

SENATE BILL REPORT

SB 5397

As Reported by Senate Committee On:
Human Services, January 31, 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: Senators Wilson, C., Hasegawa, Nguyen, Randall, Saldaña and Valdez.

Brief History:

Committee Activity: Human Services: 1/23/23, 1/31/23 [DPS-WM].

Brief Summary of First Substitute 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, 2026.
- 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: That Substitute Senate Bill No. 5397 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wilson, C., Chair; Kauffman, Vice Chair; Boehnke, Ranking Member; Frame, Nguyen, Warnick and Wilson, J..

Staff: Alison Mendiola (786-7488)

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: 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 the 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.

Summary of Bill (First Substitute): As of July 1, 2026, 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 January 1, 2026;
- who, if anyone beyond the beneficiary, should be notified when a person's eligibility is determined;
 - 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 the 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, 2026.

EFFECT OF CHANGES MADE BY HUMAN SERVICES COMMITTEE (First Substitute):

As of July 1, 2026, DCYF may not apply benefits paid to, or on behalf of a person in the care of DCYF as reimbursement for the cost of the person's care. The report to the Legislature and Governor is due December 1, 2024.

Appropriation: None.

Fiscal Note: Requested on January 11, 2023.

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 Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Currently DCYF diverts SSI payments they receive on behalf of a person in their care to reimburse the agency for the cost of their care. This bill ends that practice. There is no notice provided to the child or their attorney, the practice is contrary to basic principles of jeopardy. Parents set up kids for success, so any agency raising a child should work towards this same goal. DCYF shouldn't take these funds and should instead put them in a fund for the child's benefit. The child usually does not know this is happening and only finds out when they are appointed an attorney. DCYF supports this bill, but it's more complicated than it seems. The Governor included proviso language in his budget.

Persons Testifying: PRO: Senator Claire Wilson, Prime Sponsor; Amy Harfeld, Children's Advocacy Institute; Erin Shea McCann, Legal Counsel for Youth and Children; Diana Stadden; Sam Martin, SDMC Consulting; Allison Krutsinger, Dept of Children, Youth, and Families.

Persons Signed In To Testify But Not Testifying: No one.