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Ensuring Successful Foster Care Transitions in the Michigan State Budget

Michigan's Children Calls for Expanding Key Resources, Programs for Older Youth Experiencing Foster Care

Michigan's lawmakers are currently considering Governor Whitmer's recommendations and determining their own priorities for spending billions of one-time federal and state revenues for both current-year supplemental spending and for the 2022-2023 Fiscal Year beginning October 1, 2022. 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.

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

1. **Increase the value of the Michigan Earned Income Tax Credit to 60% of the federal credit and expand eligibility for young people who experienced foster care** by lowering the minimum age.
2. **Give youth the option to opt out of the [Young Adult Voluntary Foster Care program](#)** rather than requiring them to opt in; many youth miss this opportunity due to caseworker turnover.
3. **Fund [Education Planners](#)**, professionals who coordinate foster care planning and school planning, **and dedicated student advocates**, professionals who help with navigating complex school processes like discipline hearings and special education planning, 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 to \$1.5 million.
6. **Provide \$20 million in one-time and \$3 million in 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.

Right Now: Governor Gretchen Whitmer has not recommended any of the above items for older youth experiencing foster care. The Governor has recommended an increase in the Earned Income Tax Credit for currently eligible filers but not expansion of eligibility. The House and Senate have not yet released plans.

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

All young people face barriers to independence as they move into adulthood. But 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 earned 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, but 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 serves young people, ages 14-21, currently or formerly in foster care, by 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 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 rate of homelessness than their peers. Michigan's runaway and homeless youth providers offer crisis and transition services for young people who are experiencing homelessness including many youth who age out of the foster care system or who run away from foster care and adoptive placements, often helping them reunite with these families.

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, 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 eligibility for childless workers only begins at age 25. Young adults, especially youth who have experienced foster care, would benefit greatly from the EITC, if they were eligible to receive it during the critical years they are building and maintaining stability.

For those attending college, the Fostering Futures Scholarship (FFS) helps youth who spent time in foster care after their 13th birthday with the stressful transition to a new learning environment by providing them a tuition scholarship 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, resulting in a poor 39% four-year graduation rate. While a more holistic action plan is developed, Michigan must ensure that strong links are made between a student's foster care case plan and their K-12 and postsecondary plans and continue funding for Education Planners. To ensure that students and families in the foster care system get the one-on-one help they need navigating suspension and expulsion hearings or determining a student's need for special education services, Michigan must expand funding for dedicated student advocates.