STATE OF RHODE ISLAND
DEPARTMENT OF ADMINISTRATION

OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
Fax: (401) 222-6410

State Fiscal Note for Bill Number: *2024-H 8241*

Date of State Budget Office Approval: Friday, May 31, 2024
Date Requested: Friday, May 3, 2024
Date Due: Friday, June 7, 2024

Impact on Expenditures		*Impact on Revenues*	
FY 2024	N/A	FY 2024	N/A
FY 2025	Indeterminate	FY 2025	N/A
FY 2026	Indeterminate	FY 2026	N/A

Explanation by State Budget Office:
This act adds RIGL Section § 42-72-37, entitled "Application for social security benefits, supplemental security income, and veterans benefits," which would require the department of children, youth and families (DCYF) to establish segregated savings accounts for a foster care child receiving social security benefits, supplemental security income, veterans benefits or railroad retirement benefits, which payments would be exempt from the asset limits in order to manage the accounts and keep the child eligible for future benefits.

Summary of Facts and Assumptions:
The bill would take effect upon passage. The Budget Office assumes that the impact of this bill would take effect in FY 2025 on July 1, 2024.

The bill requires the department of children, youth and families (DCYF) upon receiving temporary custody or guardianship of a youth in care to assess if they are eligible for benefits. If DCYF finds that the youth may be eligible for benefits, the department shall ensure that an application is filed on behalf of the youth. When applying for benefits for a youth in care the DCYF shall identify a representative payee, and if the department is seeking to be appointed as the youth's representative payee, department shall consider input from the youth's attorney and guardian ad litem.

Beginning January 1, 2025 for supplemental security income benefits and beginning July 1, 2025 for social security benefits, veterans benefits, or railroad retirement benefits, DCYF is required to ensure that when a youth attains the age of fourteen (14) years and until the department no longer serves as the representative payee, a minimum percentage of the youth's benefits are conserved as follows:

- From the age of fourteen (14) through the age of fifteen (15), at least forty percent (40%).
- From the age of sixteen (16) through the age of seventeen (17), at least eighty percent (80%).
- From the age of eighteen (18) through the age of twenty (20), one hundred percent (100%), when a court order has been entered expressly allowing the department to have the authority to establish and serve as an authorized agent of the youth over the age of eighteen (18).

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By January 1, 2026, the department shall provide a report to the general assembly regarding youth in care who receive benefits who are not subject to this section. The report shall discuss a goal of expanding conservation of children's benefits to all benefits of all children of any age for whom the department serves as representative payee. The report shall include a description of any identified obstacles, steps to be taken to address the obstacles, and a description of any need for statutory, rule, regulation, or procedural changes.

The department shall provide an annual accounting to the youth's attorney and guardian ad litem of how the youth's benefits have been used and conserved. In addition, within ten (10) business days of a request from a youth or the youth's attorney and guardian ad litem, the department shall provide an accounting to the youth of how the youth's benefits have been used and conserved.

The department shall provide the youth with financial literacy training and support, including specific information regarding the existence, availability, and use of funds conserved for the youth in accordance with this subsection, beginning by age fourteen (14). The literacy program and support services shall be developed in consultation with input from the department's statewide speak advisory board.

No later than January 1, 2027, the department shall file a report with the general assembly providing the following information for state fiscal years 2025 and 2026 and annually beginning January 1, 2028, for the preceding fiscal year:

- The number of youth entering care.
- The number of youth entering care receiving each of the following types of benefits: social security benefits, supplemental security income, veterans benefits, and/or railroad retirement benefits.
- The number of youth entering care for whom the department filed an application for each of the following types of benefits: social security benefits, supplemental security income, veterans benefits, and/or railroad retirement benefits.
- The number of youth entering care who were awarded each of the following types of benefits based on an application filed by the department: social security benefits, supplemental security income, veterans benefits, and/or railroad retirement benefits.

Annually beginning January 1, 2027, the department shall file a report with the general assembly with the following information regarding the preceding fiscal year:

- The number of conserved accounts established and maintained for youth in care;
- The average amount conserved by age group; and
- The total amount conserved by age group.

Given time and resource constraints and the fact that this is a new and emerging proposal, the Budget Office is unable to produce a determinate estimate for this fiscal note. However, the following information may provide context to inform the potential fiscal impact of this proposal.

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The department notes that for youths in DCYF custody that are eligible for benefits such as supplemental security income benefits (SSI), DCYF receives the federal benefits for those youths and puts those funds towards the cost of the youth's care. For example, if a youth is in a group home, DCYF uses their SSI funds to pay for a portion of the group home's costs. The Budget Office assumes if a percentage of those funds are to be conserved in a savings account per requirements of the bill, DCYF would require additional state resources to continue funding of the care otherwise funded by SSI or other benefits.

The Budget Office consulted DCYF to provide caseload of 14–20-year-olds that the department receives federal benefits for and annual benefit amount. DCYF reports there are 88 youths who receive either SSI and/or social security benefits between the ages of 14-20. There are 17 fourteen to fifteen year olds, 42 sixteen to seventeen year olds, and 29 eighteen to twenty year olds. Applying applicable minimum percentage savings to each age category, approximately $591,148 would be conserved in savings accounts. Information is not readily available on veterans benefits or railroad retirement benefits eligibility for youths in the state at this time.

Additionally, DCYF will require resources to fulfill various requirements of the bill including the reporting, tracking and accounting for individual back accounts, including the notifications to family, attorneys, and guardian-ad-litem. DCYF estimates that at minimum two clerical staff would be needed and note that scope of bill would be labor intensive. DCYF currently offers Financial Literacy Training that starts at 16 years old. DCYF provided an initial estimate of $50,000 in additional funding to expand the age group from 14 with the current vendor.

Approximately a dozen states, including Massachusetts, have made revisions to the practice of applying for Social Security, SSI or other types of federal benefits on behalf of foster children and then using that money to help cover the costs of foster care services, which include directing those funds to savings accounts or trusts for future expenses, including education and housing. The Maine Legislature approved a measure in April 2024 that would have prohibited the state from using foster children's federal survivor benefits to reimburse its costs for foster care services which would have necessitated $1.8 million to compensate for the proposed change.

Comments on Sources of Funds:
Savings accounts would be funded through social security benefits, supplemental security income, veterans benefits or railroad retirement benefits which are federally funded. The Budget Office assumes that any other expenditures associated with this bill is expected to be financed with state general revenue.

Summary of Fiscal Impact:
FY 2024: No fiscal impact due to timing.
FY 2025: Indeterminate
FY 2026: Indeterminate

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Budget Office Signature:

Digitally signed by Joseph Codega Jr.
Date: 2024.06.03 08:39:59 -04'00'

Fiscal Advisor Signature: