

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5438

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending sections 14i, 57, 57a, 57d, and 57e (MCL 400.14i,
400.57, 400.57a, 400.57d, and 400.57e), section 14i as amended by
2004 PA 571, section 57 as added by 1995 PA 223, section 57a as
amended by 1999 PA 26, and sections 57d and 57e as amended by 2001
PA 280.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14i. Section 57f(3)(c), (e), and (f) and section 57g(4),
2 (5), (6), and (7) ~~shall~~ DO not apply after December 31, ~~2005~~
3 2010.

4 Sec. 57. (1) As used in this section and sections 57a to ~~57g~~
5 57U:

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

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

5 (ii) A living arrangement not described in subparagraph (i) that
6 the ~~family independence agency~~ **DEPARTMENT** approves as a family
7 setting that provides care and control of a minor parent and his or
8 her child and supportive services including, but not limited to,
9 counseling, guidance, or supervision.

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

19 (c) "Child" means an individual who is not emancipated under
20 ~~Act No. 293 of the Public Acts of 1968, being sections 722.1 to~~
21 ~~722.6 of the Michigan Compiled Laws 1968 PA 293, MCL 722.1 TO~~
22 **722.6**, who lives with a parent or caretaker, and who is either of
23 the following:

24 (i) Under the age of 18.

25 (ii) Age 18 or 19, a full-time high school student, and
26 reasonably expected to graduate from high school before the age of
27 20.

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

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

4 (A) A parent or stepparent of the child.

5 (B) A caretaker of the child.

6 (ii) A pregnant woman.

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

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

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

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

16 **(H) "FAMILY SELF-SUFFICIENCY PLAN" MEANS A DOCUMENT DESCRIBED**
17 **IN SECTION 57E THAT IS EXECUTED BY A FAMILY IN RETURN FOR RECEIVING**
18 **FAMILY INDEPENDENCE ASSISTANCE.**

19 **(I) —(h)—** "Minor parent" means an individual under the age of
20 18 who is not emancipated under ~~Act No. 293 of the Public Acts of~~
21 ~~1968— 1968 PA 293, MCL 722.1 TO 722.6,~~ and who is either the
22 biological parent of a child living in the same household or a
23 pregnant woman.

24 **(J) —(i)—** "Payment standard" means the standard upon which
25 family independence program benefits are based if the family
26 independence assistance group has no net income.

27 **(K) —(j)—** "Program group" means a family and all those

1 individuals living with a family whose income and assets are
 2 considered for purposes of determining financial eligibility for
 3 family independence assistance.

4 (l) ~~—(k)—~~ "Recipient" means an individual receiving family
 5 independence assistance.

6 ~~—(l) "Social contract" means a document described in section 57e~~
 7 ~~that is executed by a family in return for the receipt of family~~
 8 ~~independence assistance.~~

9 (m) "Substance abuse" means that term as defined in section
 10 6107 of the public health code, ~~Act No. 368 of the Public Acts of~~
 11 ~~1978, being section 333.6107 of the Michigan Compiled Laws 1978 PA~~
 12 **368, MCL 333.6107.**

13 (n) "Substance abuse treatment" means outpatient or inpatient
 14 services or participation in alcoholics anonymous or a similar
 15 program.

16 (o) **"SUPPLEMENTAL SECURITY INCOME" MEANS THE PROGRAM OF**
 17 **SUPPLEMENTAL SECURITY INCOME PROVIDED UNDER TITLE XVI.**

18 (p) ~~—(e)—~~ "Work first" means the program of employment and
 19 training administered by the ~~Michigan jobs commission~~ **DEPARTMENT**
 20 **OF LABOR AND ECONOMIC GROWTH** for applicants and recipients of
 21 family independence assistance.

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

25 Sec. 57a. (1) The ~~family independence agency~~ **DEPARTMENT**
 26 shall establish and administer the family independence program to
 27 provide assistance to families who are making efforts to achieve

1 independence.

2 (2) The ~~family independence agency~~ **DEPARTMENT** shall
3 administer the family independence program to accomplish all of the
4 following:

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

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

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

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

15 (3) The ~~family independence agency~~ **DEPARTMENT** shall
16 establish income and asset levels for eligibility, types of income
17 and assets to be considered in making eligibility determinations,
18 payment standards, composition of the program group and the family
19 independence assistance group, program budgeting and accounting
20 methods, and client reporting requirements to meet the following
21 goals:

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

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

26 **(4) AT THE TIME THE DEPARTMENT DETERMINES THAT AN INDIVIDUAL**
27 **IS ELIGIBLE TO RECEIVE FAMILY INDEPENDENCE ASSISTANCE UNDER THIS**

House Bill No. 5438 as amended December 8, 2005

1 ACT, THE DEPARTMENT SHALL DETERMINE WHETHER THAT INDIVIDUAL IS
2 ELIGIBLE TO PARTICIPATE IN THE WORK FIRST PROGRAM OR IF THE
3 INDIVIDUAL IS EXEMPT FROM WORK FIRST PARTICIPATION UNDER SECTION
4 57F. IF THE DEPARTMENT DETERMINES THAT AN INDIVIDUAL IS ELIGIBLE TO
5 PARTICIPATE IN THE WORK FIRST PROGRAM, FAMILY INDEPENDENCE
6 ASSISTANCE SHALL BE PAID TO THAT INDIVIDUAL FOR NOT LONGER THAN A
7 CUMULATIVE TOTAL OF 48 MONTHS DURING THAT INDIVIDUAL'S LIFETIME.
8 ANY MONTH IN WHICH THE UNEMPLOYMENT RATE IN THE COUNTY IN WHICH THE
9 INDIVIDUAL RESIDES IS HIGHER THAN 10% SHALL NOT BE COUNTED TOWARD
10 THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR FAMILY
11 INDEPENDENCE ASSISTANCE. ANY MONTH IN WHICH AN INDIVIDUAL IS
12 TEMPORARILY DEFERRED FROM WORK FIRST PARTICIPATION SHALL NOT BE
13 COUNTED TOWARD THE CUMULATIVE TOTAL OF 48 MONTHS IN A LIFETIME FOR
14 FAMILY INDEPENDENCE ASSISTANCE. IF THE RECIPIENT IS MEETING ALL THE
15 REQUIREMENTS OUTLINED IN HIS OR HER FAMILY SELF-SUFFICIENCY PLAN,
16 HAS NEVER RECEIVED A SANCTION UNDER SECTION 57G, AND LABOR MARKET
17 CONDITIONS OR EMPLOYMENT BARRIERS PREVENT EMPLOYMENT PLACEMENT, A
18 RECIPIENT MAY APPLY TO THE DEPARTMENT FOR AN EXTENSION OF FAMILY
19 INDEPENDENCE ASSISTANCE BENEFITS FOR A PERIOD NOT TO EXCEED 12
20 MONTHS OVER THE 48-MONTH CUMULATIVE LIFETIME TOTAL. <<NOTHING IN THIS
SUBSECTION SHALL PREVENT THE DEPARTMENT FROM PROVIDING ASSISTANCE TO
INDIVIDUALS WHO ARE DETERMINED TO BE EXEMPT UNDER SECTIONS 57F(3) OR
56I(1) (C).>>

21 (5) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THE
22 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE DEPARTMENT SHALL
23 DETERMINE THE NUMBER OF MONTHS EACH FAMILY INDEPENDENCE ASSISTANCE
24 RECIPIENT WHO IS NOT EXEMPT FROM WORK FIRST PARTICIPATION UNDER
25 SECTION 57F HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE. IF THE
26 DEPARTMENT DETERMINES THAT A FAMILY INDEPENDENCE ASSISTANCE
27 RECIPIENT HAS RECEIVED FAMILY INDEPENDENCE ASSISTANCE FOR A

House Bill No. 5438 as amended December 8, 2005

1 CUMULATIVE TOTAL OF 36 MONTHS OR MORE AS OF THE EFFECTIVE DATE OF
 2 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, THAT RECIPIENT IS
 3 REQUIRED TO MEET WITH A DEPARTMENT WORKER AND WORK FIRST CASEWORKER
 4 WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
 5 ADDED THIS SUBSECTION. AT THE TIME OF THE MEETING REQUIRED IN THIS
 6 SUBSECTION, A NEW FAMILY SELF-SUFFICIENCY PLAN SHALL BE DEVELOPED.
 7 NOT LATER THAN 12 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY
 8 ACT THAT ADDED THIS SUBSECTION, IF A RECIPIENT HAS HAD THE MEETING
 9 REQUIRED UNDER THIS SUBSECTION AND IS MEETING ALL THE REQUIREMENTS
 10 OUTLINED IN HIS OR HER FAMILY SELF-SUFFICIENCY PLAN BUT LABOR
 11 MARKET CONDITIONS OR EMPLOYMENT BARRIERS PREVENT EMPLOYMENT
 12 PLACEMENT, THE RECIPIENT MAY APPLY TO THE DEPARTMENT FOR AN
 13 EXTENSION OF FAMILY INDEPENDENCE ASSISTANCE BENEFITS FOR A PERIOD
 14 NOT TO EXCEED 12 MONTHS OVER THE 48-MONTH CUMULATIVE LIFETIME
 15 TOTAL. <<NOTHING IN THIS SUBSECTION SHALL PREVENT THE DEPARTMENT FROM
 PROVIDING ASSISTANCE TO INDIVIDUALS WHO ARE DETERMINED EXEMPT UNDER
 SECTION 57F(3) OR 56I(1)(C).>>

16 (6) ~~—(4)—~~ Not later than October 1, 2001, the ~~—family~~
 17 ~~independence agency~~ DEPARTMENT shall implement an automated finger
 18 imaging system designed to prevent an individual from receiving
 19 cash assistance, food stamps, or both under more than 1 name.
 20 Beginning at the effective date of the establishment and
 21 implementation of the finger imaging system, an individual applying
 22 for cash assistance, food stamps, or both must provide the ~~—family~~
 23 ~~independence agency~~ DEPARTMENT with an automated finger image or
 24 images as a condition of eligibility. Finger imaging obtained
 25 ~~pursuant to~~ UNDER this subsection shall be used only for the
 26 purposes of reducing fraud in obtaining public benefits or
 27 assistance under this act.

1 (7) ~~—(5)—~~ The ~~family independence agency~~ **DEPARTMENT** shall
2 establish the automated finger image system that, at a minimum,
3 includes the following:

4 (a) Confidentiality of the automated finger image records
5 taken ~~pursuant~~ **ACCORDING** to this section.

6 (b) A system for administrative appeal of a matter relating to
7 the taking or verification of an individual's automated finger
8 image.

9 (c) A requirement to exempt children from providing the
10 automated finger image unless there is a reasonable suspicion that
11 the family group is committing fraud. For the purpose of this
12 subdivision, "family group" means a family and all those
13 individuals living with a family who apply for or receive cash
14 assistance, food stamps, or both.

15 (d) A requirement to exempt individuals from whom the
16 automated finger image technology is unable to obtain an accurate
17 finger image.

18 (e) A requirement to exempt patients placed in nursing homes
19 from providing the automated finger image.

20 (f) In addition to the population groups named in subdivisions
21 (c), (d), and (e), authority to exempt certain other population
22 groups from providing the automated finger image including, but not
23 limited to, homebound recipients.

24 (8) ~~—(6)—~~ The ~~family independence agency~~ **DEPARTMENT** shall
25 remove an individual's finger image from the department's file if
26 the individual has not received benefits or assistance from the
27 ~~family independence agency~~ **DEPARTMENT** within the previous 12

1 months.

2 (9) ~~—(7)—~~ The ~~—family independence agency—~~ **DEPARTMENT** may
3 negotiate and enter into a compact or reciprocal agreement with
4 another state department, the federal government, an agency of the
5 federal government, or an agency of another state for the purpose
6 of implementing and administering the finger imaging provisions of
7 this section as long as the compact or reciprocal agreement is not
8 inconsistent with the limitations of use and access contained in
9 subsection ~~—(4)—~~ (6).

10 (10) ~~—(8)—~~ The ~~—family independence agency—~~ **DEPARTMENT** shall
11 conduct ~~—semi-annual—~~ **SEMIANNUAL** security reviews to monitor the
12 automated finger imaging system to insure that all of the following
13 occur:

14 (a) All records maintained as part of the system are accurate
15 and complete.

16 (b) Effective software and hardware designs have been
17 instituted with security features to prevent unauthorized access to
18 records.

19 (c) Access to record information is restricted to authorized
20 personnel.

21 (d) System and operational programs are used that will
22 prohibit inquiry, record updates, or destruction of records from a
23 terminal other than automated finger imaging system terminals that
24 are designated to permit inquiry, record updates, or destruction of
25 records.

26 (e) System and operational programs are used to detect and
27 report all unauthorized attempts to penetrate an automated finger

1 imaging system, program, or file.

2 (11) ~~—(9)—~~ Beginning December 31 of the first year the
3 automated finger imaging system has been fully implemented, the
4 ~~family independence agency~~ **DEPARTMENT** shall compile and report
5 annually to the senate and house committees having jurisdiction
6 over ~~family independence agency~~ **DEPARTMENT** matters the following
7 information concerning the operation of the automated finger
8 imaging system:

9 (a) An analysis of the costs and savings of the system
10 including, but not limited to, administrative costs, operation
11 costs, and actual savings due to confirmed fraud and fraud
12 deterrence.

13 (b) The number of individuals who have applied for assistance
14 under more than 1 name.

15 (c) The number of individuals refusing to provide a finger
16 image and the reasons for the refusal.

17 (d) A detailed summary of the results of reviews required by
18 subsection ~~—(8)—~~ (10).

19 (12) ~~—(10)—~~ Except as necessary to carry out a compact or
20 agreement under subsection ~~—(7)—~~ (9) or unless otherwise required
21 by law, the ~~family independence agency~~ **DEPARTMENT** shall not sell,
22 transfer, or release information identifying an individual named in
23 the automated finger imaging system record to a third person,
24 including, but not limited to, another state department or agency.

25 (13) ~~—(11)—~~ A person shall not disclose information from the
26 automated finger imaging system record in a manner that is not
27 authorized by law or rule. A ~~violation of~~ **PERSON WHO VIOLATES**

1 this subsection is **GUILTY OF** a misdemeanor punishable by
2 imprisonment for not more than 93 days or a fine of not more than
3 \$500.00, or both.

4 **(14)** ~~—(12)—~~ At the time an individual applies for cash
5 assistance, food stamps, or both, the ~~family independence agency~~
6 **DEPARTMENT** shall inform the individual of all of the following:

7 (a) The requirement to allow the department to take a finger
8 image from the individual.

9 (b) The fact that the finger image may be compared to the
10 finger images of other benefit recipients to prevent duplicate
11 participation.

12 (c) The fact that the department is prohibited by law from
13 using the finger image for a different purpose.

14 Sec. 57d. (1) The department ~~of career development~~ and the
15 ~~family independence agency~~ **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**
16 shall conduct joint orientation sessions for family independence
17 assistance applicants no less frequently than weekly. After the
18 ~~family independence agency~~ **DEPARTMENT** makes an initial
19 determination that an adult or a child aged 16 or older who is not
20 attending elementary or secondary school full-time might be
21 eligible for family independence assistance, that individual shall
22 attend a joint orientation session as a condition of eligibility
23 prior to receipt of family independence assistance. After
24 completion of the orientation, the individual, ~~and the family~~
25 ~~independence agency~~ **DEPARTMENT, AND A WORK FIRST REPRESENTATIVE**
26 shall develop the family's ~~social contract~~ **FAMILY SELF-**
27 **SUFFICIENCY PLAN** in accordance with section 57e.

1 (2) If the individual fails to cooperate with work first joint
2 orientation or other required employment and training activities,
3 the family is ineligible for family independence assistance.

4 (3) The ~~family independence agency~~ **DEPARTMENT** shall impose
5 penalties under section 57g if the individual fails to comply with
6 any 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~~ **DEPARTMENT SHALL**
11 impose penalties under section 57g if the individual fails to
12 comply with the individual's ~~social contract~~ **FAMILY SELF-**
13 **SUFFICIENCY PLAN** requirements.

14 (5) If the individual is complying with the ~~social contract~~
15 **FAMILY SELF-SUFFICIENCY PLAN**, the ~~family independence agency~~
16 **DEPARTMENT, A WORK FIRST REPRESENTATIVE**, and the recipient shall
17 revise the ~~social contract~~ **FAMILY SELF-SUFFICIENCY PLAN** if
18 necessary and the family independence assistance group shall
19 continue to receive family independence assistance so long as the
20 recipients meet family independence assistance program
21 requirements.

22 Sec. 57e. (1) Each family receiving family independence
23 assistance shall execute a ~~social contract~~ **FAMILY SELF-**
24 **SUFFICIENCY PLAN** outlining the responsibilities of members of the
25 family independence assistance group. The ~~social contract~~ **FAMILY**
26 **SELF-SUFFICIENCY PLAN** shall be developed jointly by the ~~family~~
27 ~~independence agency~~ **DEPARTMENT, A WORK FIRST REPRESENTATIVE**, and

1 the adult family members ~~and~~ OF THE FAMILY INDEPENDENCE
2 ASSISTANCE GROUP. THE DEPARTMENT AND THE WORK FIRST REPRESENTATIVE
3 SHALL COMPLETE A THOROUGH ASSESSMENT TO FACILITATE DEVELOPMENT OF
4 THE FAMILY SELF-SUFFICIENCY PLAN, INCLUDING CONSIDERATION OF
5 REFERRAL TO A LIFE SKILLS PROGRAM, AND DETERMINATION AS TO WHETHER
6 THE FAMILY INDEPENDENCE ASSISTANCE GROUP'S ADULT MEMBERS ARE
7 ELIGIBLE TO PARTICIPATE IN THE WORK FIRST PROGRAM OR ARE EXEMPT
8 FROM WORK FIRST PARTICIPATION UNDER SECTION 57F. IF THE DEPARTMENT
9 AND THE WORK FIRST CASEWORKER DETERMINE THAT AN INDIVIDUAL IS
10 EXEMPT FROM PARTICIPATION IN WORK FIRST, THE DEPARTMENT AND WORK
11 FIRST CASEWORKER SHALL EVALUATE THE INDIVIDUAL TO DETERMINE HIS OR
12 HER ELIGIBILITY TO PARTICIPATE IN OTHER ACTIVITIES, INCLUDING WORK,
13 VOLUNTEERISM, OR COMMUNITY SERVICE. IF AN INDIVIDUAL IS ELIGIBLE TO
14 PARTICIPATE IN OTHER ACTIVITIES, INCLUDING WORK, VOLUNTEERISM, OR
15 COMMUNITY SERVICE, THE DEPARTMENT AND WORK FIRST CASEWORKER SHALL
16 REFER HIM OR HER TO THOSE ACTIVITIES. THE FAMILY SELF-SUFFICIENCY
17 PLAN shall identify compliance goals that are to be met by members
18 of the family independence assistance group AND GOALS AND
19 RESPONSIBILITIES OF THE MEMBERS OF THE FAMILY INDEPENDENCE
20 ASSISTANCE GROUP, THE DEPARTMENT, AND THE WORK FIRST PROGRAM. The
21 ~~social contract~~ FAMILY SELF-SUFFICIENCY PLAN shall reflect the
22 individual needs and abilities of the particular family, and shall
23 include at least all of the following:

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

27 (b) The obligation of each minor parent who has not completed

1 secondary school to attend school.

2 (c) Except as provided in section 57f(3), the obligation of
3 each adult to engage in employment, work first activities,
4 education or training, community service activities, or self-
5 improvement activities, as determined appropriate by the ~~family~~
6 ~~independence agency~~ **DEPARTMENT**, up to 40 hours per week.

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

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

13 (f) Any other obligation the ~~family independence agency~~
14 **DEPARTMENT** determines is necessary to enable the family to achieve
15 independence.

16 (2) The ~~family independence agency~~ **DEPARTMENT** shall monitor
17 each family's compliance with the ~~social contract~~ **FAMILY SELF-**
18 **SUFFICIENCY PLAN**.

19 Enacting section 1. This amendatory act does not take effect
20 unless all of the following bills of the 93rd Legislature are
21 enacted into law:

22 (a) Senate Bill No. 892.

23 (b) Senate Bill No. 893.

24 (c) Senate Bill No. 894.

25 (d) House Bill No. 5439.

26 (e) House Bill No. 5440.

27 (f) House Bill No. 5441.

1 (g) House Bill No. 5442.