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BILL ANALYSIS



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Senate Bill 905 (Substitute S-1 as reported)
Sponsor: Senator Joe Hune
Committee: Families, Seniors and Human Services

CONTENT

The bill would amend the Social Welfare Act to include community service in a Family Independence Program (FIP) assistance recipient's self-sufficiency plan.

The Act requires the Department of Human Services (DHS) to enter into an agreement with the Michigan Economic Development Corporation (MEDC) or a successor entity to facilitate the administration of the Jobs, Education, and Training (JET) Program. At the time the DHS determines that an individual is eligible to receive FIP assistance, it must determine whether that individual is eligible to participate in the JET program or if he or she is exempt from JET Program participation. The DHS and the MEDC must develop a recipient's self-sufficiency plan, which must set forth particular activities in which a recipient is required or authorized to participate, the number of hours of work required, and other details of the JET program. Under the bill, the plan would have to include community service in those activities.

MCL 400.57f

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would not likely have a fiscal impact on the State. Based on Federal regulations and DHS policy, community service can be included as a component of work participation and a family self-sufficiency plan. As the Act allows the DHS some flexibility in determining which clients are exempt from JET Program participation, the number or portion of families that would be required to participate in community service is not known. Approximately 25% to 30% of clients currently meet the Federal Temporary Assistance for Needy Families (TANF) work participation requirements.

Sanctions are in place for families that do not comply with the work participation requirements. According to current DHS policy, the sanctions result in case closure for a minimum of three months for the first episode of noncompliance, six months for the second, and lifetime closure for the third episode of noncompliance. If FIP recipients were required to perform community service, an indeterminate portion of these clients might not be in compliance with the requirement, which would result in an increased number of FIP sanctions.

The bill would have no fiscal impact on local units of government.

Date Completed: 7-30-12

Fiscal Analyst: Frances Carley

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