



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 757 (as reported without amendment)

Sponsor: Senator Shirley Johnson

Committee: Appropriations

CONTENT

The bill would amend the Social Welfare Act, as amended by Public Act 280 of 2001, to maintain the welfare reform provisions implemented by the amendment, which are to expire on December 31, 2005. The bill would delay to December 31, 2006, the sunset on provisions described below.

The following individuals are exempt from participation in Work First, a program consisting of employment or employment activities:

- The parent of a child under three months of age;
- A recipient of Supplemental Security Income (SSI); and
- An individual who meets one or more of the following:
 - 1) Receives Social Security Disability, or medical assistance due to disability or blindness.
 - 2) Suffers from a physical or mental impairment.
 - 3) The spouse who is a full-time caregiver of an individual described in 1 or 2 above.
 - 4) The parent or caretaker of a child who suffers from a physical or mental impairment under the Federal SSI disability standards.

The Family Independence Program (FIP) sanctions imposed if a recipient does not comply with program stipulations include the following:

- 1) The FIP benefits will be terminated if the recipient fails, without good cause, to comply with child support requirements, including establishment of paternity and obtaining child support; and
- 2) For any instance of noncompliance determined to be without good cause, the Department of Human Services must notify the recipient of 10 days to demonstrate good cause; otherwise the assistance will be terminated.

The definition of "noncompliance" includes a person quits a job, is fired for misconduct or absenteeism, voluntarily reduces employment hours or reduces earnings, or does not participate in Work First program activities.

A penalty may be imposed if an individual does not meet the recipient's social contract requirement.

The assistance group is eligible for FIP assistance after termination for one month if a "willingness to comply test" is met. The willingness to comply test means participation in the Work First program or other self-sufficiency activities for up to 40 hours within 10 working days. The recipient must be given written notice of the option to immediately reapply for assistance.

MCL 400.14i

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-1-05

Fiscal Analyst: Constance Cole

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