



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bills 943 and 944 (as reported without amendment)
Sponsor: Senator Ken Horn (S.B. 943)
Senator Dale W. Zorn (S.B. 944)
Committee: Michigan Competitiveness

CONTENT

Senate Bill 943 would amend the Corrections Code to require each field operations administration region of the Department of Corrections (DOC), on a quarterly basis, to give the Department of Health and Human Services (DHHS) a list of supervised individuals within the region who had absconded from supervision.

"Supervised individual" would mean a person who has been released from prison on parole. "Abscond" would mean that an individual supervised under the Corrections Code fails to report to his or her supervising agent and intentionally fails to advise the agent of his or her whereabouts.

Senate Bill 944 would amend the Social Welfare Act to prohibit the DHHS from granting public assistance to an individual if the Department received information from the DOC that the individual had absconded from parole.

The bill would require the DHHS Director, or his or her designee, to review information provided by a DOC field operations administration region to determine whether public assistance recipients or applicants had absconded from supervision. The DHHS could not grant public assistance to an individual if it received information from a field operations administration region the person had absconded from supervision.

The Act prohibits the DHHS from granting public assistance to an individual if the Department receives information that he or she is subject to arrest under an outstanding warrant arising from a felony charge. If Federal approval is required in order to prevent the loss of Federal reimbursement as a result of applying this prohibition to a recipient of Family Independence Assistance or food stamps, however, the DHHS must take action necessary to obtain that approval. Absent Federal approval, the DHHS must apply the prohibition only to recipients of State family assistance and State disability assistance. Under the bill, the Federal approval requirement also would apply to the denial of public assistance to a parole absconder.

Proposed MCL 791.284 (S.B. 943)
MCL 400.10b (S.B. 944)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 943 would have no fiscal impact on State or local government. The additional required report would be completed using the Department of Corrections' existing appropriations.

Senate Bill 944 could result in maximum annual savings to the State of approximately \$8.3 million in Gross expenditures and \$4.2 million in General Fund/General Purpose expenditures,

based on the average of expenditures for 2014, 2015, and 2016. (The numbers for 2016 in this analysis are annualized based on data through March of the current year.) The bill would have no fiscal impact on local government.

From information provided by the Michigan Department of Corrections, the figures for parole absconders for the past two years and current year are as follows: 1,635 in 2014; 1,383 in 2015; and 1,211 in 2016.

Funding for the public assistance programs covered under the bill is provided by Federal and State revenue sources. Therefore, if benefits were severed for both federally and State-funded programs, there would be Gross expenditure savings; however, the only General Fund/General Purpose savings would be due to a reduction in the caseloads of State-funded programs.

Although Senate Bill 943 would require the Michigan Department of Corrections to provide a quarterly list of parole absconders to the Michigan Department of Health and Human Services to determine the number of absconders who were receiving public assistance, it is not currently known how many parole absconders are presently receiving public assistance. For purposes of determining the maximum fiscal savings under Senate Bill 944, this analysis assumes that the entire population of parole absconders is receiving public assistance benefits for an entire fiscal year.

For the programs that are federally funded, the Federal portion of the Family Independence Program and the Food Assistance Program, assuming all of the parole absconders were receiving the average public assistance benefit amounts, the savings if these individuals had been severed from benefits in the prior two years and the current year would be as follows: \$4,683,164 in 2014; \$3,869,584 in 2015; and \$3,382,329 in 2016; for a total of \$11,935,077.

For the programs that are State-funded, the State portion of the Family Independence Program and the State Disability Assistance program, if all of the parole absconders were receiving the average public assistance benefit amounts, the savings if these individuals had been severed from benefits in the prior two years and the current year would be as follows: \$4,896,092 in 2014; \$4,086,787 in 2015; and \$3,852,430 in 2016; for a total of \$12,835,309.

This analysis assumes the maximum possible savings if all of the parole absconders were indeed receiving public assistance benefits for an entire fiscal year. This may or may not be the case as the number of parole absconders who are receiving public assistance benefits is not currently known. The number of absconders who are actually receiving benefits could range from the entire known universe of absconders to a very small number of absconders. As a result, there would be uncertainty in the total savings until quarterly reports were delivered by the DOC to the DHHS as required by Senate Bill 943.

Date Completed: 6-1-16

Fiscal Analyst: Ryan Bergan
John Maxwell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.