

YOUNG ADULT VOLUNTARY FOSTER CARE ACT

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Senate Bill 435 (Substitute H-1)
Sponsor: Sen. Bruce Caswell

Senate Bill 438 (Substitute H-1)
Sponsor: Sen. John Moolenaar

Senate Bill 436 (Substitute H-1)
Sponsor: Sen. Judy K. Emmons

Senate Bill 439 (Substitute H-1)
Sponsor: Sen. Mike Nofs

Senate Bill 437 (Substitute H-1)
Sponsor: Sen. Mark C. Jansen

Senate Bill 440 (Substitute H-1)
Sponsor: Sen. John Proos

House Committee: Families, Children, and Seniors
Senate Committee: Appropriations

(Enacted as Public Acts 225-230 of 2011)

Complete to 11-8-11

A SUMMARY OF SENATE BILLS 435-440 AS REPORTED FROM HOUSE COMMITTEE

Senate Bills 435-440 would create the Young Adult Voluntary Foster Care Act and enact associated legislation. The Young Adult Voluntary Foster Care Act mirrors the federal *Fostering Connections to Success and Increasing Adoption Act of 2008*, which allows states to extend federal Title IV-E eligibility for foster care, adoption assistance, and guardianship assistance for youth from 18 up to 21 years of age.

Prior to the federal Fostering Connections Act, Title IV-E matching funds could only continue after a youth turns 18 if the youth was a full-time student and could be reasonably expected to complete high school before turning 19. The new federal act also allows youth 18 years and older to be placed into supervised independent living settings. These changes to federal law allow more foster youth age 18 and older to meet Title IV-E eligibility requirements.

Senate Bill 435 would create a new act, the "Young Adult Voluntary Foster Care Act." The act would allow extensions of foster care payments, guardianship assistance payments to youths who entered the program between the ages of 16 and 18, and adoption subsidies for youths who were adopted between the ages of 16 and 18. The requirements and eligibility standards are described in this bill and reflect federal law.

Senate Bill 436 would amend the Juvenile Code to allow the family court to maintain jurisdiction over youth who were taking part in the Young Adult Voluntary Foster Care program until age 21. Under the bill, if the Department of Human Services files a report with the court, then the court must determine if it is in the youth's best interest to continue in voluntary foster care. If the court finds it is in the youth's best interests, it would issue

an order containing individualized findings, based on the department's written report and other materials and information, to support its determinations.

Senate Bill 437 would amend Public Act 220 of 1935 to allow the Michigan Children's Institute and the Department of Human Services to maintain oversight of youths who were taking part in the Young Adult Voluntary Foster Care program until age 21.

Senate Bill 438 would amend Public Act 116 of 1973 to allow licensed child care organizations to maintain supervision of youths taking part in the Young Adult Voluntary Foster Care program until age 21.

Senate Bill 439 would amend the Guardianship Assistance Act to allow for youths taking part in the Young Adult Voluntary Foster Care program to remain in guardianship until age 21.

Senate Bill 440 would amend the Social Welfare Act to allow youths taking part in the Young Adult Voluntary Foster Care program to receive extended payments in an independent living situation or adoption.

BACKGROUND INFORMATION & FISCAL IMPACT:

The Fiscal Year 2011-12 Department of Human Services (DHS) budget includes \$13.8 million gross, \$5.0 million GF/GP to extend foster care, adoption subsidies, and guardianship assistance until age 21 for qualifying youth.

Senate Bills 435-440 amend state law to implement this program revision. The new modified Children's Rights settlement agreement replaces the original mandate for DHS to extend foster care for youth transitioning to adulthood with the requirement that DHS support Senate Bills 435-440, which create the Young Adult Voluntary Foster Care Act and make complementary amendments to related acts. Current state law allows certain foster youth to remain in foster care until they turn 20, so the Young Adult Voluntary Foster Care Act would add an additional way for a foster youth to continue to receive foster care assistance after turning 18 in addition to extending foster care from until the youth turns 20 to until the youth turns 21.

DHS estimates that these changes will increase the foster care caseload by 585 cases at a gross cost of \$10.4 million and a GF/GP cost of \$2.4 million. DHS would also have to ensure they have sufficient direct care staff to meet the mandated caseload to direct care staff ratio of 15:1 to be in compliance with the Children's Rights settlement agreement. DHS estimates that 34 staff are needed at a cost of \$3.4 million gross and a GF/GP cost of \$2.6 million.

As noted above, the Young Adult Voluntary Foster Care Act mirrors the federal Fostering Connections to Success and Increasing Adoption Act of 2008, which allows states to extend federal Title IV-E eligibility for foster care, adoption assistance, and guardianship assistance for youth from 18 up to 21 years of age.

In general, when a youth is Title IV-E eligible the cost of care is supported with federal funds (66%) and state funds (34%), and when a youth is not IV-E eligible the cost of care is supported with state funds (50%) and local funds (50%).

For a youth to be Title IV-E eligible the youth has to meet 5 criteria: (1) the judicial order removing the youth from the home must show that staying in the home is "contrary to the welfare" of the child and that "reasonable efforts" were made to keep the youth in the home; (2) responsibility of the youth is vested with the state; (3) the family meets cash assistance eligibility criteria as the state had in place on July 16, 1996; (4) the youth is placed in a licensed or approved foster family home or child caring institution; and (5) the youth meets citizenship and qualified alien status.

Specifically for youth turning 18, the income of his or her parents does not have to be included in the income eligibility determination, and at the state's discretion, the supervised independent living setting does not have to be licensed. DHS is projecting that these two specific provisions for youth turning 18 will allow most of these youth to now be Title IV-E eligible.

The caseload increases for extended adoption subsidies and guardianship assistance through the Young Adult Voluntary Foster Care Act will have a minimal to negligible fiscal impact. The federal Fostering Connections to Success and Increasing Adoption Act of 2008 and the proposed state Young Adult Voluntary Foster Care Act only make these extensions available for youth who have entered those programs at a minimum age of 16. This population of youth is small.

In addition to the provisions of the Young Adult Voluntary Foster Care Act, SB 440 (H-1) also extends adoption support subsidies up to the age of 21 for children adopted before 16 years old if that child has a mental or physical disability. The federal Fostering Connections to Success and Increasing Adoption Act of 2008 also includes this provision for this special population of children receiving adoption support subsidies. At this time, data needed to determine the fiscal impact of this adoption subsidy caseload increase have not been provided, so it is currently unknown by how much adoption subsidies will increase.

POSITIONS:

The following have indicated support for the bills on 11-1-11:

The Department of Human Services; Lutheran Social Services of Michigan; Holy Cross Children's Services; the Michigan County Social Service Association; the Michigan Catholic Conference; the Michigan Association of Counties; and the Michigan Family Forum.

Legislative Analyst: E. Best
Fiscal Analyst: Kevin Koorstra

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