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### Ensuring Successful Foster Care Transitions in the Michigan State Budget

*Michigan's Children calls for expanding key resources and programs for older youth experiencing foster care*

The Michigan House and Senate have adopted their own initial budget plans for the 2022-23 Fiscal Year beginning on October 1. Legislators utilize these initial plans to distinguish their most unique priorities before negotiating between chambers and with the Governor, and they expect the final budget to look different from what they have put out right now. This means that advocates have an opportunity to draw sharp distinctions for policymakers regarding which proposals are strong, what could be stronger, and what critical needs are missing.

In a public opinion poll of nearly 800 likely voters statewide, respondents across diverse regions of Michigan agreed that [preparing our children for a successful future](#) is a top priority for public investment. Unfortunately, Michigan is failing to prepare older youth who experience foster care for a successful adult life. In 2021, the four-year graduation rate for students in foster care was just 39%, the lowest for any student group.

**Right Now: The State House has included \$1,000,000 for individual student advocacy services to ensure attention to the special education needs of youth in foster care. The State Senate did not include this funding but maintained in its budget that MDHHS keep education planners on staff.**

**Neither Governor Gretchen Whitmer nor the State House or Senate have recommended expansion of Young Adult Voluntary Foster Care, Fostering Futures Scholarship, Michigan Youth Opportunity Initiative, or Runaway and Homeless Youth Services.**

**The Governor has recommended an increase in the Earned Income Tax Credit (EITC). The House and Senate previously agreed to a tax plan, which was vetoed by the Governor, which did not include the EITC. While there are many legislators that have supported the EITC, there is still no guarantee that an expanded EITC is agreed upon as the primary tax reform priority. There have been no decisions made on expanding eligibility for the childless EITC.**

To ensure successful transitions out of foster care, Michigan's Children recommends that lawmakers:

- 1. Increase the value of the Michigan EITC to 60% of the federal credit and expand eligibility for young people who experienced foster care** by lowering the minimum age for the childless EITC.
- 2. Give youth the option to opt-out of the Young Adult Voluntary Foster Care program** rather than requiring them to opt-in, which many youth miss an opportunity to due to caseworker turnover.
- 3. Fund Education Planners and dedicated student advocacy** for students experiencing foster care.
- 4. Expand funding for the Michigan Youth Opportunity Initiative** to allow local coordinators around the state to dedicate more of their full time positions to developing programming for older youth.
- 5. Double the Fostering Futures Scholarship's existing funding** of \$750,000.
- 6. Provide \$20 million in one-time and \$3 million ongoing funds for Runaway and Homeless Youth services** to serve youth who run away from foster and adoptive homes and alumni who need transitional living.

## Why Invest in Successful Transitions to Adulthood for Youth Experiencing Foster Care?

All young people face barriers to independence as they move into adulthood, whether in the foster care system or not. When young people leave foster care, many have not had the kind of experiences and successes that will help in their transition. Some have no one to help, resulting in a lack of concrete and social resources that leads to discouraging outcomes: according to a recent report by the Annie E Casey Foundation, by the time young people involved in Michigan foster care turn 21, only two in five of them have full or part-time employment, and only two thirds of them have even a high school diploma or GED. All of these indicators are even worse for African American and Native American young people in care. These youth rely on the state to invest in their futures—we are failing Michigan’s children if we allow them to fall through the cracks.

Navigating the world of adulthood is daunting, particularly without a thick safety net of family or other supportive adults. The Michigan Youth Opportunities Initiative (MYOI) serves young people, ages 14-21, currently or formerly in foster care, offering peer mentorship and support groups, along with asset-building opportunities and financial literacy, life skills, and other necessary training. The Young Adult Voluntary Foster Care program (YAVFC) also offers monthly resources and case management for older youth age 18-21 as they live independently, but many young people do not learn about the program due to caseworker staff turnover.

Many youth still fall through the safety net in the transition out of foster care. Fewer than 60 percent of young adults who have experienced foster care report having stable housing, a much lower rates of homelessness than their peers. Michigan’s runaway and homeless youth provide crisis and transition services for young people who experiencing homelessness.

Because they often lack a thick safety net, many young people aging out foster care rely heavily on keeping a job to sustain themselves, whether they attend postsecondary education or not. Many current or former foster youth work hard to earn a living, but they are often responsible for covering more of their own costs, and are likely to earn lower wages than their peers. The Earned Income Tax Credit (EITC) supports working adults with lower incomes, but only beginning at age 25. Young adults, especially youth who have experienced foster care, would benefit greatly from the EITC, but they are ineligible to receive it during critical years for building and maintaining stability.

For those attending college, the Fostering Futures Scholarship (FFS) helps youth who spent time in foster care due to abuse and/or neglect after their 13<sup>th</sup> birthday with the stressful transition to a new learning environment by providing them a scholarship for tuition to a Michigan postsecondary program, room and board, and books and supplies. FFS helps these students get on the same playing field as students whose families can support them. Last year, nearly 400 young Michiganders received the FFS.

Even before they get to college, Michigan youth experiencing foster care often navigate increased barriers in achieving success in their K-12 schools. Michigan has never had a strong vision and action plan for improving education outcomes for youth in foster care, which has resulted in a 39% four-year graduation rate. While a more holistic action plan is developed, Michigan must continue funding for Education Planners and expand funding for dedicated student advocates for youth and families in the foster care system.