SENATE 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:

Sec. 8f. (1) This section and section 8g apply to children in foster care.

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

(a) Federal Supplemental Security Income.

(b) Social Security benefits.

(c) State Supplemental Security Income.

(d) United States Department of Veterans Affairs benefits.

(e) If identified by the department, other applicable benefits

for which the child in foster care is eligible.

(3) Within 60 days after a child enters foster care and annually thereafter while a child in foster care is in foster care, the department shall screen a child in foster care for potential eligibility for benefits and apply for benefits for which a child in foster care may be eligible and is not already receiving. When applying for benefits under this section and section 8g for a child in foster care, the department shall, in cooperation with the child in foster care's guardian ad litem, if one has been appointed, identify a representative payee or fiduciary in accordance with the requirements of 20 CFR 404.2021 and 416.621, as applicable, and shall apply to become the representative payee only if no other suitable candidate is available to be a representative payee.

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

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

(b) Ensure that when the child in foster care is 14 years through age 17, and until the department no longer serves as the representative payee or fiduciary, at least 50% of the benefits of the child in foster care is conserved.

(c) For the benefits or resources of the child in foster care

that are below or not subject to any federal asset or resource limit, exercise discretion in accordance with federal law and in the best interests of the child in foster care to conserve the funds or use the funds for services for special needs not otherwise provided by the department, including choosing 1 or more of the options listed under subdivision (d).

(d) Appropriately monitor any federal asset or resource limits for the benefits and ensure that the best interests of the child in foster care are served by using or conserving the benefits in a way that avoids violating any federal asset or resource limits that would affect the eligibility of the child in foster care to receive the benefits, including, but not limited to, all the following:

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

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

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

(*iv*) Establishing a special needs trust for the child in foster care and conserving the benefits of the child in foster care in the

trust in a manner that is consistent with federal requirements for special needs trusts and that appropriately avoids any federal asset or resource limits.

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

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

(e) Provide an annual accounting to the child in foster care, the appropriate contact at the supervising child placement agency, and the child in foster care's guardian ad litem, if one has been appointed, of how the resources of the child in foster care, including benefits, have been used or conserved in accordance with this section and section 8g.

(f) If appropriate, as determined by the department, provide the child in foster care with financial literacy training when the child in foster care has attained the age of 14 years through the teaching of personal financial management skills and the basic principles involved with earning, spending, saving, borrowing, and investing. The financial literacy training required under this subdivision must include an exploration and evaluation of the options for financing postsecondary education, including, but not limited to, an evaluation of the Free Application for Federal Student Aid (FAFSA) requirements to apply for postsecondary financial aid, and identification of strategies for reducing the overall cost of postsecondary education. The evaluation described

under this subdivision must also discuss the impact of scholarships, grants, work study, and other forms of assistance and the application processes for each.

(g) Make monthly payments from the benefits of the child to the child in foster care for allowable expenses. The department shall establish a process for reviewing and approving allowable expenses requested by the child in foster care. Notwithstanding this subdivision, the department shall approve the payment of allowable expenses requested by the child in foster care unless the department determines that the expenses are not in the best interests of the child in foster care. As used in this subdivision, "allowable expenses" means expenses incurred or needed by the child in foster care that are related to any of the following:

(*i*) Education.

(*ii*) Medicaid or health insurance co-pays or deductibles or out-of-pocket expenses for medical treatment received by the child in foster care.

(*iii*) Job training.

(*iv*) Transportation.

(*v*) Immediate living expenses.

(5) The department shall do all of the following if another person serves as the representative payee for a child in foster care:

(a) Keep track of the activities of the representative payee.

(b) Provide guidance, as needed, for the representative payee.

(c) Require the representative payee to provide an annual accounting report to the department and the child in foster care.

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

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 18 of the 103rd Legislature is enacted into law.