



May 2019

Ensuring Successful Foster Care Transitions – May UPDATE

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.

Other areas of the safety net are essential for young people transitioning from foster care because of their unique vulnerabilities. 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 has a network of agencies that serve runaway and homeless youth provide crisis and transition services for young people who experiencing homelessness. Additionally, fully 60 percent of child sex trafficking victims recovered through FBI raids across the U.S. in 2013 were from foster care or group homes. Human traffickers will prey on individuals who are most vulnerable, which is why foster children are particularly vulnerable to falling victim to sex trafficking and other forms of human trafficking.

Because they often lack a thick safety net, many young people aging out of foster care rely heavily on keeping a job to sustain themselves. 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 13th 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.

The coming year brings additional opportunities for improvements in the foster care system in Michigan. The hope comes through new efforts around our Children’s Rights settlement agreement, new leadership in Children’s Services, DHHS overall and in the Governor’s Office, and urgency in taking advantage of new opportunities to utilize federal supports to improve situations of children, youth and families in the system.

CURRENT SITUATION: The Governor and the Senate have finalized their recommendations in this area, and the House has passed the budget bill out of Appropriations Subcommittees. The budget recommendations now go to the full Appropriations Committees in the House, and then once passed by each chamber, to a Conference Committee to iron out differences.

Recommendations

1. **Support the Senate recommendation of \$50,000 to support a legislatively created task force to improve the foster care system in Michigan.** This was not included in the Governor or House recommendations. Michigan's Children supports this move, and looks forward to helping with the Foster Care Task Force creation and implementation.
2. **Support the House recommended increase for Runaway and Homeless Youth Services.** The Governor and Senate recommend flat funding of \$2 million, which continues last year's increase of \$500,000; the House included an additional \$1.5 million. This is more than Michigan's Children's initial ask, and can be well utilized to fill service gaps faced by the network of providers around the state.
3. **Support the Senate recommendation to support for Court Appointed Special Advocates (CASA) Services.** While they only included a \$100 placeholder, rather than defining a recommended funding level, it effectively keeps the conversation open for additional funding. In addition to recommending a \$500,000 investment in CASA services overall, Michigan's Children also recommends a \$50,000 investment to pilot the National CASA Fostering Futures initiative, which targets transitioning youth, to pilot efforts that layer support with MYOI efforts.
4. **Support the House recommendation to include support for survivors of human trafficking.** The House Subcommittee included \$700,000 to support services in two agencies, but the resource was not included in the Governor or Senate recommendations.
5. **Encourage Appropriations Committee members in the House and Senate to double the existing \$750,000 in funds for the Fostering Futures Scholarship.** Current recommendations from the Governor, Senate and House recommend flat funding for the Scholarship. Because there are some legislative efforts to expand the Scholarship itself, there is a need to connect those expansions to increased appropriations. While this doesn't bode well for FY2020, there are some legislative efforts to expand the Scholarship itself. We need to connect those expansions to increased appropriations for the future.
6. The Governor, Senate and House recommended flat funding for MYOI, which supports statewide points of contact but not statewide services for every eligible young person. Michigan's Children recommends expanding current funds for MYOI by \$2 million to ensure full programming at every site around the state. **It is possible that this could be included in Senate and House recommendations, but will need support from Appropriations Committee and chamber leadership for that to happen.**
7. The Governor included raising the EITC value but did not expand the minimum eligible age for young adults, but the most recent budget bills in the Senate and House do not consider either of these proposals. **It is unlikely that Michigan's Children's recommendation to increase the value of the Michigan EITC and lower the minimum age to 16 to support young adults and parents in the foster care system will be a point of discussion in this year's budget, but is still possible.**

The vast majority of budget decisions get made at the Appropriations Subcommittee level, which is now completed for the Department of Health and Human Services budget. Coming up, there will be some discussion of the budget through the full Appropriations Committee in the House, where amendments are possible, followed by a full vote in the House. After that, they go into a Conference Committee, made up of a small number of leaders from both Chambers to iron out areas of disagreement. In the middle of those efforts, at the end of this week, will be the May Revenue Estimating Conference, where any adjustments to estimations of how much we have to spend in the state on all of the budget pieces will take place. Even though major changes don't typically happen once all sides have weighed in, voices need to be heard throughout the budget process. And, discussions with elected officials about how to prioritize spending of our tax dollars must be a year-round endeavor.