



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5523 and 5060 (as reported without amendment)
Sponsor: Representative Carol Glanville (H.B. 5523)
Representative Amos O'Neal (H.B. 5060)
House Committee: Economic Development and Small Business
Senate Committee: Economic and Community Development

CONTENT

House Bill 5523 would enact the "Bureau of Community Action and Economic Opportunity Act" to do the following:

- Establish the Bureau within the DHHS to serve as an advocate for social and economic opportunities for low-income individuals.
- Require the Director of the DHHS to appoint the Bureau's executive director.
- Prescribe specific duties the Bureau would have to fulfill, including receiving and spending funds, providing assistance for the establishment and operation of community action agencies, creating education and public awareness initiatives, working with State and Federal officials, and more.
- Establish the Commission on Community Action and Economic Opportunity (Commission) within the DHHS to serve as a Statewide forum concerning State policies and programs to reduce poverty and to address the needs and concerns of low-income residents.
- Prescribe the membership of the Commission, which would have to include low-income individuals.
- Prescribe specific duties the Commission would have to fulfill, including convening a State forum every two years, reviewing the annual program budget request, and evaluating statutes and programs for the reduction of poverty.
- Allow the Bureau's executive director to designate community action agencies after consulting with the DHHS, the Commission, and municipal officials, and after conducting at least one public hearing in the proposed service area.
- Specify that a public office or agency of a unit of local government previously designated as a community action agency, a nonprofit private agency working in the proposed service area, or a public or private nonprofit agency designated by one or more Native American tribal governments could be a community action agency.
- Prescribe specific activities a community action agency could undertake for the purpose of the Act.
- Allow the Bureau's executive director to rescind a designation of a community action agency for cause.
- Require a community action agency to establish a tripartite governing board of directors and prescribe the membership of the board.

House Bill 5060 would repeal the Michigan Economic and Social Opportunity Act, which is substantively similar to House Bill 5523 and creates the Bureau and Commission to reduce poverty and promote social and economic opportunities that foster self-sufficiency for low-income people.

MCL 400.1101 to 400.1119 (repealed) (S.B. 5060)

BRIEF RATIONALE

Community Action Agencies (CAA) are local private and public non-profit organizations. Generally, their mission is to help the impoverished attain self-sufficiency, and they rely on input and volunteer work from low-income communities. To be a CAA, an organization must receive Community Services Block Grant funding, which is transmitted to states by the Federal government and further distributed. The Michigan Economic and Social Opportunity Act serves as the enabling legislation for CAAs; however, some believe the Act, which was enacted in 1981, no longer reflects modern CAAs. For example, testimony before the Senate Committee on Economic and Community Development indicates that the concentration of CAAs has steadily shifted from the public to the private sector, which is not reflected in current statute. Accordingly, it has been suggested that the Act be modernized.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Date Completed: 11-27-24

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