

SUBSTITUTE FOR
HOUSE BILL NO. 5445

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 57a (MCL 400.57a), as amended by 1999 PA 26.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 57a. (1) The ~~family independence agency~~ **DEPARTMENT**
2 shall establish and administer the family independence program to
3 provide assistance to families who are making efforts to achieve
4 independence.

5 (2) The ~~family independence agency~~ **DEPARTMENT** shall
6 administer the family independence program to accomplish all of the
7 following:

8 (a) Provide financial support to eligible families while they
9 pursue self-improvement activities and engage in efforts to become
10 financially independent.

11 (b) Ensure that recipients who are minor parents live in

1 adult-supervised households in order to reduce long-term dependency
2 on financial assistance.

3 (c) Assist families in determining and overcoming the barriers
4 preventing them from achieving financial independence.

5 (d) Ensure that families pursue other sources of support
6 available to them.

7 (3) The ~~family independence agency~~ **DEPARTMENT** shall
8 establish income and asset levels for eligibility, types of income
9 and assets to be considered in making eligibility determinations,
10 payment standards, composition of the program group and the family
11 independence assistance group, program budgeting and accounting
12 methods, and client reporting requirements to meet the following
13 goals:

14 (a) Efficient, fair, cost-effective administration of the
15 family independence program.

16 (b) Provision of family independence assistance to families
17 willing to work toward eventual self-sufficiency.

18 **(4) AT THE TIME THE DEPARTMENT DETERMINES AN INDIVIDUAL IS**
19 **ELIGIBLE TO RECEIVE FAMILY INDEPENDENCE ASSISTANCE UNDER THIS ACT,**
20 **THE DEPARTMENT SHALL DETERMINE WHETHER THAT INDIVIDUAL IS ELIGIBLE**
21 **TO PARTICIPATE IN THE WORK FIRST PROGRAM OR IF THE INDIVIDUAL IS**
22 **EXEMPT FROM WORK FIRST PARTICIPATION UNDER SECTION 57F. IF THE**
23 **DEPARTMENT DETERMINES THAT AN INDIVIDUAL IS ELIGIBLE TO PARTICIPATE**
24 **IN THE WORK FIRST PROGRAM, FAMILY INDEPENDENCE ASSISTANCE SHALL BE**
25 **PAID TO THAT INDIVIDUAL FOR NOT LONGER THAN A CUMULATIVE TOTAL OF**
26 **48 MONTHS DURING THAT INDIVIDUAL'S LIFETIME. ANY MONTH IN WHICH THE**
27 **UNEMPLOYMENT RATE IN THE METROPOLITAN STATISTICAL AREA IN WHICH THE**

1 INDIVIDUAL RESIDES IS HIGHER THAN 10% SHALL NOT BE COUNTED TOWARD
2 THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR FAMILY
3 INDEPENDENCE ASSISTANCE. ANY MONTH IN WHICH AN INDIVIDUAL IS
4 TEMPORARILY DEFERRED FROM WORK FIRST PARTICIPATION SHALL NOT BE
5 COUNTED TOWARD THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR
6 FAMILY INDEPENDENCE ASSISTANCE.

7 (5) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THE
8 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE DEPARTMENT SHALL
9 DETERMINE THE AMOUNT OF MONTHS EACH FAMILY INDEPENDENCE ASSISTANCE
10 RECIPIENT WHO IS NOT EXEMPT FROM WORK FIRST PARTICIPATION UNDER
11 SECTION 57F HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE. IF THE
12 DEPARTMENT DETERMINES THAT A FAMILY INDEPENDENCE ASSISTANCE
13 RECIPIENT HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE FOR A
14 CUMULATIVE TOTAL OF 36 MONTHS OR MORE AS OF THE EFFECTIVE DATE OF
15 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, THAT RECIPIENT IS
16 ELIGIBLE TO RECEIVE FAMILY INDEPENDENCE ASSISTANCE FOR NOT MORE
17 THAN 1 YEAR AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
18 ADDED THIS SUBSECTION.

19 (6) THE DEPARTMENT SHALL REASSESS THE RECIPIENT'S ELIGIBILITY
20 FOR FAMILY INDEPENDENCE ASSISTANCE NOT LATER THAN 24 MONTHS AFTER
21 THE DATE THE APPLICATION FOR FAMILY INDEPENDENCE ASSISTANCE WAS
22 APPROVED.

23 (7) ~~-(4)-~~ Not later than October 1, 2001, the ~~-family~~
24 ~~independence agency-~~ DEPARTMENT shall implement an automated finger
25 imaging system designed to prevent an individual from receiving
26 cash assistance, food stamps, or both under more than 1 name.
27 Beginning at the effective date of the establishment and

1 implementation of the finger imaging system, an individual applying
2 for cash assistance, food stamps, or both must provide the ~~family~~
3 ~~independence agency~~ **DEPARTMENT** with an automated finger image or
4 images as a condition of eligibility. Finger imaging obtained
5 ~~pursuant to~~ **UNDER** this subsection shall be used only for the
6 purposes of reducing fraud in obtaining public benefits or
7 assistance under this act.

8 **(8)** ~~(5)~~ The ~~family independence agency~~ **DEPARTMENT** shall
9 establish the automated finger image system that, at a minimum,
10 includes the following:

11 (a) Confidentiality of the automated finger image records
12 taken ~~pursuant~~ **ACCORDING** to this section.

13 (b) A system for administrative appeal of a matter relating to
14 the taking or verification of an individual's automated finger
15 image.

16 (c) A requirement to exempt children from providing the
17 automated finger image unless there is a reasonable suspicion that
18 the family group is committing fraud. For the purpose of this
19 subdivision, "family group" means a family and all those
20 individuals living with a family who apply for or receive cash
21 assistance, food stamps, or both.

22 (d) A requirement to exempt individuals from whom the
23 automated finger image technology is unable to obtain an accurate
24 finger image.

25 (e) A requirement to exempt patients placed in nursing homes
26 from providing the automated finger image.

27 (f) In addition to the population groups named in subdivisions

1 (c), (d), and (e), authority to exempt certain other population
2 groups from providing the automated finger image including, but not
3 limited to, homebound recipients.

4 (9) ~~-(6)-~~ The ~~family independence agency~~ **DEPARTMENT** shall
5 remove an individual's finger image from the department's file if
6 the individual has not received benefits or assistance from the
7 ~~family independence agency~~ **DEPARTMENT** within the previous 12
8 months.

9 (10) ~~-(7)-~~ The ~~family independence agency~~ **DEPARTMENT** may
10 negotiate and enter into a compact or reciprocal agreement with
11 another state department, the federal government, an agency of the
12 federal government, or an agency of another state for the purpose
13 of implementing and administering the finger imaging provisions of
14 this section as long as the compact or reciprocal agreement is not
15 inconsistent with the limitations of use and access contained in
16 subsection ~~-(4)-~~ (7).

17 (11) ~~-(8)-~~ The ~~family independence agency~~ **DEPARTMENT** shall
18 conduct ~~semi-annual~~ **SEMIANNUAL** security reviews to monitor the
19 automated finger imaging system to insure that all of the following
20 occur:

21 (a) All records maintained as part of the system are accurate
22 and complete.

23 (b) Effective software and hardware designs have been
24 instituted with security features to prevent unauthorized access to
25 records.

26 (c) Access to record information is restricted to authorized
27 personnel.

1 (d) System and operational programs are used that will
2 prohibit inquiry, record updates, or destruction of records from a
3 terminal other than automated finger imaging system terminals that
4 are designated to permit inquiry, record updates, or destruction of
5 records.

6 (e) System and operational programs are used to detect and
7 report all unauthorized attempts to penetrate an automated finger
8 imaging system, program, or file.

9 (12) ~~-(9)-~~ Beginning December 31 of the first year the
10 automated finger imaging system has been fully implemented, the
11 ~~family independence agency~~ **DEPARTMENT** shall compile and report
12 annually to the senate and house committees having jurisdiction
13 over ~~family independence agency~~ **DEPARTMENT** matters the following
14 information concerning the operation of the automated finger
15 imaging system:

16 (a) An analysis of the costs and savings of the system
17 including, but not limited to, administrative costs, operation
18 costs, and actual savings due to confirmed fraud and fraud
19 deterrence.

20 (b) The number of individuals who have applied for assistance
21 under more than 1 name.

22 (c) The number of individuals refusing to provide a finger
23 image and the reasons for the refusal.

24 (d) A detailed summary of the results of reviews required by
25 subsection ~~-(8)-~~ (11).

26 (13) ~~-(10)-~~ Except as necessary to carry out a compact or
27 agreement under subsection ~~-(7)-~~ (10) or unless otherwise required

1 by law, the ~~family independence agency~~ **DEPARTMENT** shall not sell,
2 transfer, or release information identifying an individual named in
3 the automated finger imaging system record to a third person,
4 including, but not limited to, another state department or agency.

5 (14) ~~-(11)-~~ A person shall not disclose information from the
6 automated finger imaging system record in a manner that is not
7 authorized by law or rule. A violation of this subsection is a
8 misdemeanor punishable by imprisonment for not more than 93 days or
9 a fine of not more than \$500.00, or both.

10 (15) ~~-(12)-~~ At the time an individual applies for cash
11 assistance, food stamps, or both, the ~~family independence agency~~
12 **DEPARTMENT** shall inform the individual of all of the following:

13 (a) The requirement to allow the department to take a finger
14 image from the individual.

15 (b) The fact that the finger image may be compared to the
16 finger images of other benefit recipients to prevent duplicate
17 participation.

18 (c) The fact that the department is prohibited by law from
19 using the finger image for a different purpose.

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 93rd Legislature are
22 enacted into law:

23 (a) House Bill No. 5438.

24 (b) House Bill No. 5439.

25 (c) House Bill No. 5440.

26 (d) House Bill No. 5441.

27 (e) House Bill No. 5442.

- 1 (f) House Bill No. 5443.
- 2 (g) House Bill No. 5444.
- 3 (h) House Bill No. 5446.