

HOUSE 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) At the discretion of the department, screen a child in
3 foster care for potential eligibility for state or federal benefits
4 within 90 days after the child enters foster care, and annually if
5 the child in foster care remains in foster care.

6 (b) As appropriate, consult with the parents or guardian ad
7 litem, if one has been appointed, of a child in foster care to make
8 decisions regarding state and federal benefits in the best
9 interests of the child in foster care.



1 (c) Using information collected under subdivisions (a) and
2 (b), apply for state and federal benefits for which a child in
3 foster care may be eligible and is not already receiving, as
4 appropriate to the child's best interests.

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

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

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

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

24 (a) Provide information to assist payors of state or federal
25 benefits in identifying an appropriate representative payee or
26 fiduciary in accordance with the requirements of 20 CFR 404.2021
27 and 416.621, as applicable.

28 (b) Serve as the representative payee, if designated by a
29 payor of state or federal benefits, or fiduciary for the child in



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

3 (4) Consistent with federal law, if the department serves as
4 the representative payee or in any other fiduciary capacity for a
5 child in foster care that receives state or federal benefits, the
6 department shall do all of the following until the department no
7 longer serves as the representative payee or fiduciary:

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

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

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

23 (5) If a child in foster care is 14 years of age or older and
24 is able to receive financial literacy training, the department
25 shall provide the child in foster care with financial literacy
26 training that are consistent with the needs of the child in foster
27 care.

28 (6) The department shall immediately notify a child in foster
29 care, through the child in foster care's guardian ad litem, if one



1 has been appointed, of any of the following:

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

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

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

12 (7) If the department serves as the representative payee or
13 otherwise receives state or federal benefits on behalf of a child
14 in foster care, the department must provide notice to the child in
15 foster care, through the child in foster care's guardian ad litem,
16 if one has been appointed, of all of the following before each
17 permanency planning hearing regarding the child in foster care:

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

22 (b) Information regarding the disposition of funds described
23 in subdivision (a) including an accounting of any funds disbursed
24 or expended and the balance of any deposit or trust accounts.

25 (8) The department shall facilitate the transfer of any assets
26 or income that the child in foster care has earned, owned, or
27 received to the child in foster care when the child in foster care
28 is discharged from foster care or reaches the age of 18, whichever
29 is sooner. The department shall assist the child in foster care in



1 nominating a representative payee, for consideration by a payor of
2 state or federal benefits, if applicable. If the child in foster
3 care dies while in foster care, the department shall facilitate the
4 transfer of any of the child in foster care's assets or income to
5 the heirs of the child in foster care. If the child in foster care
6 is discharged from foster care into the care of a parent, guardian,
7 or conservator, the department shall facilitate the transfer of any
8 assets or income to the parent, guardian, or conservator of the
9 child in foster care to be managed for the benefit of the child in
10 foster care. The department's responsibilities under this
11 subsection apply only to funds for which the department is the
12 payee or fiduciary.

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) A transfer of assets under this section must be in
18 accordance with the rules promulgated by United States Social
19 Security Administration.

20 (11) This section does not affect any additional notice
21 required by a state court.

22 (12) As used in this section:

23 (a) "Federal benefits" means either of the following:

24 (i) Social Security benefits.

25 (ii) United States Department of Veterans Affairs benefits.

26 (b) "State benefits" means state supplemental payments for
27 recipients of federal supplemental security income.

28 Enacting section 1. This amendatory act takes effect October
29 1, 2026.

