

**SUBSTITUTE FOR  
HOUSE BILL NO. 4750**

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) This section applies to children in foster care.**

2       **(2) Within 60 days after a child enters foster care and**  
3       **annually thereafter while a child in foster care is in foster care,**  
4       **the department shall screen a child in foster care for potential**  
5       **eligibility for benefits and apply for benefits for which a child**  
6       **in foster care may be eligible and is not already receiving. When**  
7       **applying for benefits under this section for a child in foster**  
8       **care, the department shall, in cooperation with the child in foster**  
9       **care's attorney, identify a representative payee or fiduciary in**



1 accordance with the requirements of 20 CFR 404.2021 and 416.621, as  
2 applicable, and shall apply to become the representative payee only  
3 if no other suitable candidate is available to be a representative  
4 payee. If the department acts as the representative payee, the  
5 department shall, on an annual basis, review if someone other than  
6 the department is available to apply to assume the role of  
7 representative payee and could better serve in that role in the  
8 best interests of the child in foster care.

9 (3) Consistent with federal law, when the department serves as  
10 the representative payee or in any other fiduciary capacity for a  
11 child in foster care receiving benefits, the department shall do  
12 all the following:

13 (a) Use or conserve the benefits of a child in foster care in  
14 the best interests of the child in foster care, including using the  
15 benefits for services for special needs not otherwise provided by  
16 the department or conserving the benefits for the child in foster  
17 care's reasonably foreseeable future needs. The department shall  
18 not use any benefits of the child in foster care to reimburse this  
19 state for the cost of care for the child in foster care.

20 (b) Ensure that when the child in foster care attains the age  
21 of 14 years and until the department no longer serves as the  
22 representative payee or fiduciary, a minimum percentage of the  
23 benefits of the child in foster care is conserved in accordance  
24 with subdivisions (c) and (d), as follows:

25 (i) From age 14 through age 15, at least 40%.

26 (ii) From age 16 through age 17, at least 80%.

27 (iii) From age 18 through age 20, 100%.

28 (c) For the benefits or resources of the child in foster care  
29 that are below or not subject to any federal asset or resource



1 limit, exercise discretion in accordance with federal law and in  
2 the best interests of the child in foster care to conserve the  
3 funds or use the funds for services for special needs not otherwise  
4 provided by the department, including choosing 1 or more of the  
5 options listed under subdivision (d).

6 (d) Appropriately monitor any federal asset or resource limits  
7 for the benefits and ensure that the best interests of the child in  
8 foster care are served by using or conserving the benefits in a way  
9 that avoids violating any federal asset or resource limits that  
10 would affect the eligibility of the child in foster care to receive  
11 the benefits, including all the following:

12 (i) Applying to the Social Security Administration to establish  
13 a plan for achieving self-support (PASS) account for the child in  
14 foster care under the social security act, 42 USC 301 to 1397mm,  
15 and determining whether it is in the best interests of the child in  
16 foster care to conserve all or part of the benefits in the PASS  
17 account.

18 (ii) Establishing a plan under section 529A of the internal  
19 revenue code of 1986, 26 USC 529A, for the child in foster care and  
20 conserving the benefits of the child in foster care in that account  
21 in a manner that appropriately avoids any federal asset or resource  
22 limits.

23 (iii) Establishing an individual development account for the  
24 child in foster care and conserving the benefits of the child in  
25 foster care in that account in a manner that appropriately avoids  
26 any federal asset or resource limits.

27 (iv) Establishing a special needs trust for the child in foster  
28 care and conserving the benefits of the child in foster care in the  
29 trust in a manner that is consistent with federal requirements for



1 special needs trusts and that appropriately avoids any federal  
2 asset or resource limits.

3 (v) If the department determines that using the benefits for  
4 services for current special needs not already provided by the  
5 department is in the best interests of the child in foster care,  
6 using the benefits for those services.

7 (vi) If federal law requires certain back payments of benefits  
8 to be placed in a dedicated account, complying with the  
9 requirements for dedicated accounts under 20 CFR 416.640(e).

10 (vii) Applying any other exclusions from federal asset or  
11 resource limits available under federal law and using or conserving  
12 the benefits of the child in foster care in a manner that  
13 appropriately avoids any federal asset or resource limits.

14 (e) Provide an annual accounting to the child in foster care,  
15 the appropriate contact at the supervising child placement agency,  
16 and the attorney of the child in foster care of how the resources  
17 of the child in foster care, including benefits, have been used or  
18 conserved in accordance with this section.

19 (f) Provide the child in foster care with financial literacy  
20 training when the child in foster care has attained the age of 14  
21 years. The financial literacy training required under this  
22 subdivision must include all of the following:

23 (i) A definition of personal finance and consideration of how  
24 personal finance concepts fit into key life events or stages and an  
25 explanation of the importance of personal financial planning using  
26 information sources, including, but not limited to, instructional  
27 materials, news articles, blogs from reputable sources, personal  
28 narratives, and industry publications.

29 (ii) The writing of short-term, mid-term, and long-term



1 personal financial goals. The personal financial goals must define  
2 the child in foster care's desired education, career, and earning  
3 milestones, and saving and spending plans, and must involve the  
4 child in foster care evaluating factors that may influence the  
5 child in foster care's personal financial goals, including, but not  
6 limited to, family responsibilities, individual values, financial  
7 factors, and economic conditions. As used in this subparagraph:

8 (A) "Long-term" means greater than 5 years from the time of  
9 writing.

10 (B) "Mid-term" means 1 to 5 years from the time of writing.

11 (C) "Short-term" means less than 1 year from the time of  
12 writing.

13 (iii) The completion of 1 or more career aptitude surveys and an  
14 analysis of the career aptitude survey results and how the survey  
15 results align with the child in foster care's strengths and  
16 interests. The analysis must evaluate education and training path  
17 options to prepare the child in foster care for the identified jobs  
18 or careers of interest.

19 (iv) The creation of an annotated chart, table, or graphic  
20 based on the career of interest identified in subparagraph (iii) that  
21 evaluates all of the following:

22 (A) Education and training, including, but not limited to,  
23 admission requirements and tuition requirements.

24 (B) Available positions.

25 (C) Salaries.

26 (D) Costs and benefits of education and training.

27 (E) Potential lifetime earnings.

28 (F) Employer benefits.

29 (G) Possible need for relocation to advance.



1           (v) An exploration and evaluation of the options for financing  
2 postsecondary education, including, but not limited to, an  
3 evaluation of the Free Application for Federal Student Aid (FAFSA)  
4 requirements to apply for postsecondary financial aid, and  
5 identification of strategies for reducing the overall cost of  
6 postsecondary education. The evaluation described under this  
7 subparagraph must also discuss the impact of scholarships, grants,  
8 work study, and other forms of assistance and the application  
9 processes for each.

10           (vi) An explanation of the impact that borrowing money to  
11 finance postsecondary education could have on future financial  
12 stability and security. The explanation described under this  
13 subparagraph must include an assessment of research from multiple  
14 viewpoints that either supports or questions the use of student  
15 loan debt in paying for postsecondary education.

16           (vii) A requirement that the child in foster care craft an  
17 argumentative essay, citing specific textual evidence, that either  
18 supports or opposes the use of student loan debt to finance  
19 postsecondary education and develops both sides of the argument.

20           (viii) A description of factors that affect take-home pay,  
21 including, but not limited to, insurance benefits, retirement  
22 options, tax withholdings, and other payroll deductions. As part of  
23 the instruction on factors that affect take-home pay, the child in  
24 foster care must analyze how to complete a 1040 and a W-4  
25 employee's withholding allowance paperwork and review a W-2 wage  
26 and tax statement.

27           (ix) Instruction on the use of money management tools,  
28 including, but not limited to, online and paper budgeting tools and  
29 cost-of-living calculators. As part of the instruction on the use



1 of money management tools, the child in foster care must create a  
2 personal balance sheet, determine assets and liabilities, and  
3 calculate net worth for an identified career.

4 (x) The creation, using research from local sources including,  
5 but not limited to, newspapers, chambers of commerce, local  
6 governments, and company websites, of a monthly personal budget  
7 that reflects hypothetical household living expenses, taxes,  
8 potential savings, and an emergency fund.

9 (xi) The creation, using research from local sources including,  
10 but not limited to, newspapers, chambers of commerce, local  
11 governments, and company websites, of a monthly personal budget  
12 that reflects hypothetical household living expenses, taxes,  
13 potential savings, and an emergency fund.

14 (xii) Development, by the child in foster care, of a savings  
15 and spending plan for a week. The child in foster care must compare  
16 the plan to the child in foster care's actual spending for the  
17 week.

18 (xiii) Instruction on the availability and reliability of  
19 consumer protection laws, agencies, and resources that assist  
20 consumers in making buying decisions, including national, state,  
21 and local resources, as appropriate.

22 (xiv) Information on a variety of financial institutions,  
23 including digital financial services and how to reconcile an  
24 account, write a check, and verify account accuracy. As part of the  
25 instruction on financial institutions, the child in foster care  
26 must compare and contrast services and products, including, but not  
27 limited to, checking accounts, savings accounts, and certificates  
28 of deposit.

29 (xv) An evaluation of the various sources and types of consumer



1 credit, including, but not limited to, student loans, auto loans,  
2 store credit cards, flex loans, consumer installment loans, title  
3 loans, payday loans, and instruction on the impact that taking on  
4 debt early in life will have on financial stability later in life.

5 (xvi) An overview of credit reporting agencies, including, but  
6 not limited to, Equifax, Experion, TransAmerica, and federal  
7 organizations, that describes credit reports and credit scores. The  
8 overview provided under this subparagraph must do all of the  
9 following:

10 (A) Describe the relationship between consumers, credit  
11 reports, and credit scores and discuss the importance of this  
12 relationship using specific textual evidence from research.

13 (B) Analyze a sample credit report and interpret how the  
14 contents may affect the credit score.

15 (C) Explain how a credit score may impact borrowing  
16 opportunities and the cost of credit.

17 (D) Summarize specific activities used to maintain a good  
18 credit score.

19 (xvii) A comparison and contrast of the various types of credit  
20 and a calculation of the real cost of borrowing and an explanation  
21 of factors that can affect the approval process associated with  
22 each type of credit and identification of the typical information  
23 and procedures required as part of the credit application process.

24 (xviii) An analysis of factors associated with the purchase of  
25 an automobile. This analysis must include:

26 (A) A definition and understanding of factors most often  
27 included in negotiations, such as cash payment compared to  
28 financing and the inclusion of a trade-in.

29 (B) An evaluation of costs and benefits of different service





1 contracts and warranty options.

2 (C) A comparison and contrast of available financing options  
3 based on consumer characteristics and the amount of the down  
4 payment.

5 (D) A discussion of the differences between owning and leasing  
6 a car, including, but not limited to, down payment, terms, and  
7 contracts.

8 (xix) An analysis of the benefits and costs associated with  
9 various types of insurance, including, but not limited to, health,  
10 life, property, and automobile insurance, and a description of the  
11 risks associated with a lack of appropriate coverage in specific  
12 situations. This analysis must also discuss the role of insurance  
13 in personal financial planning to preserve and build wealth with  
14 financial stability and security.

15 (xx) An assessment of various types of identity theft  
16 situations and scams, and strategies and plans to safeguard and  
17 protect against identity theft, and a discussion of steps that  
18 should be taken by a victim of identity theft to report the  
19 incident and reestablish the victim's identity.

20 (xxi) An explanation of how saving and investing contribute to  
21 financial well-being, building wealth, and helping meet personal  
22 financial goals. The instruction on saving and investing must  
23 compare and contrast saving and investment strategies, including,  
24 but not limited to, savings accounts, certificates of deposit,  
25 stocks, bonds, mutual funds, employer-sponsored savings plans,  
26 physical assets, and commodities.

27 (4) The department shall immediately notify the child in  
28 foster care through the attorney of the child in foster care and  
29 the appropriate contact at the supervising child placement agency



1 of any of the following:

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

5 (b) A decision or communication from this state or the federal  
6 government regarding an application for benefits.

7 (c) An appeal or other action requested by the department  
8 regarding an application for benefits.

9 (5) If the department serves as the representative payee or  
10 otherwise receives benefits on behalf of the child in foster care,  
11 the department must provide notice to the child in foster care  
12 through the attorney of the child in foster care and the  
13 appropriate contact at the supervising child placement agency of  
14 both the following before each juvenile court hearing regarding the  
15 child in foster care:

16 (a) The date and the amount of benefit funds received on  
17 behalf of the child in foster care since any previous notification  
18 to the child in foster care's attorney.

19 (b) Information regarding all of the child in foster care's  
20 assets and resources, including the child in foster care's  
21 benefits, insurance, cash assets, trust accounts, earnings, and  
22 other resources.

23 (6) All payments from benefits received under this section are  
24 the property of the child in foster care. Notwithstanding any  
25 provision of law to the contrary, on termination of the  
26 department's responsibility for the child in foster care under this  
27 section, the department shall release any funds remaining to the  
28 child's credit under the requirements of the funding source or, in  
29 the absence of any requirements, release the remaining funds as



1 follows:

2 (a) To the child, if the child is at least 18 years of age or  
3 is emancipated.

4 (b) To the person responsible for the child in foster care if  
5 the child is under 18 years of age and is not emancipated.

6 (7) This section does not affect any additional notice  
7 required by a court of this state.

8 (8) As used in this section, "benefits" means all of the  
9 following:

10 (a) Federal Supplemental Security Income.

11 (b) Social Security benefits.

12 (c) United States Department of Veterans Affairs benefits.

13 (d) Other applicable benefits for which the child in foster  
14 care is eligible.