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**SUBSTITUTE SENATE BILL 5488**

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**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)

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.**  A new section is added to chapter 43.216 RCW to read as follows:

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

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

(2) When a person is in the care of the department 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. The department shall screen persons in out-of-home placement for eligibility for such benefits on an ongoing basis. When a person is assessed to be eligible for social security benefits, the department shall:

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

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

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

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

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

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

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

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

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

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

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

(iii) A savings account; and

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

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

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

(a) Over the age of 14;

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

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

**Sec.**  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((~~.~~));

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

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

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

(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) 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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