



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 943 (Substitute S-1 as passed by the Senate)
Senate Bill 944 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Ken Horn (S.B. 943)
Senator Dale W. Zorn (S.B. 944)
Committee: Michigan Competitiveness

Date Completed: 8-24-16

CONTENT

Senate Bill 943 (S-1) would amend the Corrections Code to require field operations administration regions of the Department of Corrections (DOC) to report quarterly to the Department of Health and Human Services (DHHS) regarding parole absconders who were being actively sought by a law enforcement agency.

Senate Bill 944 (S-1) would amend the Social Welfare Act to do the following:

- Prohibit the DHHS from granting cash assistance to parole absconders.
- Prohibit the DHHS from granting food assistance to parole absconders who were being actively sought by law enforcement.
- Require the DHHS Director or his or her designee to review information provided by a field operations administration region to determine if cash assistance recipients or applicants had absconded from parole, or if food assistance recipients or applicants had absconded from parole and were being actively sought.
- Prohibit the DHHS from granting food assistance to an individual who had an outstanding felony warrant and was being actively sought by law enforcement.

The bills are tie-barred and each would take effect 90 days after its enactment.

Senate Bill 943 (S-1)

The bill would require each DOC field operations administration region, on a quarterly basis, to give the DHHS a list of supervised individuals within the region who had absconded from supervision and whom a law enforcement agency was actively seeking.

"Supervised individual" would mean a person who has been released from prison on parole.

"Field operations administration region" would mean one of the geographic regions delineated by the DOC that are charged with the responsibility of overseeing supervised individuals within the region, including those on probation and those released from prison on parole, and that employ parole and probation agents to engage in direct supervision of the individuals.

"Abscond" would mean that an individual supervised under the Corrections Code intentionally fails to report to his or her supervising agent and intentionally fails to advise the agent of his or her whereabouts.

"Actively seeking" would mean either of the following:

- A law enforcement agency intends to enforce an outstanding felony warrant for a supervised individual or arrest a supervised individual for a parole violation or for absconding from supervision within the following 30 days.
- The supervised individual has an active warrant for one of the following National Crime Information Center categories: escape; flight to avoid; or flight and escape.

Senate Bill 944 (S-1)

The Social Welfare Act prohibits the DHHS from granting public assistance to an individual if the Department receives information from a law enforcement officer that the individual 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 the application of this prohibition to a recipient receiving Family Independence Program assistance or food assistance, however, the DHHS must promptly take any action necessary to obtain that approval. In the absence of any necessary Federal approval, the DHHS must apply the prohibition only to recipients of State family assistance and State disability assistance.

The bill would prohibit the DHHS from granting cash assistance, rather than public assistance, under the circumstances described above. The bill also would prohibit the DHHS from granting food assistance to an individual if he or she had an outstanding felony warrant and law enforcement were actively seeking the individual.

In addition, the DHHS could not grant cash assistance to an individual if the Department received information from a DOC field operations administration region that the individual had absconded from supervision, as proposed by Senate Bill 943 (S-1). The DHHS also could not grant food assistance to an individual if it received information from a field operations administration region that he or she had absconded from supervision and that law enforcement was actively seeking the individual. These prohibitions would be subject to the current Federal approval provisions.

The Act requires the DHHS Director, or the Director's designee, to review information provided by the Department of State Police under the C.J.I.S. Policy Council Act to determine whether public assistance recipients or applicants are subject to arrest under an outstanding arrest warrant arising from a felony charge. The bill instead would require a review of that information to determine whether cash assistance or food assistance recipients or applicants had absconded from supervision.

The bill would require the DHHS Director or his or her designee also to review information provided by a field operations administration region to determine if cash assistance recipients or applicants had absconded from supervision, and to determine if food assistance recipients or applicants had absconded from supervision and if they were being actively sought by law enforcement.

Currently, subject to the provisions regarding Federal approval, the DHHS may not grant public assistance to an individual if it receives information from the State Police that the person is subject to an arrest under an outstanding warrant arising from a felony charge. The bill would refer to cash assistance or food assistance, rather than public assistance.

The terms "abscond", "actively seeking", and "field operations administrative region" would be defined as proposed in Senate Bill 943 (S-1).

"Cash assistance" would mean cash benefits provided under the Family Independence Program, the Refugee Assistance Program, or State Disability Assistance.

"Food assistance" would mean the food benefits provided under the Food Assistance Program administered under the Social Welfare Act.

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

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 943 (S-1)

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

Senate Bill 944 (S-1)

The bill 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 2016.¹ 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 shown in Table 1.

Table 1

Parole Absconders	
<u>Year</u>	<u>Number</u>
2014	1,635
2015	1,383
2016	1,211

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 (S-1) 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 (S-1), this analysis will assume 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, Table 2 shows the savings if these individuals had been severed from benefits in the prior two years and the current year.

¹ The numbers for 2016 in this analysis are annualized based on data through March of the current year.

Table 2

Federally Funded Public Assistance Benefits	
<i>100% of Parole Absconders</i>	
<u>Year</u>	<u>Maximum Potential Expenditure Savings</u>
2014	\$4,683,164
2015	\$3,869,584
2016	\$3,382,329
Total	\$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, Table 3 shows the savings if these individuals had been severed from benefits in the prior two years and the current year.

Table 3

State-Funded Public Assistance Benefits	
<i>100% of Parole Absconders</i>	
<u>Year</u>	<u>Maximum Potential Expenditure Savings</u>
2014	\$4,896,092
2015	\$4,086,787
2016	\$3,852,430
Total	\$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 (S-1).

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