. The DHHS must establish income and asset levels for eligibility, types of income and assets to be considered in making eligibility determinations, payment standards, and composition of the program group and the FIP assistance group. An individual is eligible for FIP assistance if he or she meets certain requirements, which include being a member of a program group whose income and assets are less than the income and asset limits set by the DHHS. The Act defines program group as a family and all those individuals living with a family whose income and assets are considered for purposes of determining financial eligibility for FIP assistance.

The bill specifies that the DHHS would need to disregard both the income and income and assets when determining eligibility for FIP assistance and a program group's income and assets of a new parent or new stepparent who becomes a new program group member as the result of marriage, from 1 month after the date of the marriage until 18 months after that date, unless the income disregard results in a decrease of eligible assistance. The disregard of a new parent's or stepparent's income and assets only applies if the program group's income and assets do not exceed twice the income and asset limits set by the department.

The bill would take effect January 1, 2020.

## **FISCAL IMPACT:**

Senate Bill 752 may increase costs for the state of Michigan and would have no fiscal impact on local units of government.

The Family Independence Program (FIP) is a cash assistance program for low-income families with children that is administered by the Department of Health and Human

Services (DHHS). The FIP grants help families meet their basic subsistence needs, and most recipient groups are single-parent families with one or more children that have little or no earned income. To be eligible for FIP, a family must meet both income and asset requirements. The benefits that family groups receive vary depending upon income and family size. In FY 2017-18, the FIP program is appropriated \$82.4 million to distribute in benefits. As of April 2018, there is an average of 18,573 FIP cases, which include approximately 43,380 recipients in Michigan. In 2018, the average monthly grant to families is \$366.

Under the bill's provisions, the determination of financial eligibility of a family group would exclude the income of a new spouse until 18 months after the date of the marriage, if the household income and assets do not exceed twice the income and asset limits set by DHHS. Any increased costs to the FIP program would depend upon how many family groups would now become eligible for benefits or for a higher monthly benefit amount based upon a change in income eligibility due to the new spousal income exclusion.

## **POSITIONS:**

The following entities indicated support for the bill (5-10-18):

- Michigan Catholic Conference
- Michigan Family Forum
- Michigan Poverty Law Program
- The Food Bank Council of Michigan

Legislative Analyst: E. Best  
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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.