



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 872 (Substitute S-1 as reported)

Sponsor: Senator Jeff Irwin

Committee: Housing and Human Services

### **CONTENT**

The bill would amend the Foster Care and Adoption Services Act to do the following:

- Require the Department of Health and Human Services (DHHS) to secure and screen for potential eligibility for State and Federal benefits within 60 days of a child entering foster care and annually if a child remained in foster care.
- Require the 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, as appropriate.
- 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, 2024.
- Prescribe how the DHHS could conserve or use a child's State or Federal benefits.
- Allow the DHHS to make certain payments directly to the child in foster care if permitted by State and Federal law and the DHHS determined the child was competent to manage the funds.
- By October 1, 2026, require the DHHS to conserve and monitor any benefits of a child in foster care for whom the DHHS served as a representative payee or fiduciary until the DHHS no longer served as a payee or fiduciary.
- Require the DHHS to notify a child in foster care, through the child's guardian ad litem, of an application for or change in status of any Federal benefits pertaining to the child.
- By October 1, 2026, require the 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.
- By October 1, 2026, require the DHHS to notify a child, through the child's guardian ad litem, of information about the child's assets before each juvenile court hearing regarding the child if the DHHS served as a representative payee or fiduciary.
- Require the DHHS to facilitate the transfer of assets to the child upon adulthood and specify how the assets would have to be disbursed if the child were discharged from or died in foster care.
- Specify that the DHHS, or a guardian ad litem if appointed, would have to file timely appeals to a denial, overpayment, or cessation of State or Federal benefits on behalf of a child in foster care.

Proposed MCL 722.958f

### **BRIEF RATIONALE**

According to testimony before the Senate Committee on Housing and Human Services, approximately 600 children enter the foster system each year with State and Federal benefits, assets, or income. Currently, the DHHS seizes these funds to defray the cost of that child's care. It has been suggested that this practice be discontinued to allow a child in foster care with State or Federal benefits, assets, or income, to retain those funds for his or her use upon exiting the foster system.

Legislative Analyst: Eleni Lionas

## **FISCAL IMPACT**

The bill would have a negative fiscal impact on the State and local government. The bill would prevent the DHHS from collecting Federal benefits, unqualified benefits, assets, or income of foster care youth and using the funds to offset the costs of their care. The Fiscal Year 2024-2025 authorization for this is \$3.6 million, of which about \$500,000 goes to local governments, so up to that amount in lost revenue would have to be replaced by General Fund/General Purpose.

Date Completed: 6-13-24

Fiscal Analyst: Humphrey Akujobi

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.