

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 817

[A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending sections 57d, 57e, 57f, and 57g (MCL 400.57d,
400.57e, 400.57f, and 400.57g), as added by 1995 PA 223, and by
adding sections 14h and 14i.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 14H. (1) THE FAMILY INDEPENDENCE AGENCY SHALL USE AN
2 ELECTRONIC BENEFIT TRANSFER SYSTEM FOR FOOD STAMP DISTRIBUTION.

3 (2) TO THE EXTENT THAT RULES OR PARTS OF RULES PROMULGATED
4 UNDER THIS ACT CONFLICT WITH THE PROVISIONS OF THIS SECTION, THE
5 PROVISIONS OF THIS SECTION SUPERSEDE THOSE RULES OR PARTS OF
6 RULES.

7 (3) THE FOLLOWING RULES ARE RESCINDED:

8 (A) R 400.3002 OF THE MICHIGAN ADMINISTRATIVE CODE.

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1 (B) R 400.3003 OF THE MICHIGAN ADMINISTRATIVE CODE.

2 (C) R 400.3004 OF THE MICHIGAN ADMINISTRATIVE CODE.

3 (D) R 400.3007 OF THE MICHIGAN ADMINISTRATIVE CODE.

4 (E) R 400.3008 OF THE MICHIGAN ADMINISTRATIVE CODE.

5 (F) R 400.3012 OF THE MICHIGAN ADMINISTRATIVE CODE.

6 (G) R 400.3013 OF THE MICHIGAN ADMINISTRATIVE CODE.

7 (H) R 400.3125 OF THE MICHIGAN ADMINISTRATIVE CODE.

[SEC. 14I. SECTION 57F(3)(C), (E), AND (F) AND SECTION 57G(4),
(5), (6), AND (7), SHALL NOT APPLY AFTER DECEMBER 31, 2004.]

8 Sec. 57d. (1) The ~~Michigan jobs commission~~ DEPARTMENT OF
9 CAREER DEVELOPMENT and the family independence agency shall con-
10 duct joint orientation sessions for family independence assist-
11 ance applicants no less frequently than weekly. After the family
12 independence agency makes an initial determination that an adult
13 or a child aged 16 or older who is not attending elementary or
14 secondary school full-time might be eligible for family indepen-
15 dence assistance, that individual shall attend a joint orienta-
16 tion session as a condition of eligibility prior to receipt of
17 family independence assistance. After completion of the orienta-
18 tion, the individual and the family independence agency shall
19 develop the family's social contract in accordance with section
20 57e. ~~If all eligibility criteria are met, the family indepen-~~
21 ~~dence agency shall provide family independence assistance to the~~
22 ~~family for not more than 2 months.~~

23 (2) ~~By the end of 2 months following the orientation ses-~~
24 ~~sion described in subsection (1), the family independence agency~~
25 ~~shall review the individual's compliance with the social~~
26 ~~contract.~~ If the individual ~~has failed~~ FAILS to cooperate with
27 work first JOINT ORIENTATION OR OTHER REQUIRED EMPLOYMENT AND

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1 TRAINING ACTIVITIES, the family is ineligible for ~~further~~
2 family independence assistance. ~~If the individual fails to~~
3 ~~cooperate with any other social contract requirement, the~~

4 (3) THE family independence agency shall impose penalties
5 under section 57g ~~— IF THE INDIVIDUAL FAILS TO COMPLY WITH ANY~~
6 OF THE FOLLOWING:

7 (A) WORK FIRST ACTIVITIES.

8 (B) EMPLOYMENT AND TRAINING ACTIVITIES.

9 (C) CHILD SUPPORT REQUIREMENTS.

10 (4) THE FAMILY INDEPENDENCE AGENCY MAY IMPOSE PENALTIES
11 UNDER SECTION 57G IF THE INDIVIDUAL FAILS TO COMPLY WITH THE
12 INDIVIDUAL'S SOCIAL CONTRACT REQUIREMENTS.

13 (5) If the individual is complying with the social contract,
14 the family independence agency and the recipient shall revise the
15 social contract if necessary and the family independence assist-
16 ance group shall continue to receive family independence assist-
17 ance so long as the recipients meet family independence assist-
18 ance program requirements.

19 Sec. 57e. (1) Each family receiving family independence
20 assistance shall execute a social contract outlining the respon-
21 sibilities of members of the family independence assistance
22 group. The social contract shall be developed jointly by the
23 family independence agency and the adult family members and shall
24 identify compliance goals that are to be met by members of the
25 family independence assistance group. The social contract shall
26 reflect the individual needs and abilities of the particular
27 family, and shall include at least all of the following:

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1 (a) The obligation of each adult and each child aged 16 or
2 older who is not attending elementary or secondary school
3 full-time to participate in work first unless exempt under sec-
4 tion 57f.

5 (b) The obligation of each minor parent who has not com-
6 pleted secondary school to attend school.

7 (c) ~~The~~ EXCEPT AS PROVIDED IN SECTION 57F(3), THE obliga-
8 tion of each adult to engage in ~~at least 20 hours per week of~~
9 employment, work first activities, education or training, commu-
10 nity service activities, or self-improvement activities, AS
11 DETERMINED APPROPRIATE BY THE FAMILY INDEPENDENCE AGENCY, UP TO
12 40 HOURS PER WEEK.

13 (d) The obligation to cooperate in the establishment of
14 paternity and the procurement of child support, if applicable.

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

19 (f) Any other obligation the family independence agency
20 determines is necessary to enable the family to achieve
21 independence.

22 ~~(2) Beginning 6 weeks after the birth of her child until~~
23 ~~the child is 3 months old, the family independence agency may~~
24 ~~permit a mother exempted from work first under section 57f(3)(d)~~
25 ~~to receive instruction in parenting, nutrition, and child devel-~~
26 ~~opment as fulfillment of her social contract obligation under~~
27 ~~section (1)(c).~~

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1 (2) ~~(3)~~ The family independence agency shall monitor each
2 family's compliance with the social contract. ~~If the family~~
3 ~~fails to comply with the compliance goals set forth in the social~~
4 ~~contract, the family independence agency shall impose penalties~~
5 ~~under section 57g.~~

6 Sec. 57f. (1) The family independence agency shall enter
7 into an agreement with the ~~Michigan jobs commission~~ DEPARTMENT
8 OF CAREER DEVELOPMENT in order to facilitate the administration
9 of work first. The family independence agency shall make infor-
10 mation on the program available to the legislature.

11 (2) Except as otherwise provided in subsection (3), every
12 member of a family independence assistance group shall be
13 referred to and shall participate in work first. ~~If a recipient~~
14 ~~has cooperated with work first but the work first agency deter-~~
15 ~~mines that a job is not available, the recipient may enroll in a~~
16 ~~program that is specifically job-related and of no more than 2~~
17 ~~years' duration that is offered by a college or university, com-~~
18 ~~munity college, state-licensed vocational or technical education~~
19 ~~program, or state-licensed proprietary school.~~ The particular
20 activities in which the recipient is required or authorized to
21 participate, the number of hours of work required, and other
22 details of work first shall be developed by the ~~Michigan jobs~~
23 ~~commission~~ DEPARTMENT OF CAREER DEVELOPMENT and the family inde-
24 pendence agency and shall be set forth in the recipient's social
25 contract. IF A RECIPIENT HAS COOPERATED WITH WORK FIRST, THE
26 RECIPIENT MAY ENROLL IN A PROGRAM APPROVED BY THE LOCAL WORKFORCE
27 DEVELOPMENT BOARD. ANY AND ALL TRAINING OR EDUCATION WITH THE

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1 EXCEPTION OF HIGH SCHOOL COMPLETION AND GED PREPARATION MUST BE
2 OCCUPATIONALLY RELEVANT AND IN DEMAND IN THE LABOR MARKET AS
3 DETERMINED BY THE LOCAL WORKFORCE DEVELOPMENT BOARD AND MAY BE NO
4 MORE THAN 2 YEARS IN DURATION. PARTICIPANTS MUST MAKE SATISFAC-
5 TORY PROGRESS WHILE IN TRAINING OR EDUCATION.

6 (3) The following individuals are exempt from participation
7 in work first:

8 (a) A child under the age of 16.

9 (b) A child aged 16 or older, or a minor parent, who is
10 attending elementary or secondary school full-time.

11 ~~(c) An individual who is working a minimum number of hours~~
12 ~~determined by the family independence agency to be necessary to~~
13 ~~meet federal requirements.~~

14 (C) ~~(d)~~ The ~~mother~~ PARENT of a child under the age of 3
15 months. THE FAMILY INDEPENDENCE AGENCY MAY REQUIRE A PARENT
16 EXEMPTED FROM PARTICIPATION IN WORK FIRST UNDER THIS SUBDIVISION
17 TO PARTICIPATE IN FAMILY SERVICES, INCLUDING, BUT NOT LIMITED TO,
18 INSTRUCTION IN PARENTING, NUTRITION, AND CHILD DEVELOPMENT BEGIN-
19 NING 6 WEEKS AFTER THE BIRTH OF HIS OR HER CHILD UNTIL THE CHILD
20 IS 3 MONTHS OLD AS FULFILLMENT OF THAT PARENT'S SOCIAL CONTRACT
21 OBLIGATION UNDER SECTION 57E(1)(C).

22 (D) ~~(e)~~ An individual aged 65 or older.

23 (E) A RECIPIENT OF SUPPLEMENTAL SECURITY INCOME.

24 (F) AN INDIVIDUAL WHO MEETS 1 OR MORE OF THE FOLLOWING CRI-
25 TERIA TO THE EXTENT THAT THE INDIVIDUAL, BASED ON MEDICAL EVI-
26 DENCE AND AN ASSESSMENT OF NEED BY THE FAMILY INDEPENDENCE

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1 AGENCY, IS SEVERELY RESTRICTED IN HIS OR HER ABILITY TO
2 PARTICIPATE IN EMPLOYMENT OR TRAINING ACTIVITIES:

3 (i) ~~-(f)-~~ A recipient of ~~supplemental security income,~~
4 social security disability, or medical assistance due to disabil-
5 ity or blindness.

6 (ii) ~~-(g)-~~ An individual suffering from a physical or mental
7 impairment that meets federal supplemental security income dis-
8 ability standards, except that no minimum duration is required.

9 (iii) ~~-(h)-~~ The spouse of an individual described in
10 ~~subdivision (f) or (g)~~ SUBPARAGRAPH (i) OR (ii) who is the
11 full-time caregiver of that individual.

12 (iv) ~~-(i)-~~ A parent or caretaker of a child who is suffering
13 from a physical or mental impairment that meets the federal sup-
14 plemental security income disability standards, except that no
15 minimum duration is required.

16 (4) In addition to those individuals exempt under subsection
17 (3), the family independence agency may grant a temporary exemp-
18 tion from participation in work first, not to exceed 90 days, to
19 an individual who is suffering from a documented short-term
20 mental or physical illness, limitation, or disability that
21 severely restricts his or her ability to participate in employ-
22 ment or training activities. An individual with a documented
23 mental or physical illness, limitation, or disability that does
24 not severely restrict his or her ability to participate in
25 employment or training activities shall be required to partici-
26 pate in work first at a medically permissible level.

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1 (5) An individual is not disabled for purposes of this
2 section if substance abuse is a contributing factor material to
3 the determination of disability.

4 Sec. 57g. (1) The family independence agency shall develop
5 a system of penalties to be imposed if a recipient fails to
6 comply with ~~the compliance goals set forth in the family inde-~~
7 ~~pendence assistance group's social contract or commits fraud-~~
8 APPLICABLE RULES OR THE PROVISIONS OF THIS SECTION. Penalties
9 may be cumulative and may include reduction of the grant, removal
10 of an individual from the family independence assistance group,
11 and termination of assistance to the family.

12 (2) A penalty shall not be imposed if the recipient has
13 demonstrated that there was good cause for ~~the noncompliance-~~
14 FAILING TO COMPLY. The family independence agency shall deter-
15 mine ~~those~~ THE circumstances that constitute good cause based
16 on factors that are beyond the control of a recipient.

17 (3) Recipients who are willing to participate in activities
18 leading to self-sufficiency but who require child care or trans-
19 portation in order to participate shall not be penalized if the
20 family independence agency determines that child care or trans-
21 portation is not reasonably available or provided to them.

22 (4) THE SYSTEM OF PENALTIES DEVELOPED UNDER SUBSECTION (1)
23 SHALL INCLUDE BOTH OF THE FOLLOWING:

24 (A) FAMILY INDEPENDENCE PROGRAM BENEFITS SHALL BE TERMINATED
25 IF A RECIPIENT FAILS, WITHOUT GOOD CAUSE, TO COMPLY WITH APPLICA-
26 BLE CHILD SUPPORT REQUIREMENTS INCLUDING EFFORTS TO ESTABLISH
27 PATERNITY AND OBTAIN CHILD SUPPORT. THE ASSISTANCE GROUP IS

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1 INELIGIBLE FOR FAMILY INDEPENDENCE PROGRAM ASSISTANCE FOR NOT
2 LESS THAN 1 CALENDAR MONTH. AFTER ASSISTANCE HAS BEEN TERMINATED
3 FOR NOT LESS THAN 1 CALENDAR MONTH, ASSISTANCE MAY BE RESTORED IF
4 THE NONCOMPLIANT RECIPIENT COMPLIES WITH CHILD SUPPORT REQUIRE-
5 MENTS INCLUDING THE ACTION TO ESTABLISH PATERNITY AND OBTAIN
6 CHILD SUPPORT.

7 (B) FOR ANY INSTANCE OF NONCOMPLIANCE, BEFORE DETERMINING
8 THAT A PENALTY SHALL BE IMPOSED, THE FAMILY INDEPENDENCE AGENCY
9 SHALL DETERMINE IF GOOD CAUSE FOR NONCOMPLIANCE EXISTS. THE
10 FAMILY INDEPENDENCE AGENCY SHALL NOTIFY THE RECIPIENT THAT HE OR
11 SHE HAS 10 DAYS TO DEMONSTRATE GOOD CAUSE FOR NONCOMPLIANCE. IF
12 GOOD CAUSE IS NOT DETERMINED TO EXIST, ASSISTANCE SHALL BE
13 TERMINATED. AFTER TERMINATION, THE ASSISTANCE GROUP IS INELIGI-
14 BLE FOR FAMILY INDEPENDENCE PROGRAM ASSISTANCE FOR NOT LESS THAN
15 1 CALENDAR MONTH.

16 (5) FOR THE PURPOSES OF THIS SECTION, "NONCOMPLIANCE" MEANS
17 1 OR MORE OF THE FOLLOWING:

18 (A) A RECIPIENT QUILTS A JOB.

19 (B) A RECIPIENT IS FIRED FOR MISCONDUCT OR FOR ABSENTEEISM
20 WITHOUT GOOD CAUSE.

21 (C) A RECIPIENT VOLUNTARILY REDUCES THE HOURS OF EMPLOYMENT
22 OR OTHERWISE REDUCES EARNINGS.

23 (D) A RECIPIENT DOES NOT PARTICIPATE IN WORK FIRST
24 ACTIVITIES.

25 (6) IF A RECIPIENT DOES NOT MEET THE RECIPIENT'S INDIVIDUAL
26 SOCIAL CONTRACT REQUIREMENTS, THE FAMILY INDEPENDENCE AGENCY MAY
27 IMPOSE A PENALTY.

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1 (7) AFTER TERMINATION FOR NONCOMPLIANCE, THE ASSISTANCE
2 GROUP IS INELIGIBLE FOR FAMILY INDEPENDENCE PROGRAM ASSISTANCE
3 FOR NOT LESS THAN 1 CALENDAR MONTH. AFTER ASSISTANCE HAS BEEN
4 TERMINATED FOR NOT LESS THAN 1 CALENDAR MONTH, FAMILY INDEPEN-
5 DENCE PROGRAM ASSISTANCE MAY BE APPROVED IF THE RECIPIENT COM-
6 PLETES A WILLINGNESS TO COMPLY TEST. FOR PURPOSES OF THIS SEC-
7 TION, "WILLINGNESS TO COMPLY" MEANS PARTICIPATING IN WORK FIRST
8 OR OTHER SELF-SUFFICIENCY ACTIVITIES FOR UP TO 40 HOURS WITHIN 10
9 WORKING DAYS. AT THE TIME ANY PENALTY IS IMPOSED UNDER THIS SEC-
10 TION, THE FAMILY INDEPENDENCE AGENCY SHALL PROVIDE THE RECIPIENT
11 WRITTEN NOTICE OF HIS OR HER OPTION TO IMMEDIATELY REAPPLY FOR
12 FAMILY INDEPENDENCE PROGRAM BENEFITS AND THAT HE OR SHE MAY COM-
13 PLETE A "WILLINGNESS TO COMPLY TEST" DURING THE PENALTY PERIOD.

[(8) THE FAMILY INDEPENDENCE AGENCY SHALL SUBMIT A REPORT FOR
THE PERIOD BETWEEN FEBRUARY 1, 2002 AND DECEMBER 31, 2002 TO THE
LEGISLATURE, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE
APPROPRIATE HOUSE AND SENATE STANDING COMMITTEES THAT HANDLE FAMILY
AND CHILDREN'S ISSUES, THAT CONTAINS ALL OF THE FOLLOWING
INFORMATION FOR THAT TIME PERIOD:

- (A) THE NUMBER OF SANCTIONS IMPOSED AND REAPPLICATIONS MADE.
- (B) THE NUMBER OF FAMILY INDEPENDENCE PROGRAM CASES REOPENED.
- (C) THE NUMBER OF REFERRALS TO EMERGENCY SHELTERS BY THE
DEPARTMENT.
- (D) THE NUMBER OF SANCTIONS IMPOSED ON FAMILIES WITH AT LEAST 1
DISABLED PARENT.
- (E) THE NUMBER OF SANCTIONS IMPOSED ON FAMILIES WITH DISABLED
CHILDREN.]

14 Enacting section 1. This amendatory act is effective
15 [February] 1, 2002.

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