H-2596.1

HOUSE BILL 2169

State of Washington 69th Legislature 2026 Regular Session

By Representatives Callan, Eslick, Ryu, Hall, Leavitt, Kloba, Doglio, Simmons, Reed, Santos, Zahn, Duerr, Goodman, Reeves, Fosse, and Timmons

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AN ACT Relating to strengthening the financial stability of persons in the care of the department of children, youth, and families; amending RCW 74.13.060; and adding a new section to chapter 43.216 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** A new section is added to chapter 43.216 RCW to read as follows:

(1) Beginning January 1, 2027, the department may not apply any benefits, payments, funds, or accrual paid to, or on behalf of, a person ages 18 through 21 in the care of the department subject to chapter 13.34 RCW as reimbursement for the cost of care.

(2) When a person turns 18, or is between the ages of 18 and 21, is in the care of the department subject to chapter 13.34 RCW, and is not already receiving supplemental security income and retirement, survivors, and disability insurance benefits, the department shall assess whether the person is eligible for such benefits. When a person is assessed to be eligible for social security benefits, the department shall:

(a) Assist the person to become the payee for social security benefits and maintain eligibility for those benefits when the department is the representative payee; and

(b) Assist individuals who are designated as payees for their benefits establish a financial account appropriate for receiving those benefits such as a Washington achieving a better life experience account, a checking or savings account, or another form of electronic banking. The department may provide support to determine if the payee can manage the account on their own or if they need an authorized representative to manage their account.

(3) If a person between the ages of 18 and 21 who is in the care of the department is determined to need additional support in managing their benefits, the department shall make reasonable efforts to identify a suitable individual to serve as the person's authorized representative. If neither the individual nor the department is able to identify a suitable authorized representative, the department may serve in that role until the individual or the department can identify a suitable individual to serve in place of the department. The department may contract with an external entity to administer and manage the accounts governed by this section on the department's behalf.

(4) When an individual between the ages of 18 and 21 serves as the representative payee, or when any person or entity other than the department is designated as the authorized representative for a youth in the department's care, the department does not owe a fiduciary duty to that individual, person, or entity with respect to those benefits.

Sec. 2. RCW 74.13.060 and 2009 c 520 s 59 are each amended to read as follows:

(1) The secretary or his or her designees or delegatees shall be the custodian without compensation of such moneys and other funds of any person which may come into the possession of the secretary during the period such person is placed with the department or an entity with which it has entered into a performance-based contract pursuant to chapter 74.13 RCW. As such custodian, the secretary shall have authority to disburse moneys from the person's funds for the following purposes only and subject to the following limitations:

(a) For such personal needs of such person as the secretary may deem proper and necessary((~~.~~))<u>;</u>

(b)<u>(i)</u> Against the amount of public assistance otherwise payable to such person((~~. This~~))<u>;</u>

(ii) For the purposes of this subsection (1)(b), the amount of public assistance otherwise payable to such person includes applying, as reimbursement, any benefits, payments, funds, or accrual paid to or on behalf of said person from any source against the amount of public assistance expended on behalf of said person during the period for which the benefits, payments, funds or accruals were paid; and

(c) Effective January 1, 2027, for persons between the ages of 18 and 21, to conserve funds in a savings or investment account subject to section 1 of this act.

(2) All funds held by the secretary as custodian may be deposited in a single fund, the receipts and expenditures therefrom to be accurately accounted for by him or her on an individual basis. Whenever, the funds belonging to any one person exceed the sum of ((~~five hundred dollars~~)) $2,000, the secretary may deposit said funds in a savings and loan association account, or other savings or investment account subject to section 1 of this act, on behalf of that particular person.

(3) When the conditions of placement no longer exist and public assistance is no longer being provided for such person, upon a showing of legal competency and proper authority, the secretary shall deliver to such person, or the parent, person, or agency legally responsible for such person, all funds belonging to the person remaining in his or her possession as custodian, together with a full and final accounting of all receipts and expenditures made therefrom.

(4) The appointment of a guardian for the estate of such person shall terminate the secretary's authority as custodian of said funds upon receipt by the secretary of a certified copy of letters of guardianship. Upon the guardian's request, the secretary shall immediately forward to such guardian any funds of such person remaining in the secretary's possession together with full and final accounting of all receipts and expenditures made therefrom.

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