

SENATE BILL REPORT

2SHB 1405

As of March 30, 2023

Title: An act relating to preserving public benefit payments to people in the care of the department of children, youth, and families.

Brief Description: Preserving public benefit payments to people in the care of the department of children, youth, and families.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Alvarado, Farivar, Taylor, Reeves, Senn, Mena, Berg, Cortes, Simmons, Berry, Ortiz-Self, Goodman, Lekanoff, Gregerson, Ramel, Macri, Reed, Ormsby, Doglio, Chopp and Santos).

Brief History: Passed House: 3/4/23, 78-17.

Committee Activity: Human Services: 3/14/23, 3/21/23 [DPA-WM, w/oRec].
Ways & Means: 3/30/23.

Brief Summary of Amended Bill

- Directs the Department of Children, Youth, and Families (DCYF) to end the practice of using a person's public benefits to reimburse DCYF for the person's cost of care by July 1, 2027.
- Creates the Cost of Care Work Group to consider policies and develop a timeline for DCYF to implement this change, with a report due to the Legislature and Governor by December 1, 2024.

SENATE COMMITTEE ON HUMAN SERVICES

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Wilson, C., Chair; Kauffman, Vice Chair; Frame, Nguyen and Warnick.

Minority Report: That it be referred without recommendation.

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.

Signed by Senators Boehnke, Ranking Member; Wilson, J..

Staff: Alison Mendiola (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Joshua Hinman (786-7281)

Background: Supplemental Security Income. Supplemental Security Income (SSI) is administered by the Social Security Administration (SSA). SSA pays monthly benefits to people with limited income and resources who are disabled, blind, or age 65 or older. Blind or disabled children may also get SSI. Children younger than age 18 can qualify if they have a medical condition or combination of conditions that meets Social Security's definition of disability. Their income and resources must fall within the eligibility limits. The amount of SSI payment differs from state to state because some states add to the SSI payment.

Nationally, approximately 10 to 12 percent of foster youth receive disability, survivor, or veterans' benefits. Closer to 20 percent are eligible. The annual average disability benefit per youth ranges from \$700 to \$850 per month.

Department of Children, Youth, and Families. When a child enters into the care of the Department of Children, Youth, and Families (DCYF), the child's caseworker determines if the child is entitled to any benefits. If the child is entitled to benefits, the caseworker applies to the appropriate agency for DCYF to be made the payee. Most funds are used to reimburse DCYF for the child's cost of care expenses unless there is an authorized policy exemption. Any remaining funds are retained in an interest bearing account and can be disbursed for special needs or extra items that directly benefit the child, if applicable.

Washington Achieving a Better Life Experience Program. Anyone living in Washington who developed a qualifying disability before the age of 26 is eligible to open a Washington Achieving a Better Life Experience (ABLE) Account. ABLE accounts allow people with disabilities to save and invest up to \$15,000 a year to use towards eligible expenses without affecting Supplemental Security Income and other benefits. The account's growth is tax free.

Summary of Amended Bill: As of July 1, 2027, DCYF may not apply benefits, payments, funds, or accrual paid to, or on behalf of, a person in the care of DCYF as reimbursement for the cost of the person's care.

DCYF is to:

- assess whether the person is eligible for public benefits; and
- develop and implement a financial literacy training including information related to public benefits.

The training is to be provided to persons exiting the care of DCYF, when the person is over the age of 16, receiving or may be eligible to receive public benefits, and is likely to have the ability to participate in the management of their benefits in the future.

Cost of Care Work Group. The Cost of Care Work Group (work group) is created in DCYF. DCYF is to convene the first meeting by September 1, 2023. The work group is to consider and analyze how other states and jurisdictions are addressing, and make recommendations regarding the following:

- how DCYF can conserve funds from public benefits for the future use of people in the care of DCYF while maintaining eligibility for public benefits;
- how an appropriate representative payee can be established on behalf of a person eligible to receive benefits;
- the age at which a beneficiary may have access to their benefits;
- preliminary cost estimates and a timeline for DCYF to discontinue applying benefits, payments, funds, or accrual paid against the cost of care, and how to conserve those funds for the future use of people in the care of DCYF after July 1, 2027;
- who, if anyone beyond the beneficiary, should be notified when a person's eligibility is determined;
- how to ensure that SSI and other public benefits are used in the best interest of the beneficiary, both while in the care of DCYF and after exiting care;
- that the parameters for expenditures as set forth by the SSA and other specific accounts, including but not limited to ABLE accounts, are followed;
- how often DCYF shall assess whether a person in the care of DCYF is eligible for SSA or other public benefits; and
- a process for ongoing monitoring of DCYF's compliance with not using a person's public benefits as reimbursement for the cost of the person's care.

The work group is to include, but not be limited to, the following members:

- one or more experts familiar with social security survivor benefits, veteran survivor benefits, railroad retirement survivor benefits, or other similar cash benefits;
- one or more advocates for individuals with intellectual or developmental disabilities;
- current or former youth with intellectual or developmental disabilities, who are in or have been in the care of DCYF, who receive or may be eligible to receive federal SSI benefits;
- the Secretary of the Department of Social and Health Services, or their designee; and
- the Director of the Health Care Authority and their designee.

The work group shall seek input from individuals who are eligible for public benefits who have lived experience in the child welfare and juvenile rehabilitation systems; the parents and the caregivers of people who are eligible for SSI benefits or other similar federal benefits and are involved with the child welfare system or juvenile rehabilitation, and SSA.

By December 1, 2024, DCYF is to submit a report to the Legislature and the Governor

which includes recommendations from the work group. The report must also provide information on the cost of implementing the change of not using a person's public benefits to reimburse DCYF for the person's cost of care, and whether statutory changes are needed.

The work group ends December 31, 2027.

EFFECT OF HUMAN SERVICES COMMITTEE AMENDMENT(S):

The work group is to include its recommendations on how to ensure that SSI and other public benefits are used in the best interest of the beneficiary, both while in care of DCYF and after exiting care, and that the parameters for expenditures as set forth by the SSA and other specific accounts, including but not limited to ABLE accounts, are followed.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Second Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: When children are placed in the state's care, it is our responsibility to do right by them. Around 10-15% of children in our care receive some sort of public benefit but it's our current practice to use this money to pay for the cost of the child's care. Kids need to be set up for stability when they exit care, given their higher rates of homelessness and incarceration. Also, this money already belongs to them. Under this bill, older children will also get financial literacy training and the cost of care work group is to work through obstacles in implementation and establish best practices. This bill is similar to a bill that eliminated charging parents for the cost of their child's stay in juvenile rehabilitation. Conserving public benefit payments rather reimbursing the state for the cost of care to help support youth to transition out of system of care into stability is the right use of these dollars. Often kids don't even know they are receiving benefits, the money should be held in an ABLE or other trust account. Would prefer that this practice ended sooner than later.

Persons Testifying (Human Services): PRO: Representative Emily Alvarado, Prime Sponsor; Daniel Lugo, Treehouse; Diana Stadden, The Arc of WA State; Laurie Lippold, Partners for Our Children; Julie Watts, Department of Children, Youth and Families.

Persons Signed In To Testify But Not Testifying (Human Services): No one.

Staff Summary of Public Testimony as Amended by Human Services (Ways &

Means): PRO: There are children in foster care with intellectual development disabilities. Children on SSI have a disability. The money is precisely intended for that, such as to be deposited into an account to be held by the recipient. When they leave foster care they will have that money to help get them started.

Testifier is from the Treehouse organization and seeks equity for youth exiting foster care. Testifier has lived experience. One-third of foster youth experience homelessness by age 21. Data by Treehouse also shows that 1 in 4 will be arrested within a year of exiting foster care. Dependent youth are struggling. Benefits are intended for kids wellbeing and should not be garnished by the state in any way. Testifier is glad the bill will also help the young become be aware of the benefits they are receiving.

This is a House bill companion to a Senate bill heard earlier, with the only difference being the implementation date and the work group must now incorporate what is in the best interest of child. Testifier wants to end the practice of using SSI for basic room and board care. Federal rules state that benefits should be saved for future use. State uses money, unbeknownst to the child, for cost of basic care.

Persons Testifying (Ways & Means): PRO: Diana Stadden, The Arc of WA State; Daniel Lugo, Treehouse; Laurie Lippold, Partners for Our Children.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.