



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4482 (Substitute S-1 as reported)
Sponsor: Representative Brenda Clack
House Committee: Families and Children's Services
Senate Committee: Families and Human Services

CONTENT

The bill would amend the Social Welfare Act to do the following:

- Require an individual to participate in assigned work-related activities once it was determined that he or she could be eligible for family independence assistance and was not exempt from Work First.
- Require the Department of Human Services and the Department of Labor and Economic Growth to hold weekly orientation sessions (instead of joint orientation sessions at least weekly) for family independence assistance applicants.
- Establish a sunset date of September 30, 2011, on the section that provides for a 48-month cumulative limit on family independence assistance.
- Permit a recipient to apply for a 12-month extension of assistance beyond the 48-month limit if he or she had not received more than two penalties after October 1, 2007 (when the 48-month limit began), rather than after December 31, 2006.
- Apply two different definitions of "noncompliance" in the Act to two separate sets of penalties: those that were in effect until March 30, 2007, and those that apply from April 1, 2007, to September 30, 2011.
- Apply penalties for noncompliance after April 1, 2007, to the recipient's family, rather than to the recipient.

MCL 400.57d et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have a fiscal impact on State government. The Department of Human Services (DHS) has experienced a 13% increase in the Family Independence Program (FIP) caseloads since May 2006. The Department indicates that this caseload increase is partly attributable to a 2005 policy change in the Social Welfare Act that requires FIP cases to be opened before clients attend the orientation session and begin participation in work-related activities. The elimination of the 2005 legislative policy would reduce the number of case openings and save FIP payment costs. The DHS estimates savings in payment costs of \$4.7 million for FY 2006-07 and \$24.4 million for FY 2007-08, an average caseload reduction of approximately 900 cases and 5,000 cases, respectively.

Date Completed: 5-9-07

Fiscal Analyst: Constance Cole