

# HOUSE BILL No. 5444

April 17, 2014, Introduced by Reps. MacGregor, Kurtz, Hooker, Singh, Victory, McCready, Kosowski, Santana, Olumba, Hovey-Wright, Slavens, Kesto and Foster and referred to the Committee on Families, Children, and Seniors.

A bill to amend 2008 PA 525, entitled  
"Foster care trust fund act,"  
by amending the title and sections 1, 2, 3, 4, 5, 6, and 10 (MCL  
722.1021, 722.1022, 722.1023, 722.1024, 722.1025, 722.1026, and  
722.1030) and by adding section 7a; and to repeal acts and parts of  
acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### TITLE

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

1 powers and duties of certain agencies and officials; and to provide  
2 for appropriations.

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

5 Sec. 2. As used in this act:

6 (a) "Board" means the state ~~foster care~~ **FOSTERING FUTURES**  
7 trust fund board created in section 4.

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

11 **(B)** ~~(c)~~ "Department" means the department of human services.

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

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

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

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** 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 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.

(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 shall be available for disbursement  
6 upon the authorization of the board as provided in section 10.

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

9 (6) No money shall be expended from the **TRUST** fund until the  
10 date that the deposits credited into the trust **FUND** from all  
11 sources as provided under this section equal or exceed  
12 ~~\$800,000.00.~~**\$500,000.00.**

13 (7) No appropriations shall be made from the **TRUST** fund until  
14 the date that the deposits credited into the **TRUST** fund from all  
15 sources equal or exceed ~~\$800,000.00.~~**\$500,000.00.**

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

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

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

23 Sec. 4. (1) The ~~state foster care~~**FOSTERING FUTURES** trust fund  
24 board is created within the department. The board shall exercise  
25 its powers and duties independently of the department except that  
26 budget, procurement, and related management functions shall be  
27 performed by the director of the department.

(2) The board shall appoint the executive director of the board. ~~The executive director shall be a member of the state classified civil service.~~ The executive director shall hire all staff required to exercise the powers and carry out the duties of the board. The board shall approve the number of staff members hired and their job descriptions.

Sec. 5. (1) The board shall consist of ~~13~~**5** voting members as follows:

(a) The director of the department, ~~the director of community health, the children's ombudsman,~~ **AND THE STATE TREASURER** or designees authorized to speak on their behalf.

**(B) A FORMER FOSTER CARE YOUTH WHO HAS GRADUATED FROM A COLLEGE OR UNIVERSITY.**

**(C)** ~~(b) Ten~~**TWO** public members appointed by the governor with the advice and consent of the senate. ~~As a group,~~ **TO THE EXTENT POSSIBLE**, the public members shall do all of the following:

(i) Demonstrate knowledge in the area of foster care.

(ii) Be representative of the demographic composition of this state.

(iii) ~~To the extent practicable, be~~ **BE** representative of ~~all~~**ANY** of the following categories: birth and foster parents, ~~former foster care children,~~ the business community, the religious community, the legal community, higher education providers, professional providers of foster care services, and volunteers in foster care services.

(2) The term of ~~each~~**THE FORMER FOSTER CARE YOUTH AND BOTH OF THE** public member ~~MEMBERS~~ shall be 3 years, except that of the

1 **FORMER FOSTER CARE YOUTH AND THE** public members first appointed, 3  
 2 **THE FORMER FOSTER CARE YOUTH** shall serve for 3 years, 3-1 **PUBLIC**  
 3 **MEMBER SHALL SERVE** for 2 years, and 4-1 **PUBLIC MEMBER SHALL SERVE**  
 4 for 1 year. A **FORMER FOSTER CARE YOUTH AND A** public member shall  
 5 not serve more than 2 consecutive terms whether partial or full. A  
 6 vacancy shall be filled for the balance of the unexpired term in  
 7 the same manner as the original appointment.

8 (3) The governor shall designate a chairperson of the board  
 9 from among the public members. The chairperson shall serve in that  
 10 position at the pleasure of the governor. The board may elect other  
 11 officers and committees as it considers appropriate.

12 (4) Members of the board shall serve without compensation.  
 13 Members of the board may receive reimbursement for necessary travel  
 14 and expenses consistent with relevant statutes and the rules and  
 15 procedures of the civil service commission and department of  
 16 **TECHNOLOGY**, management, and budget.

17 Sec. 6. (1) The business that the board performs shall be  
 18 conducted at a public meeting of the ~~state~~ board held in compliance  
 19 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.  
 20 Public notice of the time, date, and place of the meeting shall be  
 21 given in the manner required by the open meetings act, 1976 PA 267,  
 22 MCL 15.261 to 15.275.

23 (2) A writing prepared, owned, used, in the possession of, or  
 24 retained by the ~~state~~ board in the performance of an official  
 25 function shall be made available to the public in compliance with  
 26 the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

27 **SEC. 7A. (1) THE BOARD SHALL SERVE TO PROVIDE AN OPPORTUNITY**

1 FOR INDIVIDUALS AND ORGANIZATIONS TO MAKE CONTRIBUTIONS TO GO  
2 TOWARD PROVIDING SCHOLARSHIPS TO CURRENT AND FORMER FOSTER CARE  
3 YOUTH. THE BOARD'S PRIMARY PURPOSE IS TO INCREASE CONTRIBUTIONS AND  
4 PROVIDE MONEY TO COLLEGES AS DESCRIBED IN SUBSECTION (2).

5 (2) THE BOARD SHALL COLLABORATE WITH ANY INSTITUTION OF HIGHER  
6 EDUCATION IN THIS STATE THAT GRANTS ASSOCIATE OR BACCALAUREATE  
7 DEGREES TO ASSIST CURRENT AND FORMER FOSTER CARE STUDENTS WHO HAVE  
8 UNMET FINANCIAL EDUCATION NEEDS AND ASSIST IN THE EFFORT TO CREATE  
9 SUSTAINABLE FUTURES FOR THOSE FOSTER CARE STUDENTS.

10 (3) ANY FUNDS PROVIDED BY THE BOARD SHALL ONLY BE USED FOR  
11 TUITION, FEES, ROOM, BOARD, BOOKS, SUPPLIES, AND EQUIPMENT REQUIRED  
12 FOR ENROLLMENT.

13 (4) THE BOARD SHALL MEET NOT LESS THAN TWICE ANNUALLY AT THE  
14 CALL OF THE CHAIRPERSON.

15 (5) THE BOARD MAY ENTER INTO CONTRACTS WITH PUBLIC OR PRIVATE  
16 AGENCIES TO FULFILL THE REQUIREMENTS OF THIS ACT.

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

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

1 ~~Before expending any money from the fund, the board shall establish~~  
2 ~~qualifying criteria for expending those funds or awarding any~~  
3 ~~grants and may specify any conditions for each expenditure or~~  
4 ~~grant.~~

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

12 Enacting section 1. Sections 7 and 8 of the foster care trust  
13 fund act, 2008 PA 525, MCL 722.1027 and 722.1028, are repealed.