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**SENATE BILL 5488**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Alvarado, Warnick, C. Wilson, Chapman, Krishnadasan, Nobles, Trudeau, and Valdez

Read first time 01/24/25. Referred to Committee on Human Services.

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) As of January 1, 2026, the department may not apply any  
9 benefits, payments, funds, or accrual paid to, or on behalf of, a  
10 person in the care of the department subject to chapter 13.34 or  
11 13.40 RCW as reimbursement for the cost of care.

12 (2) When a person is in the care of the department and is not  
13 already receiving supplemental security income and retirement,  
14 survivors, and disability insurance benefits, the department shall  
15 assess whether the person is eligible for such benefits. The  
16 department shall screen persons in out-of-home placement for  
17 eligibility for such benefits on an ongoing basis. When a person is  
18 assessed to be eligible for social security benefits, the department  
19 shall:

20 (a)(i) Apply for supplemental security income and retirement,  
21 survivors, and disability insurance benefits on behalf of the person.

1 If a person is over the age of 12, the person shall be asked to  
2 consent to authorize a release of information for the application;

3 (ii) When the department applies for supplemental security income  
4 and retirement, survivors, and disability insurance benefits on  
5 behalf of a person, the department shall provide notification of the  
6 application to the person and:

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

9 (B) The person's parent or legal guardian if the person is under  
10 age 18 and is being held under the supervision of juvenile  
11 rehabilitation for juvenile and adult offenders under chapter 13.40  
12 RCW;

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

15 (c) If the person is approved for benefits, maintain eligibility  
16 for the benefits.

17 (3) When a person is in the care of the department and is already  
18 receiving supplemental security income and retirement, survivors, and  
19 disability insurance benefits and the permanency plan for the person  
20 is reunification, the department may delay applying to become the  
21 representative payee to support reunification.

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

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

1 (i) A Washington achieving a better life experience program  
2 account managed by the department of commerce pursuant to RCW  
3 43.330.462;

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

5 (iii) A savings account; and

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

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

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

19 (a) Over the age of 14;

20 (b) Receiving or likely to be eligible to receive public benefit  
21 payments; and

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

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

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

34 (a) For such personal needs of such person as the secretary may  
35 deem proper and necessary.

36 (b) ~~((Against the amount of public assistance otherwise payable  
37 to such person. This includes applying, as reimbursement, any  
38 benefits, payments, funds, or accrual paid to or on behalf of said  
39 person from any source against the amount of public assistance~~

1 ~~expended on behalf of said person during the period for which the~~  
2 ~~benefits, payments, funds or accruals were paid)~~ To conserve funds  
3 in a savings or investment account subject to section 1 of this act.

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

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

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

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