



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 227 (as introduced 2-17-09)  
Sponsor: Senator Irma Clark-Coleman  
Committee: Families and Human Services

Date Completed: 3-10-09

### **CONTENT**

**The bill would amend the Subsidized Guardianship Assistance Act to do the following:**

- **Rename the Act the "Guardianship Assistance Act", and replace references to "subsidized guardianship assistance" with "guardianship assistance" throughout the Act.**
- **Revise the eligibility criteria for guardianship assistance.**
- **Require the Department of Human Services (DHS) to enter into a written, binding, guardianship assistance agreement with a prospective guardian, which would have to include the amount of assistance, any additional services for which the child and guardian would be eligible, and other information.**
- **Require the DHS to pay up to \$2,000 for the total cost of nonrecurring expenses associated with obtaining legal guardianship of an eligible child.**
- **Require a guardian to undergo a criminal background check and a central registry check for child abuse and neglect before receiving guardianship assistance.**
- **Specify that only a relative who was a licensed foster parent caring for a child who was eligible to receive Title IV-E-funded foster care payments for six consecutive months would be eligible for Federal funding under Title IV-E for guardianship assistance.**

**The bill also would repeal sections of the Act that require a guardian to maintain on behalf of the child any public or private medical insurance for which the child is eligible, and provide that the DHS is subject to all Federal laws and regulations if Title IV-E eligibility is approved as a funding source for subsidized guardianship assistance.**

#### Eligibility Criteria

Currently, a child is eligible to receive subsidized guardianship assistance if he or she is a ward of the court under Section 2(b) of the juvenile code (e.g., due to abuse, neglect, or abandonment) or is under the jurisdiction, control, or supervision of the Michigan Children's Institute, and both of the following apply:

- Specific factors or conditions make it reasonable to conclude that the child cannot be placed with a guardian without the provision of subsidy payments under the Act.
- A reasonable but unsuccessful effort was made to place the child with an appropriate guardian without the provision of subsidy assistance, or a prospective placement is the only placement in the best interest of the child.

The bill would delete those provisions. Instead, a child would be eligible to receive guardianship assistance if all of the following applied:

- The child had been removed from his or her home according to a voluntary placement agreement or as a result of a judicial determination that allowing him or her to remain in the home would be contrary to his or her welfare.
- The child had resided in the home of the prospective guardian for at least six consecutive months.
- It had been determined that returning the child to the home or placing him or her for adoption was not the appropriate permanency option.
- The child demonstrated a strong attachment to the prospective guardian, and the guardian had a strong commitment to caring for the child permanently.
- If the child had reached 14 years of age, he or she had been consulted regarding the guardianship arrangement.

#### Guardianship Agreement

For a child who met the eligibility requirements, the bill would require the DHS to negotiate and enter into a written, binding guardianship assistance agreement with the child's prospective guardian and give him or her a copy of the agreement.

The agreement would have to specify all of the following:

- The amount of the guardianship assistance to be provided under the agreement for each eligible child, and the manner in which the payment could be adjusted periodically in consultation with the guardian, based on his or her circumstances and the child's needs.
- The additional services and assistance the child and the guardian would be eligible for under the agreement.
- The procedure by which the relative guardian could apply for additional services if needed.
- That the DHS would pay the total cost of nonrecurring expenses associated with obtaining legal guardianship of an eligible child, to the extent that the total cost did not exceed \$2,000.

The agreement would remain in effect without regard to the State residency of the guardian.

A guardianship assistance payment on a child's behalf could not exceed the foster

care maintenance payment that would have been paid on that child's behalf if he or she had remained in a foster family home.

#### Permanency Plan

Under the bill, for a child whose permanency plan included placement with a guardian and would include the receipt of guardianship assistance payments, the DHS would have to include in the case plan all of the following:

- The steps that the child placing agency or the DHS had taken to determine that it was not appropriate for the child to be returned to the home or placed for adoption.
- The reason for any separation of siblings during placement.
- The reason a permanent placement through guardianship was in the child's best interest.
- The way in which the child met the eligibility requirements for a guardianship assistance payment.

The case plan also would have to include the efforts the child placing agency or the DHS had made to discuss adoption by the prospective guardian as a permanent alternative to legal guardianship and, in the case of a relative foster parent who had chosen not to pursue adoption, documentation of the reasons.

In cases in which the parental rights had not been terminated, the case plan would have to include the efforts the DHS had made to discuss with the child's birth parent or parents the guardianship assistance agreement, or the reasons that the efforts were not made.

The Act defines "subsidized guardianship assistance agreement" as an agreement regarding financial support for children who meet the qualifications for subsidized guardianship assistance as specified in the Act or in the Department's administrative rules. The bill would replace that definition with a definition of "guardianship assistance agreement", which is the same except that it refers to a "negotiated binding agreement" and omits "subsidized".

### Rights of Guardian

Under the bill, the legal guardianship would be a judicially created relationship between the child and his or her guardian that was intended to be permanent and self-sustaining as shown by the transfer to the guardian of the following parental rights with respect to the child:

- Protection.
- Education.
- Care and control of the person.
- Custody of the person.
- Decision making.

### Assistance Criteria

Under the Act, a guardian may receive guardianship assistance on behalf of an eligible child if certain criteria are met. These include a requirement that the eligible child reside with the guardian in the guardian's residence. The bill would require the child to reside in the guardian's residence for at least six months before the DHS received the application for guardianship assistance.

In addition, the Act requires the guardian to be assessed and approved for guardianship assistance by the DHS before receiving guardianship assistance. The bill would require the assessment to include criminal record checks and child abuse and neglect central registry checks on the guardian and all adults living in his or her home, as well as fingerprint-based criminal record checks on the guardian.

### Title IV-E Assistance

Under the bill, only a relative who was a licensed foster parent caring for a child who was eligible to receive Title IV-E-funded foster care payments for six consecutive months would be eligible for Federal funding under Title IV-E for guardianship assistance. A child not eligible for Title IV-E funding who was placed with a relative, or a child who met the bill's eligibility criteria (described above) placed with an unrelated guardian, would be eligible for State-funded guardianship assistance.

(Under the Act, "Title IV-E" of the Social Security Act refers to the Federal assistance provided through the U.S. Department of Health and Human Services to reimburse

states for foster care and adoption assistance payments. The bill would add a reference to guardianship assistance payments.)

If a child were eligible for Title IV-E-funded guardianship assistance under the bill but had a sibling who was not eligible, then the child and any of the child's siblings could be placed in the same relative guardianship arrangement, if the DHS and the relative agreed on the appropriateness of the arrangement for the sibling. Title IV-E-funded relative guardianship assistance could be paid on behalf of each sibling placed under that provision.

### Termination of Assistance

Currently, the DHS may not provide subsidized guardianship assistance after one of the following occurs:

- The child reaches 18 years of age, or 19 if he or she is still attending high school.
- The child is incarcerated in an adult correctional facility under a sentence and commitment order of a court of competent jurisdiction.
- The child is placed in a child caring institution for at least 90 days.
- The child is removed from the guardian's residence by court order.
- The child no longer resides in the guardian's residence.
- The guardian fails to submit information required or requested by the DHS for the required annual review.
- The guardian no longer satisfies one or more of the criteria for subsidized guardianship assistance.
- The guardian dies and no new guardian is appointed by the court within 30 days after that death.
- The DHS determines that funds no longer are available to support continuation of subsidized guardianship assistance.

The bill would delete those provisions. Instead, the DHS could not provide guardianship assistance after one of the following occurred:

- The child reached 18 years of age.
- The DHS determined that the guardian no longer was legally responsible for support of the child.

- The DHS determined that the child no longer was receiving any support from the relative guardian.
- The guardian died.

The bill would retain provisions terminating assistance if the child dies, the child is adopted by the guardian or another individual, or the guardianship is terminated by order of the court having jurisdiction in the guardianship proceeding.

#### Repeals

The bill would repeal Sections 7 and 10 of the Act. Section 7 requires the guardian to apply for and maintain on behalf of the child any public or private medical insurance or assistance for which the child is eligible. Under Section 10, if Title IV-E eligibility is approved as a funding source for subsidized guardianship assistance, the DHS is subject to all Federal laws and regulation requirements, including cooperation with the Title IV-B program and assignment of child support. (Title IV-B of the Social Security Act deals with Child Welfare Services.)

MCL 722.871 et al.

Legislative Analyst: Curtis Walker

#### **FISCAL IMPACT**

The Federal Foster Connections to Success and Increasing Adoptions Act was passed by Congress and signed by the President in October 2008. The legislation made a number of modifications in Federal standards related to financing the provision of services to youths in foster care. One of the major modifications of the Act was to permit Federal reimbursement through Title IV-E of the Social Security Act to children in guardianship arrangements.

In 2008, the State of Michigan enacted the Subsidized Guardianship Assistance Act, which permits use of State General Fund/General Purpose (GF/GP) dollars for subsidized guardianship arrangements. The FY 2008-09 Department of Human Services appropriation allocated \$4,575,000 GF/GP for operation of the subsidized guardianship program.

Senate Bill 227 would align the requirements for subsidized guardianship in Michigan to the eligibility criteria for payment through

Title IV-E of the Social Security Act. The bill would permit the State to obtain Title IV-E reimbursement for guardianship arrangements, reducing State expenditure per child by about 65%. Total GF/GP savings would be driven by the number of children in guardianships eligible for Title IV-E reimbursement.

Fiscal Analyst: David Fosdick

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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.