

**REVISE MICHIGAN ECONOMIC AND
SOCIAL OPPORTUNITY ACT**

House Bill 4502
Sponsor: Rep. Sandra Caul
**Committee: Family and Children
Services**

Complete to 4-24-03

A SUMMARY OF HOUSE BILL 4502 AS INTRODUCED 4-1-03

The bill would revamp the Michigan Economic and Social Opportunity Act of 1981. The following are among the many amendments made to the act by the bill.

Three-Tier structure/names. Originally, the act created a three-tiered structure consisting of the Bureau of Community Services, the Commission on Economic and Social Opportunity, and local community action agencies to improve the social and economic opportunities for persons with low incomes. The bureau was originally charged with the responsibility of the general administration of the various state activities designed to reduce poverty and provide assistance. The commission was originally designed to serve as a statewide forum on state policies and programs designed to reduce poverty. Finally, the community action agencies were the “street level” agencies that carried out the programs. House Bill 4502 would retain the three-tiered structure, but rename the bureau as the Bureau of Community Action and Economic Opportunity, and the commission as the Commission on Community Action and Economic Opportunity.

Department designation. Under the act, the bureau and commission were created within the Department of Labor. Rather than naming a specific department - over the years the responsibility for carrying out the act moved to several departments – House Bill 4502 would specify that the “department” would be whichever department was designated by the governor to receive and distribute community services block grant funds under the Community Services Block Grant Act within the federal Omnibus Budget Reconciliation Act of 1981.

Bureau activities. The act provides that the bureau shall serve as a statewide advocate for social and economic opportunities for low income persons. Further, the act enumerates a list of activities that the bureau may undertake. These activities include, among others, coordinating state activities designed to reduce poverty and implement community social and economic programs, and providing assistance to and entering into contracts with local units of government and community action agencies. House Bill 4502 would require the bureau to engage in listed activities. In addition, the bill would delete provisions permitting the bureau to participate in the development of the state program budget and make budget recommendations, and administer the Neighborhood Assistance Program established in accordance with Neighborhood Participation and Assistance Act (Public Act 56 of 1980) and other programs and services as designated by the department director or legislature. Further, the bill would add the requirement that the bureau serve as an advocate within the executive branch to remove administrative barriers to self-sufficiency services and to seek additional resources for anti-poverty programs.

House Bill 4504 (4-24-03)

Commission membership. The act provides that the commission shall consist of 15 members appointed by the governor with the advice and consent of the Senate. The act further specifies that at least five persons on the commission shall be low income persons, at least one person from local government, at least one person from organized labor, at least one person from the business community, at least three persons from local community action agency governing boards, and at least five persons who reside in rural communities. Under House Bill 4502, the commission would consist of 6 to 15 members with equal numbers (or a close to equal numbers as possible) of elected officials, private sector members, and low income individuals. Further, at least one-third of the commission would be staff or board members of community action agencies. The bill would also change the quorum of the commission from eight members to a majority. Commission terms would remain for three years but the bill would delete a requirement that no member serve for more than two full terms.

Commission duties. The bill would add the following to the list of commission duties:

- Convene a state forum every two years that includes representatives from the public, private, nonprofit, and low income sectors to analyze poverty trends and make recommendations to reduce poverty;
- Participate with the bureau to implement a public education program to increase public awareness of poverty in the state;
- Receive reports from the bureau on strategies to reduce poverty and make recommendations based on those reports;
- Establish an education and public information program, in conjunction with the community action agencies, to increase awareness of poverty in the state and existing community social and economic programs;
- Evaluate state laws and programs regarding the reduction of poverty, and recommend appropriate changes to the governor and the legislature; and
- Submit reports to the governor, legislature, congressional delegation, and other appropriate federal officials regarding the needs, problems, opportunities, and contributions of low income persons and the effectiveness of existing state and federal policies, and recommendations to improve economic and social opportunities for low income persons.

Rescinding agency designation. The act permits the “executive director” (that is, chief administrator of the bureau) to rescind the designation of a community action agency for cause after he or she consults the director of the department, the chief elected officials of the municipalities served by the agency, and the commission, and hold at least one public hearing. The bill would also require the executive director to follow the procedures set forth in the federal Community Services Block Grant Act.

Community action agency activities. The bill would add the following to the list of activities that community action agencies can engage in to effectuate the purposes of the act:

- Provide services that have a measurable and potentially major impact on causes of poverty in the community;
- Provide activities designed to assist low income participants to retain meaningful employment and education, make better use of available income, obtain adequate housing, obtain emergency assistance when needed, remove obstacles toward achieving self-sufficiency, and make effective use of related programs;
- Provide, on an emergency basis, supplies and services, food, and other services to combat starvation and malnutrition;
- Provide a link between governmental and other social services programs to assure effective delivery of such programs;
- Encourage the use of private sector entities in the community to reduce poverty;
- Mobilize community involvement to address issue of poverty, including coordinating welfare-to-work strategies and implementing strategies to assure long-term economic self-sufficiency; and
- Serve populations with barriers to self-sufficiency.

Distribution of funds/budgeting. The bill would delete provisions requiring that each community action agency and other organizations seeking funding annually develop and submit a program budget request, the executive director publish guidelines on seeking funding, and the department to promulgate rules regarding the funding distribution. Instead, the bill would simply state that the distribution of funds to community action agencies would have to meet federal requirements.

Community action agency board. The act provides for a board of directors of a community action agency depending on whether it is a nonprofit organization or a public agency. Under current law, the board must consist of between 15 and 51 members with one-third from each of the following groups: persons who have low incomes, the elderly, or person with disabilities; officials from local governments or public agencies; and persons from the private sector. Furthermore, the act allows a community action agency that is a public agency (rather than a nonprofit) to establish an advisory board instead of a board of directors. Under House Bill 4502, all community action agencies would be required to establish a board of directors, with no specified number of members, and with one-third of those members being persons with low income, the elderly, or persons with disabilities; one-third being public officials; and one-third being persons from the private sector. The bill would also delete specific responsibilities listed for the board of directors.

MCL 400.1103 et al.

Analyst: M. Wolf

■ 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.