



Michigan League FOR Human Services

CELEBRATING 100 YEARS OF RESEARCH AND ADVOCACY

Testimony before the Families, Seniors and Human Services Senate Standing Committee

MELISSA K. SMITH

June 6, 2012

Good afternoon Chairman Emmons and members of the Committee. I am Melissa K. Smith, Senior Policy Analyst at the Michigan League for Human Services. Thank you for the opportunity to speak with you today.

I'm here to clear up some misconceptions about FIP recipients in Michigan. SB 905 assumes that FIP recipients do not do anything in order to receive benefits. However, this is completely inaccurate. The law mandates that all non-exempt adult FIP recipients must participate in a minimum of 30 hours a week of work participation activities. One of those activities is community service.

If the bill intends to require community service as a precursor to receiving FIP, it is redundant to current policies. Clients already must engage in work participation activities even while their FIP application is pending. Not only is it a condition of eligibility, it is also required in order to continue receiving benefits. This bill changes nothing since community service is already one of the core activities of the work participation requirement.

If SB 905 intends to add community service requirements in addition to the minimum 30-hour-a-week work activity requirement, it will violate federal law. Unpaid work is moderated by the Fair Labor Standards Act (FLSA). When a FIP client is required to participate in unpaid work activity, like community service, they cannot work more hours than the monthly benefit amount divided by the minimum wage.

A family of two (a parent and a child) receiving a FIP grant of \$403 a month is required to participate in work activities at least 30 hours a week, or 120 hours a month. Because the minimum wage is \$7.40 an hour, the parent cannot be required to participate in unpaid work activities for more than 54 hours a month. The parent will still have 66 hours of work participation requirements they must meet that month, but it cannot be in unpaid work. The legislature cannot require additional hours of community service because it is considered unpaid work and will be in excess of FLSA limits.

The League feels that this bill is not necessary. It is based on a false assumption that people on FIP are not required to do anything to receive benefits. If the purpose of the bill is to make sure people receiving benefits do community service, this already occurs.

Thank you for the opportunity to address the committee. I am happy to take any questions.