

Michigan Family Independence Agency Welfare Reform in Michigan 1992-2002

A Decade of Progress

1992-95: Progress by waiver

Michigan started its reform program by implementing **To Strengthen Michigan Families**, a group of approved waivers to federal policies that encouraged work and personal responsibility including:

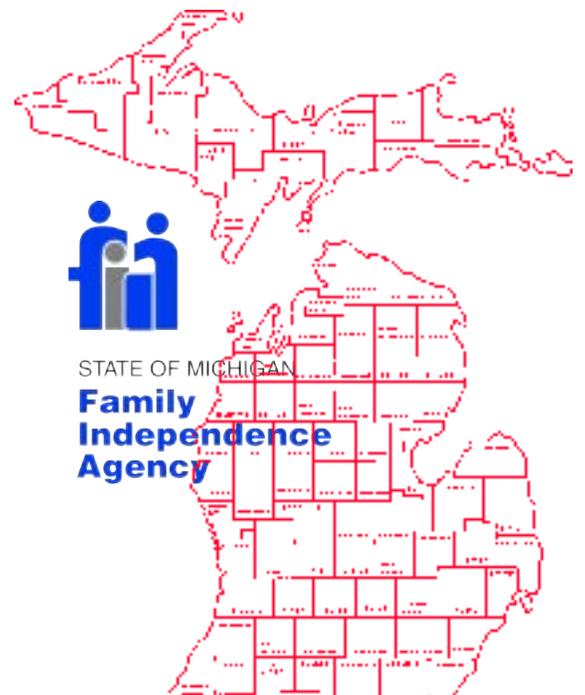
- Encouraging parents to remain together by eliminating marriage penalties.
- Disregarding the first \$200 plus 20 percent of other earned income from cash assistance payments.
- Providing transitional child care and medical coverage when cash assistance ends due to earnings.
- Enhancing child support enforcement tools.
- Starting the Achiever of the Month program in October 1993 as a way to reward successful families and bring attention to the welfare reform program.

1995: New name, new game

- The Michigan Legislature changes the Department of Social Services name to the **Family Independence Agency**, a symbolic move reflecting its changing mission.
- **New sanction policies** require customers to cooperate with employment and training expectations. Failure to participate results in cash assistance and food stamp payment being reduced by 25 percent. After 12 months of non-cooperation, the case is closed.

1996-97: A time of innovations

- Another waiver allows the FIA to begin **food stamp “cash out”** for working recipients. Families with earned income of \$300 for three successive months automatically receive food stamp payments in cash, not coupons. This is an important aspect of economic self-determination for customers.
- **Project Zero** is implemented in six pilot sites across Michigan including a site in a low-income Detroit neighborhood. Within a year, the state and local partnership succeeds in moving customers from welfare to work more quickly than in non-project areas.
- AFDC became the **Family Independence Program (FIP)** and the AFDC entitlement is changed to an earned benefit for work-ready customers.
- FIP applicants are required to attend an orientation session conducted by the Family Independence Agency and **Michigan Works! Agency** as a condition of eligibility for benefits. The orientation outlines job readiness and job search requirements as a condition of eligibility.
- To discourage births and a life on welfare for unmarried minor children, minor parents are required to live in approved adult-supervised settings and attend school as conditions of eligibility for benefits.
- Child day care for FIP customers, formerly treated as an expense of employment, starts being paid directly to the child care provider. Within four years, the FIA is providing child day care assistance to about 65,000 working low-income families including public assistance customers.
- Food stamp participants must cooperate in obtaining child support. Previously only those who received a cash grant or received child care were required to pursue child support.





Efforts to collect child support payments are accelerated during the welfare reform era.

- Family Independence Agency eligibility, employment and day care workers became **Family Independence Specialists**, calling on customers in their homes and providing social work services.
- Others became **Eligibility Specialists**, a position handling non-family cases.
- **Statewide sanctions** are implemented for new FIP clients. Those who fail to cooperate with employment and training expectations are not eligible for cash grants or food stamps beyond an initial 60-day eligibility period. Customers who initially cooperate with employment and training expectations and subsequently fail to cooperate have their grant and food stamps reduced by 25 percent. If they do not cooperate after four months, the case is closed.
- To encourage work, FIP applications count only cash assets and the personal asset limit for eligibility is increased to \$3,000.
- FIP families with an individual who failed to cooperate with requirements to establish paternity or pursue child support are ineligible after four consecutive months of noncooperation.
- **Project Zero** is expanded to 6 additional sites.
- New policy rewards FIP clients meeting the state’s 20-hour per week work requirements, making them eligible for up to one year of approved job training.

Since October 1992, nearly 308,000 FIP cases have closed as a result of income, as families pursue self-sufficiency.

1998-99: More innovations and policies encouraging work

- **“Quick Start” child day care** allows earlier payment authorization to families and providers.
- Ongoing clients who fail to attend required orientation sessions are penalized.
- Work First orientation starts a mandatory individual customer orientation.
- All employable adult customers are referred to and remain active with Work First until case closure.
- Michigan Works! Agencies expand opportunities for post-employment training for customers.
- **Project Zero** is expanded to 58 additional sites.
- A new policy increases the car repair limit to \$900 and car purchase limit to \$1,200 for customers, making personal transportation more accessible.
- **Michigan Works! Agencies** approve combining education or training, classroom time and unsubsidized employment to meet TANF work participation requirements.
- FIA develops **Family Support Services** to meet non-employment needs for assistance recipients.
- **Employment Support Services** become available to unemployed and under employed non-custodial parents of children who receive FIP. Employment Support Services and Work First Services are now available to all adults of families who receive FIP, Medicaid, food stamps or child day care.

2000-02: Honing the reform program

- FIP applicants who are **victims of domestic violence** may receive counseling and supportive services and have work participation and other requirements adjusted.
- **Family Independence Summer Project** serves nearly 2,000 nonworking and disabled families with training and services aimed at removing multiple barriers to employment.
- **Electronic Benefits Transfer**, a program to deliver cash assistance benefits electronically through a magnetic stripe card, begins in Jackson County. It would be implemented statewide by mid-2001, ending the delivery of FIP checks and food stamp coupons. Customers use a “Bridge card”, similar to an ATM or credit card, to access separate assistance accounts. Statewide application of Electronic Benefits Transfer ends food stamp “cash out”.
- **Transitional Medical Assistance** is started, providing one year of additional Medicaid coverage to working families not covered by health care whose cash assistance case closes because of income.
- **Project Zero** goes statewide with its successful program of state and community partnerships.
- Michigan’s Social Welfare Act is amended to establish a 40-hour weekly work standard for work-ready FIP recipients.

For more on welfare reform in Michigan, consult the Family Independence Agency web site: www.mfia.state.mi.us

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