



**Senate Fiscal Agency**  
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House Bill 5444 (Substitute H-2 as reported without amendment)

Sponsor: Representative Peter MacGregor

House Committee: Families, Children, and Seniors

Senate Committee: Families, Seniors and Human Services

### **CONTENT**

The bill would amend the Foster Care Trust Fund Act, which it would rename the "Fostering Futures Scholarship Fund Act", to do the following:

- Create the "Fostering Futures Scholarship Trust Fund".
- Provide that a foster care student would be eligible for a scholarship if he or she were enrolled at an institution of higher education in the State; had an unmet financial education need; had been in foster care after his or her 13<sup>th</sup> birthday due to abuse or neglect; had completed the application and submitted required documentation; and had maintained satisfactory academic performance.
- Require money provided under the Act to be used only for tuition, fees, room, board, supplies, and equipment required for enrollment, and specify that the money provided could not exceed the student's costs for those items.
- Provide that Trust Fund money could not be disbursed to a foster care student until after he or she had exhausted all other known available restricted grants for postsecondary education provided by a Federal, State, or local governmental entity.
- Require the Department of Treasury to work with the Department of Human Services to provide an opportunity for individuals and organizations to make contributions toward scholarships.
- Require the Department of Treasury to collaborate with any institution of higher education in the State to assist foster care students who had unmet financial education needs, and to assist in efforts to create sustainable futures for those students.
- Provide that an expenditure or appropriation of Trust Fund money could not be made if it would reduce the balance to less than \$500,000.
- Limit administrative costs to 15% of the amount in the Trust Fund over \$500,000.
- Require the Department to report annually to the Senate and House Appropriations Committee chairs.

The bill would delete provisions of the Act concerning the Foster Care Trust Fund, and would repeal sections providing for the State Foster Care Trust Fund Board.

MCL 722.1021 et al.

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bill would have a positive fiscal impact on the State, subject to appropriations, and no impact on local units of government. The FY 2014-15 enacted budget for the Department of Human Services included \$500,000 Gross and GF/GP in one-time funding for the proposed Trust Fund.

The Department of Treasury should not incur any additional costs as any administrative costs that exceeded the Department's appropriations would be covered by the proceeds from the Fostering Futures Scholarship Trust Fund. The bill would require any expenses authorized under the bill to be paid from Fund revenue. The bill also would cap administrative expenses at 15% of the amount in the Trust Fund above \$500,000.

Date Completed: 12-1-14

Fiscal Analyst: Joe Carrasco  
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