
SUBSTITUTE SENATE BILL 5488

State of Washington

69th Legislature

2025 Regular Session

By Senate Human Services (originally sponsored by Senators Alvarado, Warnick, C. Wilson, Chapman, Krishnadasan, Nobles, Trudeau, and Valdez)

READ FIRST TIME 02/06/25.

1 AN ACT Relating to strengthening the financial stability of
2 persons in the care of the department of children, youth, and
3 families; amending RCW 74.13.060; and adding a new section to chapter
4 43.216 RCW.

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

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

8 (1)(a) Beginning January 1, 2026, the department may not apply
9 any benefits, payments, funds, or accrual paid to, or on behalf of, a
10 youth age 14 through 17 in the care of the department subject to
11 chapter 13.34 or 13.40 RCW as reimbursement for the cost of care.

12 (b) Beginning January 1, 2028, subject to appropriations, the
13 department may not apply any benefits, payments, funds, or accrual
14 paid to, or on behalf of, any person younger than 14 or older than 17
15 in the care of the department subject to chapter 13.34 or 13.40 RCW
16 as reimbursement for the cost of care.

17 (2) When a person is in the care of the department and is not
18 already receiving supplemental security income and retirement,
19 survivors, and disability insurance benefits, the department shall
20 assess whether the person is eligible for such benefits. The
21 department shall screen persons in out-of-home placement for

1 eligibility for such benefits on an ongoing basis. When a person is
2 assessed to be eligible for social security benefits, the department
3 shall:

4 (a)(i) Apply for supplemental security income and retirement,
5 survivors, and disability insurance benefits on behalf of the person.
6 If a person is over the age of 12, the person shall be asked to
7 consent to authorize a release of information for the application;

8 (ii) When the department applies for supplemental security income
9 and retirement, survivors, and disability insurance benefits on
10 behalf of a person, the department shall provide notification of the
11 application to the person and:

12 (A) The person's caregivers and all parties to the dependency, if
13 the person is a dependent child under chapter 13.34 RCW; or

14 (B) The person's parent or legal guardian if the person is under
15 age 18 and is being held under the supervision of juvenile
16 rehabilitation for juvenile and adult offenders under chapter 13.40
17 RCW;

18 (b) Provide all relevant information to the social security
19 administration concerning potential representative payees; and

20 (c) If the person is approved for benefits, maintain eligibility
21 for the benefits.

22 (3) When a person is in the care of the department and is already
23 receiving supplemental security income and retirement, survivors, and
24 disability insurance benefits and the permanency plan for the person
25 is reunification, the department may delay applying to become the
26 representative payee to support reunification.

27 (4) When the department is the representative payee for a person
28 in the care of the department, the department shall:

29 (a) Place funds into an account on behalf of the person. The
30 department shall disburse funds from the account for the purpose of
31 meeting any of the person's unmet personal needs while in care. Funds
32 may only be used to meet unmet personal needs that are not covered by
33 other state or federal funds and may not supplant other funding
34 sources that would cover the person's care. When the amount of money
35 due to the person exceeds asset limits for the benefit or exceeds the
36 amount needed to provide for the person's personal needs, the
37 department shall place the funds in an appropriate savings or
38 investment that will not count against the person's eligibility for
39 supplemental security income and retirement, survivors, and
40 disability insurance benefits, unless such funds are needed for the

1 person to access medicaid waiver services provided by the
2 developmental disabilities administration. Such accounts may include,
3 but are not limited to:

4 (i) A Washington achieving a better life experience program
5 account managed by the department of commerce pursuant to RCW
6 43.330.462;

7 (ii) A special needs trust or pooled trust; or

8 (iii) A savings account; and

9 (b) Provide an annual account statement to the person, and any
10 other persons required to be notified under subsection (2)(a)(ii)(A)
11 or (B) of this section.

12 (5) When the conditions of placement no longer exist the
13 department shall work with the parent, person, or agency who is
14 legally responsible for the person to become the representative
15 payee. If the person is turning 18, the department shall work with
16 the person to become the payee, unless the person requires a guardian
17 to manage the funds.

18 (6) The department shall develop and implement a financial
19 literacy training for youth that includes information related to
20 public benefits. The training must be provided to persons exiting the
21 care of the department when the person is:

22 (a) Over the age of 14;

23 (b) Receiving or likely to be eligible to receive public benefit
24 payments; and

25 (c) Likely to have the ability to participate in the management
26 of their own payments in the future.

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

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

37 (a) For such personal needs of such person as the secretary may
38 deem proper and necessary((-));

1 (b) (i) Against the amount of public assistance otherwise payable
2 to such person (~~(. This)~~), until:

3 (A) January 1, 2026, for youth ages 14 through 17; and

4 (B) January 1, 2028, for persons under the age of 14 or over 17,
5 subject to appropriations;

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

12 (c) To conserve funds in a savings or investment account subject
13 to section 1 of this act.

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

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

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

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