

Legislative Analysis



FAMILY INDEPENDENCE PROGRAM: INCREASE STATE LIFETIME LIMIT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 932 as passed by the Senate
Sponsor: Sen. Sarah Anthony
Senate Committee: Appropriations [Discharged]
House Committee: Appropriations
Complete to 9-20-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 932 would amend the Social Welfare Act, 1939 PA 280, to increase the state lifetime limit on the Family Independence Program (FIP) state cash assistance program from 48 months to 60 months. The program is funded primarily through Temporary Assistance for Needy Families (TANF) federal block grant revenues.

MCL 400.57 et seq.

FISCAL IMPACT:

The bill would likely increase state costs by approximately \$1.8 million to \$2.9 million, which has been accounted for in the FY 2024-25 DHHS budget. Specifically, \$20.0 million in additional TANF revenue was appropriated in order to cover the costs of the additional cases made eligible by the increase to the 60-month time limit and to allow for a rate increase to FIP-eligible low-income families.

The State Budget Office (SBO) estimates that an additional 400 FIP cases would retain, or return to, eligibility if the current 48-month state lifetime limit is increased to 60 months. The Consensus Revenue Estimating Conference (CREC)-estimated average caseload cost for FIP payments in FY 2024-25 is \$374.07 per case, per month. Assuming that the additional 400 cases receive the average monthly amount, costs would total approximately \$1.8 million. However, these expenditures will vary depending on the group size. For example, if all additional cases consisted of families of four, FIP expenditures could increase by approximately \$2.9 million in the first fiscal year.

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