

Act No. 468  
Public Acts of 2006  
Approved by the Governor  
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**STATE OF MICHIGAN  
93RD LEGISLATURE  
REGULAR SESSION OF 2006**

Introduced by Reps. Kooiman, Stahl and Pastor

# **ENROLLED HOUSE BILL No. 6580**

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 57b, 57f, and 57g (MCL 400.57b, 400.57f, and 400.57g), section 57b as amended by 1999 PA 9 and sections 57f and 57g as amended by 2001 PA 280, and by adding sections 57q, 57r, 57t, and 57u.

*The People of the State of Michigan enact:*

Sec. 57b. (1) Subject to section 57l, an individual who meets all of the following requirements is eligible for family independence assistance:

- (a) Is a member of a family or a family independence 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.
- (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 assistance unless they live in an adult-supervised household. The family independence 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, which 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) Beginning December 31, 2006, if a recipient who is otherwise eligible for family independence assistance under this section is currently applying for supplemental security income and seeking exemption from the work first 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 work first and a referral to the work first program.

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

(c) A determination that the recipient is exempt from work first participation under section 57f and a referral to a legal services organization 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. 57f. (1) The department shall enter into an agreement with the department of labor and economic growth to facilitate the administration of work first. The department shall make information on the program available to the legislature.

(2) Except as provided in section 57b, at the time the department determines that an individual is eligible to receive family independence assistance under this act, the department shall determine whether that individual is eligible to participate in the work first program or if the individual is exempt from work first participation under this section. The particular activities in which the recipient is required or authorized to participate, the number of hours of work required, and other details of work first shall be developed by the department and the department of labor and economic growth and shall be set forth in the recipient's family self-sufficiency plan. If a recipient has cooperated with work first, the recipient may enroll in a program approved by the local workforce development board. Any and all training or education with the exception of high school completion, GED preparation, and literacy training must be occupationally relevant and in demand in the labor market as determined by the local workforce development board and may be no more than 2 years in duration. Participants must make satisfactory progress while in training or education.

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

(a) A child under the age of 16.

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

(c) The parent of a child under the age of 3 months. The family independence agency may require a parent exempted from participation in work first under this subdivision to participate in family services, including, but not limited to, instruction in parenting, nutrition, and child development beginning 6 weeks after the birth of his or her child until the child is 3 months old as fulfillment of that parent's social contract obligation under section 57e(1)(c).

(d) An individual aged 65 or older.

(e) A recipient of supplemental security income.

(f) An individual who meets 1 or more of the following criteria to the extent that the individual, based on medical evidence and an assessment of need by the department, is severely restricted in his or her ability to participate in employment or training activities:

(i) A recipient of social security disability, or medical assistance due to disability or blindness.

(ii) An individual suffering from a physical or mental impairment that meets federal supplemental security income disability standards, except that no minimum duration is required.

(iii) The spouse of an individual described in subparagraph (i) or (ii) who is the full-time caregiver of that individual.

(iv) A parent or caretaker of a child who is suffering from a physical or mental impairment that meets the federal supplemental security income disability standards, except that no minimum duration is required.

(g) Beginning April 1, 2007, the parent of a child under the age of 3 months. The department may require a parent exempted from participation in work first under this subdivision to participate in family services, including, but not limited to, instruction in parenting, nutrition, and child development beginning 6 weeks after the birth of his or her child until the child is 3 months old as fulfillment of that recipient's family self-sufficiency plan obligation under section 57e(1)(c).

(h) Beginning April 1, 2007, a recipient of supplemental security income.

(i) Beginning April 1, 2007, an individual who meets 1 or more of the following criteria to the extent that the individual, based on medical evidence and an assessment of need by the department, is severely restricted in his or her ability to participate in employment or training activities:

(i) A recipient of social security disability, or medical assistance due to disability or blindness.

(ii) An individual suffering from a physical or mental impairment that meets federal supplemental security income disability standards, except that no minimum duration is required.

(iii) The spouse of an individual described in subparagraph (i) or (ii) who is the full-time caregiver of that individual.

(iv) A parent or caretaker of a child who is suffering from a physical or mental impairment that meets the federal supplemental security income disability standards, except that no minimum duration is required.

(v) An individual with low intellectual capacity or learning disabilities that impede comprehension and prevent success in acquiring basic reading, writing, and math skills, including, but not limited to, an individual with an intelligence quotient less than 80.

(vi) An individual with documented chronic mental health problems that cannot be controlled through treatment or medication.

(vii) An individual with physical limitations on his or her ability to perform routine manual labor tasks, including, but not limited to, bending or lifting, combined with intellectual capacity or learning disabilities.

(4) In addition to those individuals exempt under subsection (3), the department may grant a temporary exemption from participation in work first, not to exceed 90 days, to an individual who is suffering from a documented short-term mental or physical illness, limitation, or disability that severely restricts his or her ability to participate in employment or training activities. An individual with a documented mental or physical illness, limitation, or disability that does not severely restrict his or her ability to participate in employment or training activities shall be required to participate in work first at a medically permissible level.

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

(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 exemptions under this section. The director of the department may grant exemptions for extenuating circumstances beyond the exemptions provided for in this section. The department shall annually provide to the legislature, at the same time as the governor's departmental budget proposal, a report of the number of exemptions issued under this section and the individual reason for those exemptions.

(7) This section does not apply after September 30, 2011.

Sec. 57g. (1) The department shall develop a system of penalties to be imposed if a recipient fails to comply with applicable rules or the provisions of this section. Penalties may be cumulative and may include reduction of the grant, removal of an individual from the family independence assistance group, and termination of assistance to the family.

(2) A penalty shall not be imposed if the recipient has demonstrated that there was good cause for failing to comply. The department shall determine the circumstances that constitute good cause based on factors that are beyond the control of a recipient.

(3) Recipients who are willing to participate in activities leading to self-sufficiency but who require child care or transportation in order to participate shall not be penalized if the department determines that child care or transportation is not reasonably available or provided to them.

(4) The system of penalties developed under subsection (1) shall include both of the following:

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

(b) For any instance of noncompliance, before determining that a penalty shall be imposed, the department shall determine if good cause for noncompliance exists. The department shall notify the recipient that he or she has 10 days to demonstrate good cause for noncompliance. If good cause is not determined to exist, assistance shall be terminated.

After termination, the assistance group is ineligible for family independence program assistance for not less than 1 calendar month.

(5) For the purposes of this section, “noncompliance” means 1 or more of the following:

- (a) A recipient quits a job.
- (b) A recipient is fired for misconduct or for absenteeism without good cause.
- (c) A recipient voluntarily reduces the hours of employment or otherwise reduces earnings.
- (d) A recipient does not participate in work first activities.

(6) If a recipient does not meet the recipient’s individual social contract requirements, the department may impose a penalty.

(7) After termination for noncompliance, the assistance group is ineligible for family independence program assistance for not less than 1 calendar month. After assistance has been terminated for not less than 1 calendar month, family independence program assistance may be approved if the recipient completes a willingness to comply test. For purposes of this section, “willingness to comply” means participating in work first or other self-sufficiency activities for up to 40 hours within 10 working days. At the time any penalty is imposed under this section, the department shall provide the recipient written notice of his or her option to immediately reapply for family independence program benefits and that he or she may complete a “willingness to comply test” during the penalty period.

(8) The department 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.

(9) Subsections (1) to (8) do not apply after March 31, 2007. Subsections (10) to (15) apply beginning April 1, 2007.

(10) Beginning April 1, 2007, 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 recipient is ineligible to receive family independence program assistance for not less than 3 calendar months.

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

(c) For the third instance of noncompliance, the recipient is ineligible to receive family independence program assistance for 12 calendar months.

(11) For the purposes of this section, “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 does not participate in work first activities.
- (d) A recipient is noncompliant with his or her family self-sufficiency plan.

(12) If the family independence specialist caseworker and the work first 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.

(13) For all instances of noncompliance resulting in termination of family independence assistance for any period of time described in subsection (10), the period of time the recipient is ineligible to receive family independence program assistance applies toward the recipient's 48-month cumulative lifetime total.

(14) Beginning April 1, 2007, for the first instance that a family independence specialist caseworker determines a recipient to be noncompliant, all of the following shall occur:

(a) The department shall notify the recipient in writing within 3 business days of determining that the recipient is noncompliant. The notification shall include all of the following:

(i) The reason the recipient has been determined to be noncompliant.

(ii) The penalty that will be imposed for the noncompliance.

(iii) An opportunity for the recipient to meet in person with the family independence specialist caseworker within 10 business days of the determination that the recipient is noncompliant.

(b) If the recipient meets with a family independence specialist caseworker within 10 business days, the family independence specialist caseworker and the recipient shall review and modify the family self-sufficiency plan as determined necessary by the family independence specialist caseworker. The family independence specialist caseworker shall discuss and provide an official warning regarding penalties that shall be imposed if the recipient continues to be noncompliant. The family independence specialist caseworker shall inform the recipient that he or she must verify compliance with his or her family self-sufficiency plan within 10 business days.

(c) If the recipient fails to meet with the family independence specialist caseworker within 10 business days of the determination that the recipient is noncompliant, the recipient is subject to the provisions of subsection (10)(a).

(d) If the recipient fails to verify compliance under subdivision (b), the recipient is subject to the provisions of subsection (10)(a).

(15) The meeting described in subsection (14) is only available for the first time a family independence specialist caseworker determines the recipient to be noncompliant regardless of whether that recipient becomes subject to the provisions of subsection (10)(a).

(16) This section does not apply after September 30, 2011.

Sec. 57q. The department shall develop and implement a plan to incrementally increase the earned income disregard for family independence program recipients from \$200.00 plus 20% to not more than 67% of earned income by September 30, 2010.

Sec. 57r. Beginning October 1, 2007, if the department determines that an individual is eligible to participate in the work first program and resides in a county in which a jobs, education and training (JET) program is available, family independence assistance shall be paid to that individual for not longer than a cumulative total of 48 months during that individual's lifetime. If the recipient is meeting all the requirements outlined in his or her family self-sufficiency plan, has not received more than 2 penalties under section 57g after December 31, 2006, has not received any penalties under section 57g in the preceding 12 months, and labor market conditions or employment barriers prevent employment placement, the recipient may apply to the department for an extension of family independence assistance benefits for a period not to exceed 12 months over the 48-month cumulative lifetime total. Nothing in this subsection prevents the department from providing assistance to individuals who are determined to be exempt from work first participation under section 57f.

Sec. 57t. The department shall implement the jobs, education and training (JET) program statewide by September 30, 2007.

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 nonprofit rehabilitation organizations under section 57b 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 work first.
- (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.

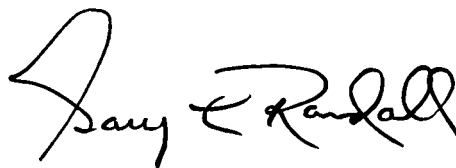
(7) Except for the reporting requirement provided in subsection (6), all the reports required under this section shall be provided on a quarterly basis to all of the following:

- (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. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

- (a) Senate Bill No. 1500.
- (b) Senate Bill No. 1501.
- (c) House Bill No. 6587.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved .....

.....  
Governor