HOUSE BILL REPORT
2SSB 5591

As Reported by House Committee On:
Human Services, Youth, & Early Learning

Title: An act relating to providing dependent youth with financial education and support.

Brief Description: Providing dependent youth with financial education and support.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Nobles, Mullet, Frame, Kuderer, Lovelett, Nguyen, Randall, Trudeau, Valdez and Wilson, C.).

Brief History:
Committee Activity:
Human Services, Youth, & Early Learning: 2/16/24, 2/21/24 [DPA].

Brief Summary of Second Substitute Bill
(As Amended by Committee)

- Requires the Department of Children, Youth, and Families (DCYF) to develop a program to provide dependent youth ages 14 and up with the opportunity to open a private self-controlled bank account.
- Requires the DCYF to deposit a minimum of $25 per month into a dependent youth's bank account from the time the account is opened until the dependency ends.

HOUSE COMMITTEE ON HUMAN SERVICES, YOUTH, & EARLY LEARNING

Majority Report: Do pass as amended. Signed by 11 members: Representatives Senn, Chair; Cortes, Vice Chair; Rule, Vice Chair; Eslick, Ranking Minority Member; Couture, Assistant Ranking Minority Member; Callan, Dent, Goodman, Ortiz-Self, Taylor and Walsh.

Staff: Omeara Harrington (786-7136).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

Anyone, including the Department of Children, Youth, and Families (DCYF), may file a petition in court alleging that a child should be a dependent of the state due to abuse, neglect, or because there is no parent, guardian, or custodian capable of adequately caring for the child. If a court determines that a child is dependent, the court will conduct periodic reviews and make determinations regarding the child's placement, provision of services by the DCYF, and compliance and progress of the parents. When a child is removed from the home of a parent or guardian due to allegations of abuse or neglect, the child may be placed with relatives or in foster care.

Shared planning meetings are scheduled at regular intervals during a dependency. The shared planning model includes the participation of families, youth, natural supports, and others who can assist in the case planning process. For children who are expected to age out of dependency, the DCYF must convene a shared planning meeting between the ages of 17 and 17-and-a-half for the purpose of developing a transition plan.

Young adults who are dependent when they turn age 18 and meet certain qualifying criteria may choose to continue their dependency and receive foster care services up to the age of 21 by entering into a voluntary placement agreement. Young adults in extended foster care may live in a foster home placement or in a supervised independent living placement such as an apartment, a college dormitory, or a shared roommate setting. Extended foster care services may include maintenance payments for living expenses, assistance in meeting basic needs, independent living services, medical assistance, and counseling or treatment, among other services.

Summary of Amended Bill:

The DCYF must develop a financial savings program and provide all dependent youth age 14 or older with the opportunity to open a private self-controlled account with a financial institution. If interested, the youth may open the account with assistance from any supportive adult, which may include, for example, independent living service providers, caregivers, caseworkers, kinship and other family members, attorneys, and other supportive adults such as mentors, teachers, and coaches. The DCYF must create an online platform to allow eligible dependent youth to create their accounts.

The DCYF must deposit a minimum of $25 per month into an eligible dependent youth's financial account. An initial deposit must be made within one month of the youth opening of an account. An exemption is included in the provisions governing assistance programs indicating that the deposits that the DCYF makes into a youth's account do not count as income for purposes of benefit eligibility. The DCYF must inform the eligible youth about the impact that deposits could have on public benefit eligibility, and the youth may opt out of receiving minimum deposits at any time.

The DCYF must ensure that every eligible dependent youth receives information about the program beginning at age 14. A dependent youth remains eligible to open an account with the financial support of the DCYF until the dependency proceeding is dismissed. If it is determined that a dependent youth has not established a private self-controlled account at the time of the shared planning meeting that is used to develop a transition plan, information on opening an account must be included in the transition plan. Additionally, as appropriate, the DCYF must engage partners to work with dependent youth to establish an account, such as independent living providers, established community-based organizations, foster parents and caregivers, and in-school support staff.

The program must be operational by January 1, 2025, and fully implemented in all regions by July 1, 2028, under a phased implementation schedule. The DCYF must conduct an annual electronic survey of 15 percent of eligible youth as a method of program evaluation.

The DCYF must convene a temporary advisory committee to advise on the development of the program's implementation plan, collection and reporting of data, expansion of partnerships with financial institutions and service providers, and to review communications and marketing materials. Membership of the temporary advisory committee must include, but is not limited to: current or former foster youth, current or former caregivers, including kinship caregivers, the financial education public-private partnership, financial institutions, and those with expertise in providing financial education or mentorship to youth.

The temporary advisory committee must develop a survey for eligible youth to help determine the effectiveness of the program. Additionally, the DCYF must consult the temporary advisory committee regarding the financial savings program to ensure statewide access to a high-quality, developmentally and culturally appropriate program for eligible youth.

By November 1, 2025, the DCYF must submit a report to the Governor and the Legislature on the status of program implementation and the work of the stakeholder group. By December 1, 2025, and annually thereafter, the DCYF must submit a report to the Legislature summarizing the results of the program evaluation survey of eligible dependent youth.

Amended Bill Compared to Second Substitute Bill:

The amended bill:

- describes the program created in the bill as a financial savings program;
- replaces a reference to youth ages 12 and older and instead references the population of youth eligible for the program as defined in the bill, which includes dependent youth ages 14 and older;
- exempts deposits made by the DCYF into a dependent youth's financial account from counting as income for purposes of assistance program eligibility and benefit

amounts; and
- make other minor changes to wording and intent language.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill addresses financial challenges faced by dependent youth ending foster care, and will bridge the financial knowledge gap many youth have as they enter adulthood. Dependent youth face insecurity, and this will provide tools and resources they need to make sound financial decisions. Young people should have a relationship with a financial institution before adulthood. Those who have bank accounts earlier in life are less likely to be unbanked later in life. Importantly, the bill is permissive and not prescriptive. There are complexities in establishing an account for a minor without a supportive adult, so not every institution will be able to accommodate the program. However, the phase-in part in the bill is aligned with regions that have institutions that are currently able to take on these accounts.

(Opposed) None.

Persons Testifying: Sam Martin, Washington Coalition for Homeless Youth Advocacy; and Joe Adamack, Washington's Credit Unions.

Persons Signed In To Testify But Not Testifying: None.