

2021 BUDGET PRIORITY: REDUCE RECIDIVISM AND SUPPORT CHILDREN AND FAMILIES LIVING IN POVERTY BY UPDATING PUBLIC ASSISTANCE POLICIES

LEAGUE RECOMMENDATION:

Improve access to opportunity for families by: (1) supporting returning citizens and their families by eliminating the drug felony ban for people with more than one drug felony conviction occurring in separate incidents, allowing them to receive cash assistance through the Family Independence Program (FIP) and federally-funded food assistance—two public programs that reduce recidivism; and (2) make use of the federal hardship exemption to FIP lifetime limits as a tool for reducing deep poverty for children living in communities with few job opportunities.

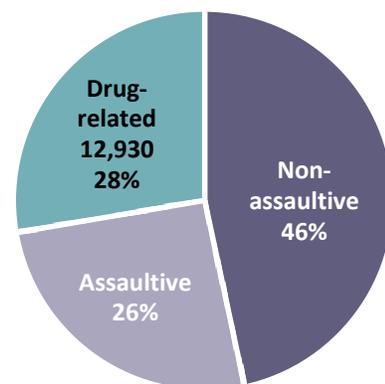
BACKGROUND:

Temporary cash assistance through the Family Independence Program (FIP) and food assistance through the Supplemental Nutrition Assistance Program (SNAP) can help give Michigan residents the financial stability they need to get food, affordable housing, transportation and provides work supports and training. However, through restrictive policies and spending, Michigan has limited assistance to families and individuals—including those who have been incarcerated—facing unemployment or with very low incomes. Banning individuals with more than one drug felony conviction from receiving FIP and SNAP assistance and the elimination of the hardship exemption to lifetime limits on receiving FIP assistance prevent thousands of Michiganders from receiving supplementary income that supports their children and families.

In 1996, federal “welfare reform” changes barred states from allowing individuals with drug felony convictions from receiving food or cash assistance. **In the decades since, many states have requested waivers to fully or partially remove this restriction; Michigan has a partial waiver in place that allows people with only one drug felony since 1996 to receive assistance, while keeping those with more than one drug felony ineligible.** Drug felonies are not uncommon: in 2017, drug felonies comprised 28% of all felony convictions in Michigan; for thousands of individuals, a second drug felony conviction means they will be barred from receiving assistance to support themselves or their families upon release. Despite research demonstrating that allowing access to food and cash assistance creates a pathway to successful reentry and reduces recidivism, Michigan’s restriction continues to limit otherwise-eligible residents from receiving assistance that can provide greater economic stability, affordable food for children and employment and training opportunities.

State-specific cash assistance programs like FIP are funded through federal Temporary Aid to Needy Families (TANF) block grants. **In 2011, Michigan saw profound changes to its TANF program, driven by the need to cut public benefit spending to fund large tax cuts to businesses.** Michigan instituted a strict 48-month lifetime limit—a full year less than the federal 60-month limit—and eliminated the federal hardship exemption that allows states to continue to extend

Felony Convictions in Michigan, 2017

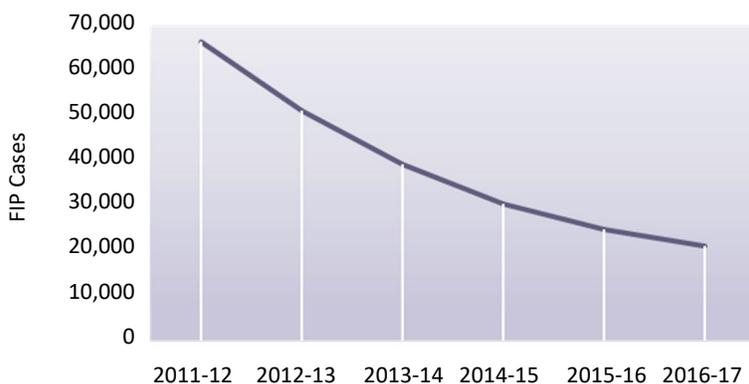


Source: Michigan Department of Corrections, 2017 Statistical Report

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benefits beyond the 60-month limit to 20% of its caseload. Previously, Michigan’s hardship exemption had been available to residents living in a county where unemployment was 10% or more or there were few job opportunities. The result of these changes was a steep decline in the number of FIP caseloads in the years that followed: from the 2011-2012 period to 2016-2017, FIP caseloads fell by 68% (over 45,000 cases), the largest percent decrease of any state.

Michigan Family Independence Program Caseload (2-year Period)



Source: U.S. Department of Health and Human Services, 2018

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WHY DOES IT MATTER?

Michigan’s partial ban on public assistance for individuals with more than one drug felony does not support successful reentry for people returning to their communities and their families. Across the country, research has demonstrated that access to public benefits like SNAP and TANF significantly reduces the likelihood of someone returning to prison by improving economic security and job prospects after incarceration. In addition, this partial ban limits the reach of these public programs to Michigan children, since FIP is only available to families with dependent children and SNAP has a well-documented history of improving the health and economic well-being of children who receive it.

Without a hardship exemption for FIP lifetime limits and a lack of state spending on core services, FIP does not target Michiganders who would benefit most from the program. Currently, there are many Michigan counties with an unemployment rate of 6% or more where job opportunities are hard to come by. Coupled with a 48-month lifetime limit, FIP’s reach is restricted, and the state should make use of its ability to exempt up to 20% of its cases from this lifetime limit to provide cash assistance and employment supports to more Michigan residents.

Still, Michigan TANF spending on FIP’s “core services”—which includes basic assistance, work activities, work supports and supportive services and child care—is disproportionately low. In 2017, Michigan spent 19% of its block grant on core activities, which was far below the national average of 52% and ranked Michigan 46th in spending in this area out of all 50 states and D.C. TANF funding can be directed toward non-core services, such as program management or expanding pre-K or child welfare. Michigan instead devotes 30% of its TANF money toward “other” services, meaning the state can spend this money on unrelated areas when it should be dedicated to supporting families in deep poverty.