

Act No. 131
Public Acts of 2011
Approved by the Governor
September 6, 2011
Filed with the Secretary of State
September 6, 2011
EFFECTIVE DATE: October 1, 2011

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Reps. Horn, Kurtz, Tyler, Lyons, Knollenberg, Agema, Rendon, Moss, Franz, Yonker, Muxlow, Lori, Rogers, McMillin, Denby, Callton, Wayne Schmidt, Crawford, Outman, Somerville, Cotter, Shirkey, Genetski, MacMaster, Price, Bumstead, Scott, Pscholka, Pettalia, Poleski, Opsommer, McBroom, Glardon, Daley, Heise, O'Brien, Haveman, Potvin, Foster, Haines and Nesbitt

ENROLLED HOUSE BILL No. 4409

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," by amending sections 57, 57a, 57b, 57c, 57d, 57e, 57g, 57i, 57l, 57p, 57q, 57r, and 57u (MCL 400.57, 400.57a, 400.57b, 400.57c, 400.57d, 400.57e, 400.57g, 400.57i, 400.57l, 400.57p, 400.57q, 400.57r, and 400.57u), section 57 as amended and section 57p as added by 2006 PA 471, section 57a as amended by 1999 PA 26, section 57b as amended and sections 57q and 57u as added by 2006 PA 468, section 57c as added by 1995 PA 223, sections 57d, 57g, and 57r as amended by 2007 PA 9, section 57e as amended by 2006 PA 469, section 57i as added by 2000 PA 478, and section 57l as added by 1999 PA 17; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 57. (1) As used in this section and sections 57a to 57u:

(a) "Adult-supervised household" means either of the following:

(i) The place of residence of a parent, stepparent, or legal guardian of a minor parent.

(ii) A living arrangement not described in subparagraph (i) that the department approves as a family setting that provides care and control of a minor parent and his or her child and supportive services including, but not limited to, counseling, guidance, or supervision.

(b) "Caretaker" means an individual who is acting as parent for a child in the absence or because of the disability of the child's parent or stepparent and who is the child's legal guardian, grandparent, great grandparent, great-great grandparent, sibling, stepsibling, aunt, great aunt, great-great aunt, uncle, great uncle, great-great uncle, nephew, niece, first cousin, or first cousin once-removed, a spouse of any person listed above, a parent of the putative father, or an unrelated individual aged 21 or older whose appointment as legal guardian of the child is pending.

(c) "Child" means an individual who is not emancipated under 1968 PA 293, MCL 722.1 to 722.6, who lives with a parent or caretaker, and who is either of the following:

(i) Under the age of 18.

(ii) Age 18 and a full-time high school student.

(d) "Family" means 1 or more of the following:

(i) A household consisting of a child and either of the following:

(A) A parent or stepparent of the child.

(B) A caretaker of the child.

(ii) A pregnant woman.

(iii) A parent of a child in foster care.

(e) "Family independence program assistance" means financial assistance provided to a family under the family independence program.

(f) "Family independence program assistance group" means all those members of a program group who receive family independence program assistance.

(g) "Family independence program" means the program of financial assistance established under section 57a.

(h) "Family self-sufficiency plan" means a document described in section 57e that is executed by a family in return for receiving family independence program assistance.

(i) "JET program" means the jobs, education and training program administered by the Michigan economic development corporation or a successor entity for applicants and recipients of family independence program assistance or a successor program.

(j) "Medical review team" means the team composed of a disability examiner and a physician as a medical consultant who certifies disability for the purpose of eligibility for assistance under this act.

(k) "Negative action period" means the time frame a client is given notice for a benefit decrease or closure of the family independence program benefit.

(l) "Minor parent" means an individual under the age of 18 who is not emancipated under 1968 PA 293, MCL 722.1 to 722.6, and who is either the biological parent of a child living in the same household or a pregnant woman.

(m) "Payment standard" means the standard upon which family independence program assistance benefits are based.

(n) "Program group" means a family and all those individuals living with a family whose income and assets are considered for purposes of determining financial eligibility for family independence program assistance.

(o) "Recipient" means an individual receiving family independence program assistance.

(p) "Substance abuse" means that term as defined in section 6107 of the public health code, 1978 PA 368, MCL 333.6107.

(q) "Substance abuse treatment" means outpatient or inpatient services or participation in alcoholics anonymous or a similar program.

(r) "Supplemental security income" means the program of supplemental security income provided under title XVI.

(2) A reference in this act to "aid to dependent children" or "aid to families with dependent children" means "family independence program assistance".

Sec. 57a. (1) The department shall establish and administer the family independence program to provide assistance to families who are making efforts to achieve independence.

(2) The department shall administer the family independence program to accomplish all of the following:

(a) Provide financial support to eligible families while they pursue self-improvement activities and engage in efforts to become financially independent.

(b) Ensure that recipients who are minor parents live in adult-supervised households in order to reduce long-term dependency on financial assistance.

(c) Assist families in determining and overcoming the barriers preventing them from achieving financial independence.

(d) Ensure that families pursue other sources of support available to them.

(3) The department shall establish income and asset levels for eligibility, types of income and assets to be considered in making eligibility determinations, payment standards, composition of the program group and the family independence program assistance group, program budgeting and accounting methods, and client reporting requirements to meet the following goals:

(a) Efficient, fair, cost-effective administration of the family independence program.

(b) Provision of family independence program assistance to families willing to work toward eventual self-sufficiency.

Sec. 57b. (1) An individual who meets all of the following requirements is eligible for family independence program assistance:

(a) Is a member of a family or a family independence program assistance group.

(b) Is a member of a program group whose income and assets are less than the income and asset limits set by the department.

(c) In the case of a minor parent, meets the requirements of subsection (2).

(d) Is a United States citizen, a permanent resident alien, or a refugee. If the applicant indicates that he or she is not a United States citizen, the department shall verify the applicant's immigration status using the federal systematic alien verification for entitlements (SAVE) program.

(e) Is a resident of this state as described in section 32.

(f) Meets any other eligibility criterion required for the receipt of federal or state funds or determined by the department to be necessary for the accomplishment of the goals of the family independence program.

(2) A minor parent and the minor parent's child shall not receive family independence program assistance unless they live in an adult-supervised household. The family independence program assistance shall be paid on behalf of the minor parent and child to an adult in the adult-supervised household. Child care in conjunction with participation in education, employment readiness, training, or employment programs, that have been approved by the department, shall be provided for the minor parent's child. The minor parent and child shall live with the minor parent's parent, stepparent, or legal guardian unless the department determines that there is good cause for not requiring the minor parent and child to live with a parent, stepparent, or legal guardian. The department shall determine the circumstances that constitute good cause, based on a parent's, stepparent's, or guardian's unavailability or unwillingness or based on a reasonable belief that there is physical, sexual, or substance abuse, or domestic violence, occurring in the household, or that there is other risk to the physical or emotional health or safety of the minor parent or child. If the department determines that there is good cause for not requiring a minor parent to live with a parent, stepparent, or legal guardian, the minor parent and child shall live in another adult-supervised household. A local office director may waive the requirement set forth in this subsection with respect to a minor parent who is at least 17 years of age, attending secondary school full-time, and participating in a department service plan or a teen parenting program, if moving would require the minor parent to change schools.

(3) If a recipient who is otherwise eligible for family independence program assistance under this section is currently applying for supplemental security income and seeking exemption from the JET program, the recipient shall be evaluated and assessed as provided in this section before a family self-sufficiency plan is developed under section 57e. Based on a report resulting from the evaluation and assessment, the caseworker shall make a determination and referral as follows:

(a) A determination that the recipient is eligible to participate in the JET program and a referral to the JET program.

(b) A determination that the recipient is exempt from JET program participation under section 57f and a referral to a sheltered work environment or subsidized employment.

(c) A determination that the recipient is exempt from JET program participation under section 57f and a referral for supplemental security income advocacy.

(4) The department may contract with a legal services organization to assist recipients with the process for applying for supplemental security income. The department may also contract with a nonprofit rehabilitation organization to perform the evaluation and assessment described under subsection (3). If the department contracts with either a nonprofit legal or rehabilitation services organization, uniform contracts shall be used statewide that include, but are not limited to, uniform rates and performance measures.

(5) The auditor general shall conduct an annual audit of the evaluation and assessment process required under this section and submit a report of his or her findings to the legislature.

Sec. 57c. If a minor parent applies for family independence program assistance, the department shall do all of the following:

(a) Inform the minor parent of the eligibility requirements of section 57b(2) and the circumstances under which there is good cause for permitting the minor parent to live in an adult-supervised household other than the home of his or her parent or legal guardian.

(b) Complete a home visit or other appropriate investigation before requiring a minor parent to live with his or her parent, stepparent, or legal guardian.

(c) If applicable, assist the minor parent to find an adult-supervised household in which to live.

(d) Inform the minor parent of the requirement to attend school full-time.

Sec. 57d. (1) The department and the Michigan economic development corporation or a successor entity shall conduct weekly orientation sessions for family independence program assistance applicants. After the department makes an initial determination that an adult or a child aged 16 or older who is not attending elementary or secondary school full-time may be eligible for family independence program assistance and is not exempt from JET program participation under section 57f, that individual shall participate in assigned work-related activities. The individual, the department, and a JET program representative shall develop the family's family self-sufficiency plan in accordance with section 57e.

(2) If an applicant who is not exempt from JET program participation under section 57f fails to cooperate with the JET program or other required employment and training activities, the family is ineligible for family independence program assistance.

(3) The department shall impose penalties under section 57g if the individual fails to comply with the individual's family self-sufficiency plan.

(4) If the individual is complying with the family self-sufficiency plan, the department, a JET program representative, and the recipient may revise the family self-sufficiency plan if necessary and the family independence program assistance group shall continue to receive family independence program assistance so long as the recipients meet family independence program assistance requirements.

(5) The department shall reassess the recipient's eligibility for family independence program assistance every 12 months after the date the application for family independence program assistance was approved. At the time of a reassessment under this subsection, the recipient shall meet with his or her caseworker and JET program representative and redevelop the family self-sufficiency plan.

Sec. 57e. (1) Each family receiving family independence program assistance shall execute a family self-sufficiency plan outlining the responsibilities of members of the family independence program assistance group, the contractual nature of family independence program assistance, and the focus on the goal of attaining self-sufficiency. The family self-sufficiency plan shall be developed by the department and the adult family members of the family independence program assistance group with the details of JET program participation to be included in the family self-sufficiency plan being developed by the department, the Michigan economic development corporation or a successor entity, and the adult family members of the family independence program assistance group. Except as described in section 57b, the department shall complete a thorough assessment to facilitate development of the family self-sufficiency plan, including consideration of referral to a life skills program, and determination as to whether the family independence program assistance group's adult members are eligible to participate in the JET program or are exempt from JET program participation under section 57f. The family self-sufficiency plan shall identify compliance goals that are to be met by members of the family independence program assistance group and goals and responsibilities of the members of the family independence program assistance group, the department, and the JET program. The family self-sufficiency plan shall reflect the individual needs and abilities of the particular family, and shall include at least all of the following:

(a) The obligation of each adult and each child aged 16 or older who is not attending elementary or secondary school full-time to participate in the JET program unless exempt under section 57f.

(b) The obligation of each minor parent who has not completed secondary school to attend school.

(c) Except as provided in section 57f(3) and (4), the obligation of each adult to engage in employment, JET program activities, education or training, community service activities, or self-improvement activities, as determined appropriate by the department.

(d) The obligation to cooperate in the establishment of paternity and to assign child and spousal support to the department as required by federal law and to cooperate in the procurement of child support, if applicable.

(e) The obligation of a recipient who fails to comply with compliance goals due to substance abuse to participate in substance abuse treatment and submit to any periodic drug testing required by the treatment program.

(f) If the recipient is determined to be eligible to participate in the JET program, the obligation that the requirements of the family self-sufficiency plan must, at a minimum, meet federal guidelines for work participation. Exceptions may be granted if it is determined that the recipient or a family member in the recipient's household has a disability that needs reasonable accommodation as required by section 504 of title V of the rehabilitation act of 1973, 29 USC 794, subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134, or another identified barrier that interferes with the recipient's ability to participate in required activities. Reasonable accommodation must be made to adjust the number of required hours or the types of activities required to take the identified limitations into account.

(g) The obligation that the recipient must enroll in a GED preparation program, a high school completion program, or a literacy training program, if the department determines the resources are available and the assessment and plan demonstrate that these issues present a barrier to the recipient meeting the requirements in his or her family self-sufficiency plan. This basic educational skills training shall be combined with other occupational skills training, whenever possible, to assure that it can be counted toward federal work participation requirements.

(h) Notification to the recipient of the 48-month lifetime cumulative total for collecting family independence program assistance.

- (i) A prohibition on using family independence program assistance to purchase lottery tickets, alcohol, or tobacco, for gambling, or for illegal activities or any other nonessential items.
 - (j) Information regarding sanctions that shall be imposed under section 57g for noncompliance.
 - (k) Any other obligation the department determines is necessary to enable the family to achieve independence.
- (2) The department shall monitor each family's compliance with the family self-sufficiency plan.

Sec. 57g. (1) Except as provided in subsection (5), if a recipient does not meet his or her individual family self-sufficiency plan requirements and is therefore noncompliant, the department shall impose the penalties described under this section. The department shall implement a schedule of penalties for instances of noncompliance as described in this subsection. The penalties shall be as follows:

(a) For the first instance of noncompliance, the family is ineligible to receive family independence program assistance for not less than 3 calendar months.

(b) For the second instance of noncompliance, the family is ineligible to receive family independence program assistance for not less than 6 calendar months.

(c) For the third instance of noncompliance, the family is permanently ineligible to receive family independence program assistance.

(2) For the purposes of subsections (1) to (4), "noncompliance" means 1 or more of the following:

(a) A recipient quits a job.

(b) A recipient is fired for misconduct or absenteeism.

(c) A recipient voluntarily reduces employment hours or earnings.

(d) A recipient refuses a bona fide offer of employment or additional hours up to 40 hours per week.

(e) A recipient does not participate in JET program activities.

(f) A recipient is noncompliant with his or her family self-sufficiency plan.

(g) A recipient states orally or in writing his or her intent not to comply with family independence program or JET program requirements.

(h) A recipient refuses employment support services if the refusal prevents participation in an employment or self-sufficiency related activity.

(3) For any instance of noncompliance, the recipient shall receive notice of the noncompliance. The recipient shall have not less than a 12-day negative action period before the penalties prescribed in this section are imposed. If the recipient demonstrates good cause for the noncompliance during this period and if the family independence specialist caseworker and the JET program caseworker agree that good cause exists for the recipient's noncompliance, a penalty shall not be imposed. For the purpose of this subsection, good cause is 1 or more of the following:

(a) The recipient suffers from a temporary debilitating illness or injury or an immediate family member has a debilitating illness or injury and the recipient is needed in the home to care for the family member.

(b) The recipient lacks child care as described in section 407(e)(2) of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 USC 607(e)(2).

(c) Either employment or training commuting time is more than 2 hours per day or is more than 3 hours per day when there are unique and compelling circumstances, such as a salary at least twice the applicable minimum wage or the job is the only available job placement within a 3-hour commute per day, not including the time necessary to transport a child to child care facilities.

(d) Transportation is not available to the recipient at a reasonable cost.

(e) The employment or participation involves illegal activities.

(f) The recipient is physically or mentally unfit to perform the job, as documented by medical evidence or by reliable information from other sources.

(g) The recipient is illegally discriminated against on the basis of age, race, disability, gender, color, national origin, or religious beliefs.

(h) Credible information or evidence establishes 1 or more unplanned or unexpected events or factors that reasonably could be expected to prevent, or significantly interfere with, the recipient's compliance with employment and training requirements.

(i) The recipient quit employment to obtain comparable employment.

(4) For all instances of noncompliance resulting in termination of family independence program assistance for any period of time described in subsection (1), the period of time the recipient is ineligible to receive family independence program assistance applies toward the recipient's 48-month cumulative lifetime total.

(5) Family independence program assistance benefits shall be terminated if a recipient fails, without good cause, to comply with applicable child support requirements including efforts to establish paternity, and assign or obtain child support. The family independence program assistance group is ineligible for family independence program assistance for not less than 1 calendar month. After family independence program assistance has been terminated for not less than 1 calendar month, family independence program assistance may be restored if the noncompliant recipient complies with child support requirements including the action to establish paternity and obtain child support.

(6) The department may promulgate rules in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, identifying other reasons for good cause under this section. Any rule promulgated under this subsection shall not apply 1 year after the effective date of the amendatory act that added this subsection.

Sec. 57i. (1) If a landlord or provider of housing participates in the department rent vendoring program, the landlord shall certify that the dwelling unit being provided meets all of the following requirements:

(a) The dwelling unit does not have a condition that would facilitate the spread of a communicable disease. As used in this subdivision, "communicable disease" means that term as defined in section 5101 of the public health code, 1978 PA 368, MCL 333.5101.

(b) The dwelling unit is fit for human habitation.

(c) The dwelling unit is not dangerous to life or health due to lack of repair of, a defect in, or the construction of a drainage source or device, plumbing, lighting, ventilation, or a heating source or device.

(2) If the department is notified by an enforcing agency that a landlord or provider of housing has a violation of a housing code that constitutes a hazard to the health or safety of the occupants, the department shall terminate that landlord's or provider's participation in the rent vendoring program for the dwelling unit until the violation is corrected.

(3) A landlord or provider of housing shall not evict an occupant from a dwelling unit based solely on termination of the landlord's or provider's participation in the rent vendoring program due to action taken by the department under subsection (2) or subsection (4). An occupant who is evicted in violation of this subsection may bring an action in any court having jurisdiction to recover treble damages, costs of the action, and reasonable attorney fees.

(4) If the department is notified that a landlord or provider of housing is delinquent on payment of property taxes or if the title of the property reverts to the state for nonpayment of property taxes, the department shall terminate that landlord's or provider of housing's participation in the rent vendoring program for that property.

Sec. 57l. (1) The department shall review the feasibility of a substance abuse testing program within the family independence program. The department shall report the findings of a review under this section to the senate and house of representatives committees dealing with human services matters not later than December 1, 2011.

(2) The review conducted under and the report presented under subsection (1) shall include, at least, both of the following:

(a) The methods of substance abuse testing reviewed.

(b) The costs associated with the methods identified under subdivision (a).

Sec. 57p. Any month in which a recipient has been exempted from the JET program under section 57f(3) or (4)(b) shall not be counted toward the cumulative total of 48 months in a lifetime for family independence program assistance. Any month in which a recipient has been exempted from the JET program under section 57f(4)(e) or (f) may, in the department's discretion, be excluded from the count toward the cumulative total of 48 months in a lifetime for family independence program assistance.

Sec. 57q. (1) Beginning October 1, 2011, upon the initial application for benefits for family independence program assistance, the department shall disregard \$200.00 plus 20% of the family independence program assistance group's earned income for purposes of determining if the applicant's earned income exceeds the income and asset limits set by the department.

(2) Beginning October 1, 2011, the department shall disregard \$200.00 plus 50% of the family independence program assistance group's earned income for the purpose of determining if the family independence program assistance group's income exceeds the income and asset limits set by the department throughout the duration of receiving family independence program assistance.

Sec. 57r. Beginning October 1, 2007, family independence program assistance shall be paid to an individual for not longer than a cumulative total of 48 months during that individual's lifetime.

Sec. 57u. (1) The department shall provide a report of exemptions under section 57f by district office and by criteria.

(2) The department shall provide a report by district office on the number of sanctions issued, the number of compliance exceptions granted, and the success rate of recipients given the compliance exception under section 57g.

(3) The department shall require district managers to track performance of caseworkers with regard to sanctions under section 57g.

(4) The department shall require reporting by county office on referrals to the medical review team and the following:

- (a) Referrals pending less than 90 days.
- (b) Referrals pending 90 to 180 days.
- (c) Referrals pending 180 to 365 days.

(5) The department shall require a quarterly report on cases in which the recipient has applied for supplemental security income under section 57b as follows:

- (a) The number of cases assessed.
- (b) The number of cases referred to the JET program.
- (c) The number of cases placed in subsidized employment.
- (d) The number of cases referred to legal services advocacy programs and the number of cases granted supplemental security income.

(6) The department shall report the progress of the plan required under section 57q and its implementation progress annually by April 1.

(7) Except for the reporting requirement provided in subsection (6), all the reports required under this section shall be provided on a quarterly basis to all of the following:

- (a) The senate and house standing committees dealing with appropriations for human services.
- (b) The senate and house fiscal agencies.
- (c) The majority leader of the senate and the speaker of the house of representatives.

Enacting section 1. Sections 57h, 57k, 57o, and 57t of the social welfare act, 1939 PA 280, MCL 400.57h, 400.57k, 400.57o, and 400.57t, are repealed.

Enacting section 2. This amendatory act takes effect October 1, 2011.

Enacting section 3. This amendatory act does not take effect unless House Bill No. 4410 of the 96th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor