

FOSTER CARE BENEFITS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill: 872 (S-2) as passed by the Senate
Sponsor: Sen. Jeff Irwin
House Committee: Families, Children and Seniors
Senate Committee: Housing and Human Services
Complete to 12-3-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 872 would amend the Foster Care and Services Act to do the following:

- Prohibit the state from using a child in foster care's state or federal benefits, assets, or income as reimbursement for the care of that child after October 1, 2026.
- Require the Department of Health and Human Services (DHHS), at its discretion, to screen a child in foster care for potential eligibility for state and federal benefits within 90 days of a child's entering foster care and annually if a child remained in foster care.
- Require DHHS to consult with the parents or guardian ad litem of a child in foster care to make decisions regarding state or federal benefits for the child's best interest.
- Require DHHS to apply for state and federal benefits for which a child in foster care could be eligible and not already receiving for the child's best interest.
- Require DHHS, if it applies for state or federal benefits for the child, in cooperation with the guardian ad litem, to provide information to assist payors of state or federal benefits in identifying a representative payee or fiduciary or serve as representative payee.
- Require DHHS to conserve and monitor any benefits of a child in foster care for whom DHHS served as a representative payee or fiduciary until DHHS no longer served as a payee or fiduciary.
- Require DHHS to notify a child in foster care, through the child's guardian ad litem, of an application for or change in status, i.e., representative payee, decision, communication or appeal, of any federal benefits pertaining to the child.
- Require DHHS to provide a child 14 years of age or older in foster care with financial literacy training consistent with the needs of that child.
- Require DHHS to notify a child, through the child's guardian ad litem, of information about the child's assets before each permanency planning hearing regarding the child if DHHS served as a representative payee or fiduciary.
- Require DHHS to facilitate the transfer of assets or income to the child when discharged or upon adulthood, whichever is sooner, and specify how the assets would have to be disbursed if the child were discharged from or died in foster care. If the child is discharged to parent, guardian or conservator, department would facilitate transfer of assets or income only to funds where it is payee or fiduciary.

- Require DHHS, or a guardian ad litem if appointed, to file timely appeals to a denial, overpayment, or cessation of state or federal benefits on behalf of a child in foster care.

Transfer of assets would have to be in accordance with the rules of the Social Security Administration.

The bill would not affect additional notices required by state court.

Proposed MCL 722.958f

FISCAL IMPACT:

Senate Bill 872 would increase costs for the Department of Health and Human Services and local units of government by up to \$3.7 million GF/GP. Under the provisions of the bill, DHHS will no longer be able to utilize a child’s state or federal benefits to cover the cost of the child’s care while the child is in foster care. In FY 2023-24, \$3.7 million restricted funding was expended by the department to cover the cost of foster youth care. In FY 2024-25, \$3.6 million in restricted funding is authorized to be spent. The loss of restricted revenue would need to be replaced by GF/GP.

Legislative Analyst: E. Best
Fiscal Analyst: Sydney Brown

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.