

HOUSE BILL NO. 4750

July 29, 2025, Introduced by Reps. Schmaltz, Pavlov, Markkanen, Alexander, Bierlein, Frisbie, Paquette, Cavitt, Fox, Bohnak, BeGole, Rigas, Prestin, St. Germaine, Mueller, Wozniak, Meerman, Rogers, Kelly, Woolford, Aragona, Roth, Schuette, Thompson, Young, Beson, Linting, Greene, Robinson, Longjohn, Wilson, Rheingans, Xiong, Arbit, Tsernoglou, MacDonell and DeBoer and referred to Committee on Families and Veterans.

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:

1 Sec. 8f. (1) This section applies to children in foster care.
2 (2) Within 60 days after a child enters foster care and
3 annually thereafter while a child in foster care is in foster care,
4 the department shall screen a child in foster care for potential

1 eligibility for benefits and apply for benefits for which a child
2 in foster care may be eligible and is not already receiving. When
3 applying for benefits under this section for a child in foster
4 care, the department shall, in cooperation with the child in foster
5 care's attorney, identify a representative payee or fiduciary in
6 accordance with the requirements of 20 CFR 404.2021 and 416.621, as
7 applicable, and shall apply to become the representative payee only
8 if no other suitable candidate is available to be a representative
9 payee. If the department acts as the representative payee, the
10 department shall, on an annual basis, review if someone other than
11 the department is available to apply to assume the role of
12 representative payee and could better serve in that role in the
13 best interests of the child in foster care.

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

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

25 (b) Ensure that when the child in foster care attains the age
26 of 14 years and until the department no longer serves as the
27 representative payee or fiduciary, a minimum percentage of the
28 benefits of the child in foster care is conserved in accordance
29 with subdivisions (c) and (d), as follows:

1 (i) From age 14 through age 15, at least 40%.

2 (ii) From age 16 through age 17, at least 80%.

3 (iii) From age 18 through age 20, 100%.

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

11 (d) Appropriately monitor any federal asset or resource limits
12 for the benefits and ensure that the best interests of the child in
13 foster care are served by using or conserving the benefits in a way
14 that avoids violating any federal asset or resource limits that
15 would affect the eligibility of the child in foster care to receive
16 the benefits, including all the following:

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

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

28 (iii) Establishing an individual development account for the
29 child in foster care and conserving the benefits of the child in

1 foster care in that account in a manner that appropriately avoids
2 any federal asset or resource limits.

3 (iv) Establishing a special needs trust for the child in foster
4 care and conserving the benefits of the child in foster care in the
5 trust in a manner that is consistent with federal requirements for
6 special needs trusts and that appropriately avoids any federal
7 asset or resource limits.

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

12 (vi) If federal law requires certain back payments of benefits
13 to be placed in a dedicated account, complying with the
14 requirements for dedicated accounts under 20 CFR 416.640(e).

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

19 (e) Provide an annual accounting to the child in foster care
20 and the attorney of the child in foster care of how the resources
21 of the child in foster care, including benefits, have been used or
22 conserved in accordance with this section.

23 (f) Provide the child in foster care with financial literacy
24 training when the child in foster care has attained the age of 14
25 years.

26 (4) The department shall immediately notify the child in
27 foster care through the attorney of the child in foster care of any
28 of the following:

29 (a) An application for benefits made on behalf of the child in

1 foster care or any application to become representative payee for
2 those benefits on behalf of the child in foster care.

3 (b) A decision or communication from this state or the federal
4 government regarding an application for benefits.

5 (c) An appeal or other action requested by the department
6 regarding an application for benefits.

7 (5) If the department serves as the representative payee or
8 otherwise receives benefits on behalf of the child in foster care,
9 the department must provide notice to the child in foster care
10 through the attorney of the child in foster care of both the
11 following before each juvenile court hearing regarding the child in
12 foster care:

13 (a) The date and the amount of benefit funds received on
14 behalf of the child in foster care since any previous notification
15 to the child in foster care's attorney.

16 (b) Information regarding all of the child in foster care's
17 assets and resources, including the child in foster care's
18 benefits, insurance, cash assets, trust accounts, earnings, and
19 other resources.

20 (6) All payments from benefits received under this section are
21 the property of the child in foster care. Notwithstanding any
22 provision of law to the contrary, on termination of the
23 department's responsibility for the child in foster care under this
24 section, the department shall release any funds remaining to the
25 child's credit under the requirements of the funding source or, in
26 the absence of any requirements, release the remaining funds as
27 follows:

28 (a) To the child, if the child is at least 18 years of age or
29 is emancipated.

1 (b) To the person responsible for the child in foster care if
2 the child is under 18 years of age and is not emancipated.

3 (7) This section does not affect any additional notice
4 required by a court of this state.

5 (8) As used in this section, "benefits" means all of the
6 following:

7 (a) Federal Supplemental Security Income.

8 (b) Social Security benefits.

9 (c) United States Department of Veterans Affairs benefits.

10 (d) Other applicable benefits for which the child in foster
11 care is eligible.