

**SUBSTITUTE FOR
SENATE BILL NO. 872**

A bill to amend 1994 PA 203, entitled
"Foster care and adoption services act,"
(MCL 722.951 to 722.960) by adding section 8f.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 8f. (1) The department shall do all of the following:**

2 **(a) Apply for state or federal benefits for a child in foster**
3 **care.**

4 **(b) Screen a child in foster care for potential eligibility**
5 **for state or federal benefits within 60 days after the child enters**
6 **foster care, and annually if the child in foster care remains in**
7 **foster care.**

8 **(c) As appropriate, consult with the parents or guardian ad**
9 **litem, if one has been appointed, of a child in foster care to make**



1 decisions regarding state or federal benefits in the best interests
2 of the child in foster care.

3 (2) Beginning not later than October 1, 2024, and except as
4 otherwise provided in this subsection, this state shall not use
5 payments from state or federal benefits of a child in foster care,
6 or any other assets or income that the child in foster care has
7 earned, owned, or received, as reimbursement for the cost of care
8 for the child in foster care. The department may, after appropriate
9 consultation with the child in foster care's parents or guardian ad
10 litem, if one has been appointed, do 1 or more of the following if
11 the department determines that it is in the best interests of the
12 child in foster care:

13 (a) Use the child in foster care's state or federal benefits
14 for special needs services for the child in foster care that are
15 not otherwise provided by the department.

16 (b) Conserve the state or federal benefits for reasonably
17 foreseeable future special needs services for the child in foster
18 care.

19 (3) If the department applies for state or federal benefits
20 for a child in foster care, the department shall, in cooperation
21 with the child in foster care's guardian ad litem, if one has been
22 appointed, do any of the following:

23 (a) Identify a representative payee or fiduciary in accordance
24 with the requirements of 20 CFR 404.2021 and 416.621, as
25 applicable.

26 (b) If permitted under state or federal law and the department
27 determines that the child in foster care is competent to manage the
28 funds, make payments directly to the child in foster care.

29 (c) Serve as the representative payee or fiduciary for the



1 child in foster care if payments cannot be made in accordance with
2 subdivision (a) or (b).

3 (4) Not later than October 1, 2026, and consistent with
4 federal law, if the department serves as the representative payee
5 or in any other fiduciary capacity for a child in foster care that
6 receives state or federal benefits, the department shall do all of
7 the following until the department no longer serves as the
8 representative payee or fiduciary:

9 (a) Conserve the state or federal benefits in the child in
10 foster care's best interests or use the state or federal benefits
11 as authorized under subsection (2).

12 (b) Subject to subsection (2), appropriately monitor any asset
13 or resource limits for the state or federal benefits and ensure
14 that the child in foster care's best interests are served by using
15 or conserving the state or federal benefits in a way that avoids
16 violating any asset or resource limits that would affect the child
17 in foster care's continued eligibility to receive the state or
18 federal benefits.

19 (c) Provide an annual accounting to the child in foster care
20 and the child in foster care's guardian ad litem, if one has been
21 appointed, of how the child in foster care's state or federal
22 benefits have been used or conserved in accordance with this
23 section.

24 (5) Not later than October 1, 2026, if a child in foster care
25 is 14 years of age or older and is able to receive financial
26 literacy training, the department shall provide the child in foster
27 care with financial literacy training that are consistent with the
28 needs of the child in foster care.

29 (6) The department shall immediately notify a child in foster



1 care, through the child in foster care's guardian ad litem, if one
2 has been appointed, of any of the following:

3 (a) An application for state or federal benefits made on
4 behalf of the child in foster care or any application to become
5 representative payee for state or federal benefits on behalf of the
6 child in foster care.

7 (b) A decision or communication from this state or the federal
8 government regarding an application for state or federal benefits
9 described under subdivision (a).

10 (c) An appeal or other action requested by the department with
11 regard to an application for state or federal benefits described
12 under subdivision (a).

13 (7) Not later than October 1, 2026, if the department serves
14 as the representative payee or otherwise receives state or federal
15 benefits on behalf of a child in foster care, the department must
16 provide notice to the child in foster care, through the child in
17 foster care's guardian ad litem, if one has been appointed, of all
18 of the following before each juvenile court hearing regarding the
19 child in foster care:

20 (a) The amount of state or federal benefits received on behalf
21 of the child in foster care since any previous notification to the
22 child in foster care's guardian ad litem, if one has been
23 appointed, and the date of each receipt.

24 (b) Information regarding all of the assets and resources of
25 the child in foster care, including state or federal benefits,
26 insurance, cash assets, trust accounts, earnings, and other
27 resources of the child in foster care.

28 (8) The department shall facilitate the transfer of any assets
29 or income that the child in foster care has earned, owned, or



1 received to the child in foster care when the child in foster care
2 is discharged from foster care or reaches the age of 18, whichever
3 is sooner. The department shall assist the child in foster care in
4 nominating a representative payee, if applicable. If the child in
5 foster care dies while in foster care, the department shall
6 facilitate the transfer of any of the child in foster care's assets
7 or income to the heirs of the child in foster care. If the child in
8 foster care is discharged from foster care into the care of a
9 parent, guardian, or conservator, the department shall facilitate
10 the transfer of any assets or income to the parent, guardian, or
11 conservator of the child in foster care to be managed for the
12 benefit of the child in foster care.

13 (9) As appropriate, the department or the child in foster
14 care's guardian ad litem, if one has been appointed, shall file
15 timely appeals to a denial, overpayment, or cessation of state or
16 federal benefits on behalf of a child in foster care.

17 (10) This section does not affect any additional notice
18 required by a state court.

19 (11) As used in this section:

20 (a) "Federal benefits" includes, but is not limited to, any of
21 the following:

22 (i) Social Security benefits.

23 (ii) Supplemental Security Income.

24 (iii) United States Department of Veterans Affairs benefits.

25 (b) "State benefits" includes, but is not limited to, the
26 following:

27 (i) State supplemental payments for recipients of federal
28 supplemental security income.

29 (ii) Fostering Futures Scholarship funds.

