



# OFFICE OF MANAGEMENT & BUDGET

## State Budget Office

One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 222-6300

State Fiscal Note for Bill Number:

2026-H 7051

**Date of State Budget Office Approval:** Monday, February 16, 2026

**Date Requested:** Wednesday, January 21, 2026

**Date Due:** Saturday, January 31, 2026

| <i>Impact on Expenditures</i> |                            | <i>Impact on Revenues</i> |     |
|-------------------------------|----------------------------|---------------------------|-----|
| FY 2026                       | N/A                        | FY 2026                   | N/A |
| FY 2027                       | \$1,118,786 to \$1,212,833 | FY 2027                   | N/A |
| FY 2028                       | \$929,911 to \$1,026,656   | FY 2028                   | N/A |

Explanation by State Budget Office:

This act adds R.I.G.L. Section § 42-72-37, entitled "Application for social security benefits, supplemental security income, and veterans benefits," which requires the Department of Children, Youth, and Families (DCYF) to establish segregated savings accounts for a foster child receiving social security benefits (SSA), supplemental security income (SSI), veterans' benefits or railroad retirement benefits. Those payments would be exempt from asset limits in order to manage the accounts and keep the child eligible for future benefits.

Summary of Facts and Assumptions:

The bill will take effect upon passage. The Budget Office assumes that the impact of this bill will take effect in FY 2027 on July 1, 2026.

The bill requires the DCYF to assess if each youth in care is eligible for benefits upon receiving temporary custody or guardianship. If DCYF finds that the youth may be eligible for benefits, DCYF 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". A representative payee is an individual or organization appointed by the Social Security Administration, Department of Veterans' Affairs, or the Railroad Retirement Board to receive and manage benefits on behalf of someone who is unable to do so themselves, including minors or those with disabilities. If DCYF is seeking to be appointed as the youth's representative payee, then DCYF shall consider input from the youth's attorney and guardian ad litem.

Beginning January 1, 2027, for supplemental security income benefits and beginning July 1, 2027, 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 DCYF 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%); and



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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 DCYF to have the authority to establish and serve as an authorized agent of the youth over the age of eighteen (18).

By January 1, 2028, DCYF shall provide a report to the General Assembly regarding youth in care who receive benefits besides the four named benefit categories subject to this section. The report shall discuss a goal of expanding the conservation of children's benefits to all benefits of children of any age for whom DCYF 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.

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

When DCYF's guardianship of the youth is being terminated, DCYF shall provide a final accounting to the Social Security Administration, the youth's attorney and guardian ad litem, and the person or persons who will assume guardianship of the youth or who is in the process of adopting the youth, or to the youth, if the youth is over eighteen (18). Additionally, DCYF shall provide information to the parent, guardian, or youth regarding how to become the representative payee. DCYF shall adopt rules and regulations to ensure that the representative payee transitions occur in a timely and appropriate manner.

DCYF 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 DCYF's statewide "SPEAK" advisory board.

No later than January 1, 2029, DCYF shall file a report with the General Assembly providing the following information for the state fiscal years 2027 and 2028 and annually beginning January 1, 2030, 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 DCYF applied for each of the following types of benefits: social security benefits, supplemental security income, veterans' benefits, and/or railroad retirement benefits.



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

Annually beginning January 1, 2029, DCYF 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.

DCYF notes that for youths in its custody who are eligible for benefits, such as social security benefits (SSA) or supplemental security income benefits (SSI), DCYF currently receives 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 may use their SSI funds to pay for a portion of the group home's costs. The Budget Office assumes that if a percentage of those funds is to be conserved in a savings account per the requirements of the bill, DCYF would require additional state general revenue resources to continue funding the care otherwise funded by SSI or the other named benefits.

To estimate the costs associated with this bill, the Budget Office first assumes that additional revenue would be necessary to implement the information technology (IT) resources of this bill. DCYF currently uses the Rhode Island Children's Information System (RICHIST) to track their case management. The RICHIST system does not currently have the functionality to comply with the tracking, accounting, and reporting requirements of this bill. In a communication with the Budget Office, DCYF's IT division estimated that it would cost \$198,000 to design and implement the functions that are identified within the bill. This cost includes the development of new screens, notifications, rule creations, account types, and reports. Although DCYF is in the process of implementing a new IT system with an anticipated go-live in the fall of 2027, information on this system is not readily available. Additional funds are assumed to be required to build out the functionality necessary for this bill into the new system. However, since these additional costs are currently unknown, they are not incorporated into this fiscal analysis.

Next, the Budget Office assumes that DCYF would require additional revenue resources to continue funding the care otherwise funded by SSI or the other named benefits. The Budget Office consulted DCYF on the current caseload of 14 to 20-year-olds for whom DCYF receives federal benefits and their respective annual benefit amounts. DCYF reports 87 youths in care between the ages of 14 and 20 receive SSI and/or SSA benefits. There are 22 fourteen- to fifteen-year-olds, 28 sixteen- to seventeen-year-olds, and 37 eighteen- to twenty-year-olds. Applying the applicable minimum percentage savings to each age category, approximately \$698,903 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. DCYF estimates that the youths in care currently conserve approximately 8.25% of these federal benefits. Thus, under the proposed bill, DCYF needs an additional \$626,538 in



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supplemental funds to maintain their current operating budget level. The Budget Office estimates that benefit amounts will remain level between FY 2027 and FY 2028.

Finally, DCYF reports that they will require additional personnel resources to fulfill various requirements of the bill, including the reporting, tracking, and accounting for individual bank accounts, including the notifications to family, attorneys, and guardians ad litem. DCYF estimates that the agency will need two (2.0) additional financial FTE positions to fulfill the labor-intensive requirements of this bill including reporting, tracking, and accounting for individual bank accounts, as well as notifications to families, attorneys, and guardians ad litem. This would include one (1.0) Human Services Policy and Systems Specialist (pay grade 24) and one (1.0) Human Services Business Officer (pay grade 22). These positions both have a starting salary of \$59,684, a six-month step increase salary of \$61,650, and a 1.5-year step increase salary of \$63,579. Additionally, DCYF estimates that one to two (1.0-2.0) FTE positions are necessary to expand financial literacy training to fourteen- and fifteen-year-olds. This would include one to two (1.0-2.0) Child Support Technicians (pay grade 22). This position has a starting salary of \$56,123, a six-month step increase salary of \$57,873, and a 1.5-year step increase salary of \$59,394.

For this fiscal note, the Budget Office assumes the FTE costs include a rate of 65% for benefits (which includes both fixed and variable benefits) and the relative step increases according to the position's union classification salary schedule. For a range of 3.0-4.0 FTE positions, the total personnel cost in FY 2027 would be approximately \$294,248 to \$388,295. The FY 2027 values also include the planned 3% cost-of-living adjustment (COLA) relative to the FY 2026 personnel costs. The total personnel cost in FY 2028 for 3.0-4.0 FTE positions would be approximately \$303,373 to \$400,118, which includes the scheduled step increases relative to the FY 2027 personnel costs.

For this fiscal note, the Budget Office assumes the positions will be in the DCYF's Office of Budget subprogram, housed within its Central Management program. Approximately 43.5% of DCYF's Office of Budget personnel costs are financed through federal funds, while the remaining 56.5% is funded by general revenue. The Budget Office assumes the new FTE positions would maintain the same funding allocation. This would result in approximately \$166,250 to \$219,386 in additional general revenue expenditures and \$127,998 to \$168,908 in federal fund expenditures in FY 2027. In FY 2028, this would result in approximately \$171,406 to \$226,067 in additional general revenue expenditures and \$131,967 to \$174,052 in federal fund expenditures. As previously detailed, an estimate of an additional \$626,538 in operating support is needed for FY 2027 and FY 2028 to supplement conserved federal benefits previously used towards the care of youth in custody. Additionally, an estimated \$198,000 in one-time IT development costs is needed to implement the IT functions of this bill. The total combined cost of IT, operational, and personnel spending across funding sources would be approximately \$1,118,786 to \$1,212,833 in FY 2027 and \$929,911 to \$1,026,656 in FY 2028.

Approximately two dozen states, including Massachusetts and Connecticut, have made similar revisions to the practice of applying for social security, supplemental security income, 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



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expenses, including education and housing. As of January 1, 2023, Connecticut law prohibits the Department of Children and Families (DCF) from using Social Security disability benefits received by a youth in DCF care and custody to offset the cost of care. In 2024, Massachusetts phased out the practice of diverting federal disability and survivor benefits for foster children to the general fund; however, this was a change in policy, not law.

### 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 all federally funded. The Budget Office assumes personnel costs resulting from this bill will be financed within DCYF's Office of Budget subprogram such that 43.5% is funded by federal funds and the remaining 56.5% is funded by general revenue. Any other expenditures associated with this bill are expected to be financed with general revenue.

### Summary of Fiscal Impact:

FY 2026: No fiscal impact.

FY 2027: \$1,118,786 to \$1,212,833 in total expenditures, resultant of \$990,788 to \$1,043,924 in general revenue and \$127,998 to \$168,908 in federal funds.

FY 2028: \$929,911 to \$1,026,656 in total expenditures, resultant of \$797,944 to \$852,605 in general revenue and \$131,967 to \$174,052 in federal funds.

Budget Office Signature: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Joseph Codega".

Digitally signed by Joseph Codega  
Date: 2026.02.16 14:51:02 -0500

Fiscal Advisor Signature: \_\_\_\_\_

A large, stylized handwritten signature in black ink, appearing to read "Sarah LeClair".

