


<b>Policy Number:</b>	SSA/CW #22-10
<b>Policy Title:</b>	Foster Youth Savings Program
<b>Release Date:</b>	October 5, 2022
<b>Effective Date:</b>	October 15, 2022
<b>Approved By:</b>	Denise Conway, LCSW-C  Executive Director Social Services Administration
<b>Revision Date(s):</b>	August 17, 2022
<b>Supersedes:</b>	18-12, 19-07, 20-02, 21-08
<b>Originating Office:</b>	Tanisha Sanders, PhD Director of Permanency Social Services Administration
<b>Required Actions:</b>	Manage the Foster Youth Savings Program in accordance with this policy
<b>Key Words:</b>	Foster Youth Savings Account, foster care, child in care, maintenance, distribution
<b>Related State Laws</b>	N/A



## **PURPOSE**

This policy provides parameters for Local Departments of Social Services' (LDSSs) use of the legislature's appropriation of funds to implement the Foster Youth Savings Program (FYSP) for each State fiscal year for which funds have been so allotted. This program includes the establishment and maintenance of savings accounts for distribution in accordance with this policy to qualified youth in State care. The overarching goal of the FYSP is to help eligible youth in care receive a distribution of funds upon exiting care, to support a successful transition into adulthood while reinforcing financial lessons learned through the Ready by 21 initiative.

## **RELATED LAWS AND REGULATIONS**

The Maryland General Assembly has appropriated funds for the FYSP since the State Fiscal Year (SFY) 2018 budget.

## **DEFINITIONS**

**Apprenticeship**: A job arrangement where the apprentice is “sponsored” by an employer or association, receives one-on-one training from a skilled craftsperson, and is paid according to a progressive pay scale. The employer may also provide the apprentice with relevant classroom instruction.

**Automated Fiscal System**: (AFS-D365) An automated system designed for the receipt and disbursement of Administration and Assistance funds by the LDSS.

**Child, Juvenile, and Adult Management System** (CJAMS): The child welfare system of record: the electronic case management system that supports the Department of Human Services and the Department of Juvenile Services employees as they provide Child Welfare, Juvenile Services, and Adult Services to individuals and families.

**Commingled account**: A single account that consists of assets combined from multiple sources for multiple individuals.

**Discharged from foster care**: No longer committed by a court to the care of the LDSS.

**Financial Management Information System**: (FMIS): The official accounting system of record for the State of Maryland consisting of accounting, purchasing and inventory, and reporting applications.

**Eligible youth in care**: A child who has been committed by a court to State care and is between the ages of 14-20 at the beginning of the state fiscal year.

**Foster Care Milestone Report**: A monthly report generated by the Research, Data, and Evaluation Unit of the Social Services Administration from data entered into CJAMS regarding youth in foster care.

**Semi Independent Living Arrangement (SILA)**: A living arrangement for youth ages 16 through 21 who receive a stipend and live under the supervision of the LDSS in an apartment, room, on a college campus, or other living arrangement where they practice living independently.

**Technical School**: A school that provides training and certification for a specific career, trade, or profession.

**WIOA Occupational Training Program**: An occupational training program funded by the Workforce Innovation and Opportunity Act (WIOA) to assist individuals who meet certain criteria for enrollment into a post-secondary school program.

**Youth owned non-custodial bank account**: A bank account opened and owned by an eligible youth in care.

## **POLICY**

Subject to the annual appropriation by the Maryland General Assembly and the availability of funds, each LDSS shall establish and maintain a savings account or commingled account of funds for distribution to each eligible youth in care as set forth in this policy. The funds will be distributed when the youth has been discharged from foster care. When an eligible youth is in State care, the LDSS shall make contributions to the account as follows:

- (1) As soon as practical after the first day of a new state fiscal year (July 1), \$350 for every youth who is at least 14 years old on the first day of the state fiscal year, and an additional \$450 for every youth who is at least 18 years old on the first day of the state fiscal year; and
- (2) As soon as practical after the learning of the achievement:
  - (a) \$500 educational incentive contribution when the eligible youth in care receives one of the following:
    - high school diploma;
    - high school certificate of completion;
    - high school equivalency (GED) diploma; or
    - associate or bachelor's degree from an accredited post-secondary institution; and
  - (b) \$500 career-focused incentive when the eligible youth in care receives one of the following:
    - a certificate of completion from an accredited technical school;
    - a certificate of graduation/notice of completion from Job Corps;
    - a document attesting to an apprenticeship completion; or
    - a document attesting to the completion of a WIOA Occupational Training Program.

LDSSs will set aside an additional annual incentive of \$500 for each participating youth in good standing in a SILA who do not meet the educational or career-focused incentive categories. The benchmarks associated with the SILA program are related to the Ready By 21 benchmarks of employment, education, and financial empowerment. The incentive will be available annually to all eligible youth in care who are in good standing with these SILA requirements at the start of each fiscal year (July 1), and to any eligible youth in care new to SILA within the fiscal year.

Unlike the other annual FYSP contributions and the educational and career incentives, SILA incentives are to be provided to the youth for deposit in their *youth-owned non-custodial bank accounts* to which they have immediate access. The purpose of this incentive is to encourage and improve youth adherence to SILA program requirements and to provide funds that youth can use in case of emergencies.

To be eligible for the SILA incentive, the youth in SILA must be in good standing in SILA, which means that the youth must have agreed to the requirements of the SILA agreement AND have demonstrated continual enrollment and attendance in school or vocational training for a minimum of 80 hours a month or employment for a minimum of 80 hours a month.

SILA eligible youth may be allocated a maximum of \$1,000 in SILA incentive contributions per fiscal year.

**NOTE:** Youth with disabilities or who are parenting non-school-age children are exempt from meeting the 80 hours minimum monthly requirement for school, training, or employment and will not have to meet those requirements to be in good standing. For more information on disabled youth, see SSA/CW 19-6 Protecting the Resources of Children in State Care.

## **PROCEDURES AND TIMEFRAMES**

The instructions below will allow LDSS caseworkers, as well as finance officers, to implement the FYSP.

### **Opening Accounts and Depositing Funds:**

- 1) On an annual basis, each LDSS will deposit into a savings or commingled account, those funds to which each eligible youth in care is eligible depending on age and incentives as set forth above. Excluded - LDSS savings or commingled accounts are NOT required for the deposit of SILA incentives earned; these funds are to be provided to the youth for deposit in a youth owned non-custodial bank account.
- 2) Each LDSS managerial program staff, in conjunction with the LDSS Finance Office, must ensure that all eligible youth in care have had the appropriate funds set aside for their use upon exiting State care.
- 3) A list of youth eligible for the FYSP can be filtered by jurisdiction using the monthly Out-of-Home Milestone report.

\*Note - Youth in care under a Voluntary Placement Agreement (VPA)) are **ineligible**.

Caseworkers are responsible and shall process a CJAMS Service Log to generate a State payment for deposit into a savings account the funds to which each eligible youth in care is entitled consistent with this policy. If an eligible youth exits State care prior to the annual FYSP contribution, the caseworker will notify Finance to pay these funds directly to the child through AFS-D365. For annual payment and career and educational incentives, caseworkers must:

- 1) Clearly document in the Service Log Justification "Foster Youth Savings Program [current year]";
- 2) Send an initial statement to the child and the child's attorney of the funds that have been set aside that year for the youth's use when the youth exits State care;
- 3) Upload verification documents of Education or Career Incentive;
- 4) Clearly document in the Service Log Justification "FYSP Education Incentive (specify type)" or "FYSP Career Incentive (specify type);
- 5) Use fiscal category code 7112 for open cases and use fiscal category code 7111 for eligible closed cases; and
- 6) Every 6 months (July and January), review the statement sent by the Finance Officer and ensure that the older foster youth in care received the statement and is aware of the account balance.

FYSP payments on closed cases are processed through AFS-D365 payable to the youth or to the Comptroller as described above for open SILA cases. (See also [Case Closure, Closing Accounts, and Disbursement of FYSP Funds](#))

**NOTE:** At least Quarterly, LDSS Managerial Program staff should work with Local Finance officers to review the Foster Care Milestone report to ensure that the LDSS has made the proper deposits of FYSP funds into an account for the future use of newly eligible youth who have entered out-of-home placement. SSA will send reminders quarterly to aid this process.

#### **Maintaining Accounts:**

**Finance Officers** shall ensure savings account assets are maintained in an *interest-bearing account* reserved solely for the deposit and accounting of FYSP funds and must:

- 1) Ensure that service charges are not deducted from the youth's account
- 2) Record expense to category code 7112
- 3) Record trust activity in the child welfare system of record utilizing the "Child Accounts" or comparable module
- 4) Record receipts as Transaction Source "Other (Ancillary)" to ensure the FYSP funds are not utilized to reimburse cost of care
- 5) Record Education or Career Incentive as an expense, in the same account as annual contributions, to category 7112.
- 6) In January and July, send each youth and the youth's case worker a statement of the funds that were deposited as of June 30 and December 31, for the youth's use upon exiting foster care.

**NOTE:** A LDSS managerial staff person or designee, is responsible for requesting any additional funding that may be required to ensure sufficient funds to make the requisite allotments for the use of older committed youth when they leave care. In the event the original funding allocation is exhausted, the LDSS shall issue a memorandum for additional funding to both the Department of Human Services (DHS) - Office of Budget and Finance and the SSA Central Office, Older Youth Services. In the memorandum, the LDSS should explain the reason for the additional funding request (e.g., due to the entry of more youth than expected entering out-of-home placements who qualify for deposit of incentive funds).

**Transitional Planning and Opportunities for Training:**

DHS is committed to ensuring all eligible youth in foster care have the skills and resources available to safely practice and demonstrate their progress in becoming independent and self-sufficient adults as follows:

- 1) In the Financial Empowerment section of the Maryland Youth Transition Plan document, the youth and the worker will document the youth's financial resources, where the youth's financial resources are being maintained, and savings will become available when the youth exits care.
- 2) Transition-aged youth will participate in financial learning exercises as part of the life skills sessions facilitated by the LDSS to increase their understanding of how to effectively manage their resources.
- 3) The FYSP aligns with Youth Transitional Planning and the Ready by 21 framework, which includes a Financial Empowerment benchmark that emphasizes youth making informed financial decisions.

**Case Closure, Closing Accounts, and Disbursement of FYSP Funds:**

The LDSS will use the Accounts module of the official system of record for child welfare for the deposit of funds intended for the youth's use upon exiting care, the disbursement of funds for ancillary/Service Log purchases, and the final disbursement of funds.

- 1) When a committed youth aged 14-21 is *discharged from foster care, for any reason*, the youth vests in the FYSP funds allotted for that youth.
- 2) The LDSS will close out the youth's accounts and disburse the FYSP funds to the youth.
- 3) The caseworker and fiscal staff should use the following guidelines:
  - a) Prior to the case being closed in the official system of record for child welfare, the LDSS will make the final disbursement of FYSP funds intended for the youth's use through the Accounts Module, not by a Service Log, with the input of the payee information (if the youth is over 18, the payee would be the youth);
  - b) The youth does not need to sign for the final check;
  - c) The LDSS should follow standard fiscal procedures for non-receipt, stolen, lost, and returned checks; and
  - d) There is no need to complete a W9 to establish the youth as a "vendor" in the **AFS-D365**.

In the following circumstances, the LDSS should take attempt to distribute the funds as follows:

- 1) If the youth dies prior to exiting foster care or prior to distribution of the savings funds;
  - a) Transfer the funds to any account opened for the estate or to the Personal Representative of the estate for deposit in that account; or
  - b) If the LDSS does not know of any estate account or Personal Representative, send a letter to the youth's last known address regarding savings in the youth's name and advising that, if the LDSS receives no response, the funds may be sent to the State of Maryland Unclaimed Property according to unclaimed property regulations;
- 2) If the youth cannot be located at the time of disbursement, send a letter to the youth at the youth's last known address regarding the savings and advising the youth that, if the LDSS receives no response within 60 days, the funds may be sent to the State of Maryland Unclaimed Property according to unclaimed property regulations; or
- 3) If the youth is incarcerated, identify and confirm the correctional facility where the youth is being held and disburse the funds to the youth at that address.

#### **ALIGNMENT WITH PRACTICE MODEL AND DESIRED OUTCOMES**

The FYSP supports the goal of the Integrated Practice Model for timely and lasting permanency, specifically for our older youth population. It values collaboration with the youth and empowers them to plan for their future. SSA encourages collaborative communication with our partners and stakeholders regarding the teaching of healthy financial behavior and decision-making. To develop a unified voice, SSA will provide financial education to child welfare staff, treatment foster care and congregate care providers, resource parents, and other stakeholders to enhance competency in personal finance management. By providing financial education designed for implementation with foster youth and enhancing knowledge of personal finance concepts with stakeholders, SSA expects that foster youth will be better equipped and prepared to satisfy unexpected financial obligations that may arise after they leave foster care and enter independent adulthood.

#### **FREQUENTLY ASKED QUESTIONS**

##### **Question 1: Is the Education Achievement Incentive just for graduates within the State fiscal year?**

*This incentive should be given to eligible youths who receive verification of earning a high school Diploma, GED, Certificate of Completion, or Degree from an accredited Post-Secondary Education Institution within the State fiscal year.*

##### **Question 2: Is the Career Focused Achievement Incentive just for graduates within the State fiscal year?**

*This incentive should be given to eligible youth who receive their verification of earning a certificate of completion from an accredited technical school or apprenticeship program,*

*certificate of graduation from Job Corps, or completion of a Workforce Innovation Opportunity Act (WIOA) approved occupational training program within the State Fiscal Year.*

**Question 3: Are youth in voluntary placement eligible to participate in the FYSP?**

*No. Youth must have a CINA legal custody status of committed, guardianship, or co-committed to the LDSS to be eligible.*

**Question 4: Can youth use the FYSP funds before exiting care?**

*No, with the exception of the SILA incentives, which are disbursed directly to eligible youth. The goal of FYSP is to help youth save money for supporting a successful transition into adulthood while acquiring savings to reinforce life skills learned to support housing, education, financial empowerment, and career investments that lead to independence and self-sufficiency.*

**DOCUMENTATION**

- Caseworker - Document in CJAMS Service Log - FYSP deposits general/ FYSP Achievement Incentive (specify type)
- Finance Officer - Document in CJAMS Child Account
- Letter with detailed accounting of the child's assets to be sent to the child's attorney along with the CINA court report

**RELATED INFORMATION**

This policy is to be used in conjunction with the following:

- [Ready by 21 Manual](#)
- Maryland Youth Transition Planning Process ([SSA #22-08](#))
- Protecting the Resources of Children in State Custody ([SSA/CW #19-6](#))