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BILL ANALYSIS



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Senate Bill 905 (as introduced 1-24-12)
Sponsor: Senator Joe Hune
Committee: Families, Seniors and Human Services

Date Completed: 6-6-12

CONTENT

The bill would amend the Social Welfare Act to require an individual to perform community service in order to receive Family Independence Program (FIP) assistance, unless he or she were exempt from the Jobs, Education, and Training (JET) Program.

Under the Act, an individual who meets certain qualifications is eligible for FIP assistance. The bill would include in those qualifications that the individual performed community service as directed by the Department of Human Services (DHS), if not exempt from the JET Program.

The Act requires the DHS to enter into an agreement with the Michigan Economic Development Corporation (MEDC) or a successor entity to facilitate the administration of the 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 following individuals are exempt from JET Program participation:

- A child under the age of 16.
- A child age 16 to 18 who is attending elementary or secondary school full-time.
- A recipient who has medical documentation of being disabled or of an inability to participate in employment or the JET Program for more than 90 days because of a mental or physical condition.
- A recipient unable to participate as determined by the medical review team.
- A recipient who is at least 65.
- A recipient of Supplemental Security Income.
- A recipient of retirement, survivor, or disability insurance based on disability or blindness, or a recipient found eligible for retirement, survivor, or disability insurance based on disability or blindness who is in nonpay status.

The Act also allows the DHS to grant a temporary exemption from JET Program participation to certain individuals.

Under the bill, if an individual were not exempt from participation in the JET Program, he or she would have to perform community service as directed by the DHS in order to be eligible to receive FIP assistance.

FISCAL IMPACT

The bill could result in savings to the State, but the level of savings would depend on how the DHS implemented the requirements and whether the affected cases were funded with Federal or State dollars.

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 25-30% of clients currently meet the Federal Temporary Assistance for Needy Families (TANF) work participation requirements.

For those families that do not comply with the work participation requirements, there are sanctions in place. 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 episode of noncompliance 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. For example, if 5,000 clients who were required to participate in community service were sanctioned for three months for noncompliance, the savings would total approximately \$6.5 million in either Federal or State funding, depending on the case.

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

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