

State Laws and Child Welfare Agency Policies on Preparation of Foster Youth for Financial Management and Related Skills

ABA Center on Children and the Law – July 2013

California Law

Welfare and Institutions Code §16001.9 -- Rights of Children in foster care (2013)

(a) It is the policy of the state the all children in foster care shall have the following rights:

(11) To maintain an **emancipation bank account and manage personal income**, consistent with the child's age and developmental level, unless prohibited by the case plan

Colorado Law

Section 19-7-101 (2011)

The General Assembly hereby finds and declares that youth in foster care, excluding those in the custody of youth corrections or a state mental hospital, should enjoy the following:

j. To be allowed to maintain an **emancipation bank account and manage personal income**, consistent with the youth's age and developmental level, unless prohibited by his or her case plan

Florida Law

Chapter 39.701(3) -- Review hearings for children 17 years of age

(a).....The department shall include in the social study report for judicial review written verification that the child has:

5. An **open bank account or the identification necessary to open a bank account and to acquire essential banking and budgeting skills**.

Chapter 409.1451

(3)(a) Aftercare Services are available to a young adult who has reached 18 years of age but is not yet 23 years of age and is not in foster care, temporarily not receiving financial assistance under subsection (2) to pursue postsecondary education.

(b) Aftercare services include, but are not limited to, the following:

3. Life skills classes, including **credit management**...

7. Temporary financial assistance for necessities ...

8. **Financial literacy skills training**

Hawaii Law

Chapter 587A-3 (a) (2010)

The Department or an authorized agency, as resource family or permanent custodian, shall abide by the following guiding principles and ensure that a child in foster care:

(8) Has a **personal bank account and assistance in managing the child's personal income** consistent with the child's age and development, unless safety or other concerns require otherwise

Michigan Law

Chapter 722.981, as amended by C.S.S.B. No. 1036 (2013)

Foster care independence program, establishment; purposes

Sec. 2. (1) If this state receives federal money...the department shall establish the foster care independence program...

(a) Identify young adults who are likely to remain in foster care until 18 years of age and help these children make the transition to self-sufficiency by providing services such as... **training in budgeting and financial management skills**

(e) Provide financial... and other appropriate support and services to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve self-sufficiency and to assure that program participants recognize and accept their personal responsibility for preparing for and then making the transition from adolescence to adulthood

Minnesota Law

Chapter 260C.212 -- Children in placement

(c) The out-of-home placement plan shall be explained to all persons involved in its implementation, including the child who has signed the plan, and shall set forth:

(11) an independent living plan for a child age 16 or older. The plan should include, but not be limited to, the following objectives:

(iv) **money management**, including the responsibility of the agency to ensure that the youth annually receives, at no cost to the youth, a **consumer report** as denied under section 13C.001 and **assistance in interpreting and resolving any inaccuracies in the report**

NOTE: Other states that have addressed the federal requirement of these consumer credit checks to identify possible identity theft include: CA (2006); CO (2011); CT (2010); DC (2010); DE (2013); IL (2010); TX (2011); VA (2012)

Nebraska Law

Chapter 43-1311.03

(1) When a child placed in foster care turns sixteen years of age or enters foster care and is at least sixteen years of age, a written independent living transition proposal shall...include, but not be limited to, the following needs:

(d) **financial assistance, including education on credit card financing, banking and other services**

Enacted: LB 216 (2013)

(3) Case management...shall also include..., but not be limited to, assisting the young adult to:

(c) **Open and maintain a bank account**

Nevada Law

Chapter 432.525

A child placed in a foster home by an agency which provides child welfare services has the right:

(1) Except as otherwise prohibited by the agency which provides child welfare services:

(b) To **maintain a bank account and manage personal income**, consistent with the age and developmental level of the child

New York Law

Executive Law §532-d

Notwithstanding any inconsistent provision of law, pursuant to regulations of the office of children and family services, residential facilities operating as transitional independent living support programs are authorized to and shall:

(d) for a homeless youth whose service plan involves independent living, provide..... training in the development of skills necessary for responsible independent living, including but not limited to **money and home management...**

North Carolina Law

Enacted: HB 510 (2013)

(a) ...The General Assembly promotes the following in the provision of foster care:

(8) **Establishing and having access to a bank or savings account** in accordance with state laws and federal regulations.

Oregon Law

Enacted: SB 123 (2013)

It is the intent of the Legislative Assembly that each foster child have the following rights:

(4) To be provided with written information, at the time of placement or any change in placement, regarding:

(a) **How to establish a bank account** in the foster child's name as allowed under state law

Texas Law

Enacted: SB 1589 (2013)

(a-2) The experiential life-skills training....must include a **financial literacy education program** that: (1) includes instruction on:

- (A) **obtaining and interpreting a credit score;**
 - (B) **protecting, repairing and improving a credit score;**
 - (C) **avoiding predatory lending practices;**
 - (D) **saving money and accomplishing financial goals through prudent financial management practices;**
 - (E) **using basic banking and accounting skills, including balancing a checkbook;**
 - (F) **using debit and credit cards responsibly;**
 - (G) **understanding a paycheck and items withheld from a paycheck;** and
 - (H) **protecting financial, credit, and identifying information in personal and professional relationships;** and
- (2) assists a youth who has a source of income to **establish a savings plan** and, if available, a **savings account that the youth can independently manage.**

(f) The department shall require a person with whom the department contracts for transitional living services for foster youth to provide or assist youth in obtaining:

- (5) **a savings or checking account** if the youth is at least 18 years of age and has a source of income;

Virginia Law

Effective: July 1, 2014 -- VA Code Ann. §16.1-281

B. The foster care plan shall describe in writing..... (vi) for children 14 years of age and older, the child's needs and goals in the areas of...**money management skills development**

Washington Law

Chapter 13.34.145

(c) (i) If the permanency plan identifies independent living as a goal, the court at the permanency planning hearing shall make a finding that the provision of services to assist the child in making a transition from foster care to independent living will **allow the child to manage his or her financial... affairs** prior to approving independent living as a permanency plan of care

Chapter 74.13.540

Independent living services include assistance in...accomplishing basic life skills such as **money management**

State Child Welfare Policies on Preparation of Foster Youth for Financial Management

District of Columbia

Policy: Transition Services for Youth -- Procedure A: Transition Planning for Youth Ages 15-17

4a. Transition plans include but are not limited to the following components:

i. Summaries of the youth's current functioning and needs in the following domains:

c) **Financial literacy**

4d. Similar to concurrent permanency goals, transition plans shall include concurrent transitional options, particularly for...**financial security**

Georgia

Chapter 1012.4 Individual Development Accounts (IDA)

The Division of Family and Children Services will provide the opportunity to participate in an Individual Development Account program to eligible youth age 16 to age 21, who request this service, as funding permits. The IDA is established at a financial institution within the community. The youth may deposit funds into the account and the funds are MATCHED by ILP (Up to \$1000)....Through **Financial Literacy classes** the youth learn will learn about **financial issues, maintain working budgets & establish relationships with mainstream financial institutions.** Additionally, youth will learn **how to reduce debt, develop a savings plan and prepare a savings goal.** Youth may also learn about **credit history, banking and investing and money management.**

Idaho

Standard For Working With Older Youth

Individualized written case plan for the youth includes the 7 Integrated Transition Practice Framework domains. The domains are as follows: ...

4. Life Skills

- Provide youth opportunities to practice life skills in a “real world” environment, such as **money management...**

6. Employment

- **Teach youth how to save money and accumulate assets**

Iowa

Offer #401-HHS-008: Successful Transition to Adulthood

The PAL Program provides three additional years of support to allow these young adults more time to mature, learn skills to survive as adults, and to build the relationships that will be their support in adulthood.

Specifically, the PAL program **provides financial support** to eligible youth who are receiving aftercare services. Aftercare services include case management support and services linking youth to community resources to assist them in their transition to self-sufficiency.

Kansas

7200 Services and Supports Provided through the Independent Living/Self-Sufficiency Program

...The following services provided by DCF may be available to youth...2. Training in daily living skills (i.e.

...**banking**)

3238 Life Skills

The Case Management Provider shall provide resources and training...: 7. Housing and **money management**

Maine

Youth Transition Services

Caseworkers will ensure that the following life skills/independent living services and supports are provided to youth in care between the ages of 15 and 18...:

- Budgeting, **financial management, and consumer skills training and support**