

Legislative Analysis



DISTRIBUTE FOOD BENEFITS TWICE PER MONTH

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Senate Bill 120

Sponsor: Sen. Martha Scott

House Committee: Families and Children's Services

Senate Committee: Families and Human Services

Complete to 3-18-08

A SUMMARY OF SENATE BILL 120 AS PASSED BY THE SENATE ON 3-12-08

The bill would amend the Social Welfare Act (MCL 400.14j) to require the Department of Human Services to issue regular food assistance benefits two times per month to an individual who is eligible for food assistance benefits of \$100 per month or more. The department could continue to issue food assistance benefits one time per month to recipients receiving assistance benefits less than \$100 per month. The department could also continue to issue food assistance benefits to the recipient on a staggered basis based on the case ending digit. The bill would not apply to the issuance of initial food benefits, retroactive assistance benefits, or supplemental food assistance benefits. (A similar bill, House Bill 4923, is on the House floor.)

FISCAL IMPACT:

The bill would require the Department of Human Services to issue standard food assistance benefits to eligible recipients two times each month to certain beneficiaries. Under current policy, benefits are distributed once each month with these payments staggered over the first nine days of the month to individual recipients based on the last digit of the client's case number.

The policy change would impose one-time costs on the Department of Human Services related to information technology systems changes needed to implement the change and staff time needed to respond to recipient inquiries that would likely result from the policy change. Information from the Department of Human Services suggests that the information technology systems costs would be around \$900,000 if the system were changed to require distributions twice per month for all clients. The additional increase in staff time and costs would depend upon the number of recipient inquiries that resulted from the policy change and the required follow-up time from DHS staff. For reference, in September 2007, the DHS issued food assistance benefits to 565,588 recipient groups representing 1,217,334 individuals, so a significant workload impact is possible.

Federal funding would be provided to meet 50 percent of any resulting costs. State revenues would be required for the remaining 50 percent.

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