

SUBSTITUTE FOR  
HOUSE BILL NO. 5444

A bill to amend 2008 PA 525, entitled  
"Foster care trust fund act,"  
by amending the title and sections 1, 2, 3, 9, 10, and 11 (MCL  
722.1021, 722.1022, 722.1023, 722.1029, 722.1030, and 722.1031) and  
by adding sections 7a and 7b; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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TITLE

An act to establish the ~~foster care~~ **FOSTERING FUTURES**  
**SCHOLARSHIP** trust fund in the department of ~~human services; to~~  
~~establish the state foster care board; to prescribe the powers and~~  
~~duties of the state foster care board; TREASURY;~~ to provide for the  
distribution of the money from the fund; to prescribe the powers  
and duties of certain agencies and officials; and to provide for  
appropriations.

1       Sec. 1. This act shall be known and may be cited as the  
2 ~~"foster care"~~ **"FOSTERING FUTURES SCHOLARSHIP** trust fund act".

3       Sec. 2. As used in this act:

4 ~~—— (a) "Board" means the state foster care trust fund board~~  
5 ~~created in section 4.~~

6 ~~—— (b) "Children's ombudsman office" means the children's~~  
7 ~~ombudsman office created in section 3 of the children's ombudsman~~  
8 ~~act, 1994 PA 204, MCL 722.923.~~

9       **(A)** ~~(c)~~ "Department" means the department of human  
10 ~~services.~~ **TREASURY.**

11 ~~—— (d) "Foster care programs" means public or private programs~~  
12 ~~that provide 24 hour substitute care for a child who is placed out~~  
13 ~~of his or her parental or legal guardian's home and under the~~  
14 ~~supervision of the department as a temporary or permanent ward of~~  
15 ~~the court or public ward placed in a supervising agency's care~~  
16 ~~under chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL~~  
17 ~~712A.1 to 712A.32, and includes children who cannot remain at home~~  
18 ~~because their families are unable to provide minimal care and~~  
19 ~~supervision.~~

20       **(B)** ~~(e)~~ "Trust fund" ~~or "fund"~~ means the ~~foster care~~ **FOSTERING**  
21 **FUTURES SCHOLARSHIP** trust fund created in section 3.

22 ~~—— (f) "Juvenile justice program" means a public or private~~  
23 ~~program where a child is placed out of his or her parental or legal~~  
24 ~~guardian's home and under the supervision of the department as a~~  
25 ~~temporary ward of the court under chapter XIIIA of the probate code~~  
26 ~~of 1939, 1939 PA 288, MCL 712A.1 to 712A.32, or a temporary public~~  
27 ~~ward under the youth rehabilitation services act, 1974 PA 150, MCL~~

~~803.301 to 803.309.~~

~~—— (g) "Local councils" means a public or private community collaborative that sets the agenda for local collaborative activities for children in, or aging out of, foster care programs and juvenile justice programs, that works within the community to focus resources on common needs and outcomes of children in foster care, and that acts as the common community voice with state agencies on issues of strengthening responses to these youths' needs.~~

~~—— (h) "Public ward" means either of the following:~~

~~—— (i) That term as defined under section 2 of the youth rehabilitation services act, 1974 PA 150, MCL 803.302.~~

~~—— (ii) A youth whose parents' parental rights have been terminated and who is legally free for adoption.~~

Sec. 3. (1) The foster care ~~FOSTERING FUTURES SCHOLARSHIP~~ trust fund is created in the state treasury as a charitable and educational endowment fund. Money in the **TRUST** fund shall be expended only as provided in this section. The ~~board~~ **DEPARTMENT** shall be the administrator of the trust fund for auditing purposes and all powers, purposes, and duties of the **TRUST** fund shall be exercised by the ~~board~~ **DEPARTMENT**.

(2) The state treasurer shall credit to the trust fund ~~all amounts appropriated for this purpose under section 435 of the income tax act of 1967, 1967 PA 281, MCL 206.435,~~ any amounts received under section 9 ~~of this act,~~ and interest and earnings accrued from the saving and investment of that money.

(3) The state treasurer shall direct the investment of the

1 trust fund.

2 (4) ~~Not more than 1/2 of the balance of the money contributed~~  
3 ~~to the trust fund each year, plus the interest and earnings,~~  
4 ~~excluding unrealized gains and losses, credited to the trust fund~~  
5 ~~during the previous fiscal year~~ **EXCEPT AS PROVIDED IN SUBSECTIONS**  
6 **(6) AND (7), ALL MONEY CONTRIBUTED TO THE FUND ANNUALLY, PLUS 5% OF**  
7 **THE 12-QUARTER ROLLING AVERAGE OF THE FUND, INCLUDING UNREALIZED**  
8 **GAINS AND LOSSES,** shall be available for disbursement upon the  
9 authorization of the ~~board~~ **DEPARTMENT** as provided in section 10.

10 (5) Money in the trust fund shall be available for  
11 disbursement upon appropriation.

12 (6) No money shall be expended from the **TRUST** fund until the  
13 date that the deposits credited into the trust **FUND** from all  
14 sources as provided under this section equal or exceed  
15 ~~\$800,000.00.~~ **\$500,000.00. NO MONEY SHALL BE EXPENDED FROM THE TRUST**  
16 **FUND IF THE AMOUNT IN THE TRUST FUND IS LESS THAN \$500,000.00 OR IF**  
17 **THE EXPENDITURE WILL CAUSE THE AMOUNT REMAINING IN THE TRUST FUND**  
18 **TO BE LESS THAN \$500,000.00.**

19 (7) No appropriations shall be made from the **TRUST** fund until  
20 the date that the deposits credited into the **TRUST** fund from all  
21 sources equal or exceed ~~\$800,000.00.~~ **\$500,000.00. NO MONEY SHALL BE**  
22 **APPROPRIATED FROM THE TRUST FUND IF THE AMOUNT IN THE TRUST FUND IS**  
23 **LESS THAN \$500,000.00 OR IF THE APPROPRIATION WILL CAUSE THE AMOUNT**  
24 **REMAINING IN THE TRUST FUND TO BE LESS THAN \$500,000.00.**

25 (8) All expenses authorized under this act or necessary to  
26 implement this act shall only be funded by the trust fund created  
27 in this section.

1           (9) Money in the trust fund at the close of the year shall  
2 remain in the trust fund and shall not lapse to the general fund.

3           (10) THE TRUST FUND ADMINISTRATIVE COSTS SHALL NOT EXCEED 15%  
4 OF THE AMOUNT IN THE TRUST FUND OVER \$500,000.00.

5           SEC. 7A. (1) THE DEPARTMENT SHALL WORK WITH THE DEPARTMENT OF  
6 HUMAN SERVICES TO SERVE TO PROVIDE AN OPPORTUNITY FOR INDIVIDUALS  
7 AND ORGANIZATIONS TO MAKE CONTRIBUTIONS TO GO TOWARD PROVIDING  
8 SCHOLARSHIPS TO ELIGIBLE CURRENT AND FORMER FOSTER CARE STUDENTS.

9           (2) THE DEPARTMENT SHALL COLLABORATE WITH ANY INSTITUTION OF  
10 HIGHER EDUCATION IN THIS STATE AS DETERMINED BY THE DEPARTMENT TO  
11 ASSIST CURRENT AND FORMER FOSTER CARE STUDENTS WHO HAVE UNMET  
12 FINANCIAL EDUCATION NEEDS AND ASSIST IN THE EFFORT TO CREATE  
13 SUSTAINABLE FUTURES FOR THOSE FOSTER CARE STUDENTS.

14           (3) ANY MONEY PROVIDED BY THE DEPARTMENT UNDER THIS ACT SHALL  
15 ONLY BE USED FOR TUITION, FEES, ROOM, BOARD, BOOKS, SUPPLIES, AND  
16 EQUIPMENT REQUIRED FOR ENROLLMENT.

17           (4) THE DEPARTMENT MAY ENTER INTO CONTRACTS WITH PUBLIC OR  
18 PRIVATE AGENCIES TO FULFILL THE REQUIREMENTS OF THIS ACT.

19           SEC. 7B. A FOSTER CARE STUDENT IS ELIGIBLE FOR A FOSTERING  
20 FUTURES SCHOLARSHIP IF ALL OF THE FOLLOWING APPLY:

21           (A) DUE TO CHILD ABUSE OR CHILD NEGLECT, THE FOSTER CARE  
22 STUDENT WAS IN FOSTER CARE AFTER HIS OR HER THIRTEENTH BIRTHDAY.

23           (B) THE FOSTER CARE STUDENT IS ATTENDING AN INSTITUTION OF  
24 HIGHER EDUCATION IN THIS STATE AS DETERMINED BY THE DEPARTMENT.

25           (C) THE FOSTER CARE STUDENT HAS AN UNMET FINANCIAL EDUCATION  
26 NEED.

27           (D) THE FOSTER CARE STUDENT HAS COMPLETED THE APPLICATION AND

1 PROVIDED THE DEPARTMENT WITH THE REQUIRED DOCUMENTATION.

2 (E) THE FOSTER CARE STUDENT MAINTAINS SATISFACTORY ACADEMIC  
3 PROGRESS AS DETERMINED BY THE DEPARTMENT.

4 Sec. 9. (1) The ~~board~~ DEPARTMENT may do any of the following:

5 (a) Accept federal money granted by congress or executive  
6 order for the purposes of this act as well as gifts, grants,  
7 bequests, and donations from individuals, private organizations, or  
8 foundations. The acceptance and use of federal money does not  
9 commit state money and does not place an obligation upon the  
10 legislature to continue the purposes for which the federal money is  
11 made available.

12 (b) Plan, manage, or conduct a campaign to solicit gifts,  
13 bequests, grants, or donations of money or property, or pledges of  
14 gifts, bequests, grants, or donations.

15 (2) Money received in the manner described in subsection (1)  
16 shall be transmitted to the state treasurer for deposit in the  
17 trust fund.

18 Sec. 10. (1) The ~~board~~ DEPARTMENT may authorize the  
19 disbursement of available money from the trust fund, upon  
20 legislative appropriations, as provided in section 3, ~~for the~~  
21 ~~following purposes:~~

22 ~~—— (a) To fund a private nonprofit or public organization in the~~  
23 ~~development or operation of a foster care program if the~~  
24 ~~organization demonstrates an ability to match, through money or in-~~  
25 ~~kind services, 50% of the amount of any fund money received and the~~  
26 ~~organization demonstrates a willingness and ability to provide~~  
27 ~~program models and consultation to organizations and communities~~

1 ~~regarding program development and maintenance. The amount and types~~  
2 ~~of in-kind services are subject to the approval of the board.~~  
3 ~~Before expending any money from the fund, the board shall establish~~  
4 ~~qualifying criteria for expending those funds or awarding any~~  
5 ~~grants and may specify any conditions for each expenditure or~~  
6 ~~grant.~~

7 ~~—— (b) To~~ **TO** ~~fund the board created in section 4 for the actual~~  
8 ~~and necessary operating expenses that the board~~ **DEPARTMENT** ~~incurs~~  
9 ~~in performing its duties~~ **UNDER THIS ACT.** ~~Authorizations for~~  
10 ~~disbursement of~~ **TRUST** ~~fund money under this subsection~~ **SECTION**  
11 ~~shall be kept at a minimum in furtherance of the primary purpose of~~  
12 ~~the~~ **TRUST** ~~fund. , which is to disburse money to encourage the~~  
13 ~~direct provision of services to foster care.~~

14 **(2) TRUST FUND MONEY SHALL NOT BE DISBURSED TO A FOSTER CARE**  
15 **STUDENT UNTIL AFTER THAT FOSTER CARE STUDENT HAS EXHAUSTED ALL**  
16 **OTHER KNOWN AVAILABLE RESTRICTED GRANTS FOR QUALIFIED EDUCATIONAL**  
17 **EXPENSES FOR POSTSECONDARY EDUCATION PROVIDED BY A FEDERAL, STATE,**  
18 **OR LOCAL GOVERNMENTAL ENTITY, AS DETERMINED BY THE DEPARTMENT,**  
19 **EXCEPT FOR FUNDS PROVIDED UNDER THE MICHIGAN PROMISE ZONE AUTHORITY**  
20 **ACT, 2008 PA 549, MCL 390.1661 TO 390.1679.**

21 **(3) MONEY PROVIDED BY THE DEPARTMENT ON BEHALF OF A FOSTER**  
22 **CARE STUDENT UNDER THIS ACT SHALL NOT EXCEED THE COST OF THAT**  
23 **FOSTER CARE STUDENT'S TUITION, FEES, ROOM, BOARD, BOOKS, SUPPLIES,**  
24 **AND EQUIPMENT REQUIRED FOR ENROLLMENT AT THE INSTITUTION OF HIGHER**  
25 **EDUCATION AS DETERMINED BY THE DEPARTMENT.**

26 **Sec. 11. (1)** ~~The board~~ **DEPARTMENT** ~~shall annually prepare an~~  
27 ~~accounting of revenues and expenditures from the trust fund. This~~

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accounting shall be prepared using generally accepted accounting principles and in a manner that will provide detailed and itemized information regarding the revenues and expenditures of the trust fund. This accounting shall be provided to the senate and house of representatives appropriations committees.

(2) To the extent practical, the ~~board~~ **DEPARTMENT** shall annually prepare an accounting of revenues and expenditures from the trust fund for persons who have donated to the fund. This accounting does not need to be as detailed as the accounting required under subsection (1), but shall include general information about the amount of revenue raised, the types of expenditures made, and what the expenditures were made for.

**[(3) THE DEPARTMENT SHALL ANNUALLY PROVIDE TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEE CHAIRS A REPORT THAT INCLUDES ALL OF THE FOLLOWING INFORMATION:**

**(A) THE NUMBER OF FOSTER CHILDREN WHO UTILIZED THE FOSTERING FUTURES SCHOLARSHIP PROGRAM IN THE YEAR THE REPORT IS PREPARED.**

**(B) THE NUMBER OF FOSTER CHILDREN WHO RECEIVED MONEY FROM THE FOSTERING FUTURES SCHOLARSHIP PROGRAM AND COMPLETED A COLLEGE EDUCATION IN THE YEAR THE REPORT IS PREPARED.**

**(C) THE AMOUNT OF MONEY PROVIDED ANNUALLY FROM THE FOSTERING FUTURES SCHOLARSHIP PROGRAM TO EACH FOSTER CHILD IN THE YEAR THAT THE REPORT IS PREPARED.**

**(D) THE ADMINISTRATIVE COSTS FOR THE FOSTERING FUTURES SCHOLARSHIP PROGRAM FOR THE YEAR THAT THE REPORT IS PREPARED.]**

Enacting section 1. Sections 4, 5, 6, 7 and 8 of the foster care trust fund act, 2008 PA 525, MCL 722.1024, 722.1025, 722.1026, 722.1027, and 722.1028, are repealed.