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BILL ANALYSIS

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House Bills 4696 and 4697 (as passed by the House)
Sponsor: Representative Luke Meerman (H.B. 4696)
Representative Stephanie Young (H.B. 4697)
House Committee: Families and Veterans
Rules (H.B. 4696)
Senate Committee: Housing and Human Services

Date Completed: 5-11-26

CONTENT

House Bill 4696 would modify the definition of "relative" in the Guardianship Assistance Act.

House Bill 4697 would amend the Guardianship Assistance Act to modify eligibility requirements for guardianship assistance.

The bills are tie-barred.

House Bill 4696

Currently, "relative" means that term as defined in Section 13a of the juvenile Code. Section 13a defines "relative" as an individual who is at least 18 years of age and is either of the following:

-- Related to the child within the fifth degree by blood, marriage, or adoption, including the spouse of an individual related to the child within the fifth degree, even after the marriage has ended by death or divorce, the parent who shares custody of a half-sibling, and the parent of a man whom the court has found probable cause to believe is the putative father if there is no man with legally established rights to the child.
-- Not related to a child within the fifth degree by blood, marriage, or adoption but who has a strong positive emotional tie or role in the child's life or the child's parent's life if the child is an infant, as determined by the Department of Health and Human Services (DHHS) or, if the child is an Indian child, as determined solely by the Indian child's tribe.

Under the bill, "relative" would mean an individual who is at least 18 years of age, fulfills either relationship requirement described above, and has been approved for foster care placement.

House Bill 4697

A guardian must meet certain criteria to receive guardianship assistance on behalf of an eligible child (see **BACKGROUND**). For example, to receive guardianship assistance an eligible child must have resided with the prospective guardian in the prospective guardian's residence for a minimum of six months before the guardian could apply for assistance.

Additionally, the law requires *both* of the following criteria to be fulfilled:

-- The guardian is the eligible child's relative or legal custodian.

-- The guardian is a licensed foster parent and approved for guardianship assistance by the DHHS.

The bill would instead require one of these two requirements to be fulfilled. In other words, it would allow an eligible child's relative to apply for guardianship assistance even if the prospective guardian were not a licensed foster parent, and vice versa.

The bill would maintain safety guidelines for this modified approval process, including criminal record checks and child abuse and child neglect central registry checks on the prospective guardian, all successor guardians, and all adults living in the prospective guardian's or successor guardian's home

MCL 722.872 (H.B. 4696)
722.874 (H.B. 4697)

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

House Bills 4696 and 4697 are similar to House Bill 6025 from the 2023-2024 Legislative Session. House Bill 6025 passed the House but received no further action in the Senate.

BACKGROUND

The Guardianship Assistance Program provides financial support to those providing permanent guardianship to children for whom adoption or family reunification are not viable options and who may otherwise remain in foster care. The DHHS Adoption and Guardian Assistance Office is responsible for approving assistance and the amount of assistance provided to guardians is tied to certain foster care rates. Juvenile guardians are appointed by a State court until the child reaches 18 years of age and generally are the child's extended family providing a secure placement.[1]

Legislative Analyst: Jessica Gebbie

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on the State and local governments. Increased costs would primarily depend on how many relative caregivers choose to become guardians under the expanded eligibility for guardianship assistance payments, combined with the number of children for whom guardianship was deemed appropriate.

According to the DHHS Children's Foster Care Manual (FOM 722-07), the Federal government determines the permissible permanency outcomes for foster care cases, and requires legal preference given to reunification first, adoption second, and finally guardianship when the first two options are unavailable.

While the bills could allow more people to become legal guardians, the court would still have to balance permanency decisions with best interest factors for the child and the Federal obligation to prioritize reunification and adoption first, when possible. Therefore, an increase in guardianships for the current foster care population would likely be constrained.

Data from the Adoption and Foster Care Analysis and Reporting System (AFCARS) indicates that guardianship accounted for 7.8% of the foster care exits in Michigan in 2024 (approximately

[1] Michigan Courts, "Guardianship Assistance Program FAQ".

278 children). The report does not differentiate between licensed or unlicensed guardians.

As the DHHS outlines in FOM 722-07, the two permanency options that are least preferred by the Federal government guidelines are Permanent Placement with a Fit and Willing Relative (PPFWR) and Another Planned Permanent Living Arrangement (APPLA).

In 2025, there were 1,493 children with the permanency goal of APPLA and 212 children with the goal of PPFWR according to the DHHS. There's a possibility that this population of children in foster care could be the most influenced by the bills, as the expanded guardianship assistance payments have the potential to reduce financial barriers that would otherwise keep a caregiver from pursuing legal guardianship.

The DHHS reported in 2025 that there were 1,040 children in a guardianship. The DHHS Juvenile Guardianship Assistance Rate Determination policy (GDM 720) states that guardians who do not have an assistance payment agreement signed prior to the court's appointment will not be eligible for payments in the future. Therefore, unless a DHHS policy change accompanied the bills, the cost of the expanded assistance payments would be contained to those applicable guardianships established after enactment.

Guardianship assistance is paid by State, local, and Federal Title IV-E funds at a rate that is meant to reflect what the child was receiving from foster care maintenance payments. The total daily rates are currently set at $22.35 for children aged zero to 12 and $26.69 for children aged 13 to 18 (FOM 905-3). The fiscal impact of the bills also would depend on how many children in guardianships qualify for Title IV-E, which would shift a greater portion of the cost to Federal funding (cost sharing is currently set at 65% Federal, 35% State).

The bills could reduce administrative costs if more children avoided entering foster care through the establishment of guardianships at the onset of child welfare involvement, or if foster care cases closed more quickly due to an expanded pool of potential guardians; however, it is unknown whether any such savings would be large enough to offset the increased cost of additional guardianship assistance payments.

Fiscal Analyst: Jaymie Tibbits

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.