



## Agency Recommendation Summary

The Department of Children, Youth, and Families (DCYF) requests \$11,737,000 (\$11,587,000 General Fund-State) and 3.0 full time equivalents (FTE) in the 2025-27 Biennial Budget to discontinue the current practice of utilizing public benefits to reimburse the agency for the cost of providing care when children and youth are under the agency’s care and placement authority while in an out of home placement. By discontinuing this practice, DCYF will conserve those benefits for the child's future needs.

## Program Recommendation Summary

### 010 - Children and Families Services

The Department of Children, Youth, and Families (DCYF) requests \$10,989,000 (\$10,989,000 General Fund-State) and no full-time equivalents (FTE) in the 2025-27 Biennial Budget to discontinue the current practice of utilizing public benefits to reimburse the agency for the cost of providing care when children and youth are under the agency’s care and placement authority while in an out of home placement. By discontinuing this practice, DCYF will conserve those benefits for the child's future needs. DCYF will discontinue the using the benefits beginning January 1, 2026.

### 090 - Program Support

The Department of Children, Youth, and Families (DCYF) requests \$748,000 (\$598,000 General Fund-State) and 3.0 full time equivalents (FTE) in the 2025-27 Biennial Budget to discontinue the current practice of utilizing public benefits to reimburse the agency for the cost of providing care when children and youth are under the agency’s care and placement authority while in an out of home placement.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
<b>Staffing</b>						
FTEs	3.0	3.0	3.0	3.0	3.0	3.0
<b>Operating Expenditures</b>						
Fund 001 - 1	\$3,794	\$7,195	\$10,989	\$7,195	\$7,195	\$14,390
Fund 001 - 1	\$308	\$290	\$598	\$290	\$290	\$580
Fund 001 - A	\$77	\$73	\$150	\$73	\$73	\$146
Total Expenditures	\$4,179	\$7,558	\$11,737	\$7,558	\$7,558	\$15,116
<b>Revenue</b>						
001 - 0393	\$77	\$73	\$150	\$73	\$73	\$146
Total Revenue	\$77	\$73	\$150	\$73	\$73	\$146

## Decision Package Description

Like many states, Washington currently utilizes Supplemental Security Income, Survivors, Retirement, or Disability Insurance (RSDI) benefits, and other public benefits due to children and youth in foster care and juvenile rehabilitation to reimburse the state for their care. Although states are [legally permitted](#) to utilize benefits to pay for the cost of care, this is not in the child's or youth's best interest. Children and youth exiting DCYF care and custody face [high rates of homelessness](#) and economic hardship that could be mitigated with financial resources. Financial hardships on the part of a family often make it harder to reunite children with their families and support them to achieve permanency, especially when they have disabilities.

Each month, DCYF collects about \$700,000 per month in revenue from approximately 750 children and youth with disabilities or who have a deceased parent out of their RSDI benefits. DCYF currently uses these funds to pay for the cost of the youth’s care while in out of home placements.

	Child or Youth Placement into DCYF Custody:	
	Foster Care	Juvenile Rehabilitation
Social Security Title II	X	X
Supplemental Security Benefits	X	
State Supplemental Payments	X	
Railroad Retirement, Labor and Industries, and Victim’s Compensation	X	X

In 2023, the Legislature recognized that public benefits may be crucial in supporting children's reunification with their families and meeting their needs when they leave care. [ESSB 5187 Sec. 230 \(29\)](#) required the department to consult with stakeholders to develop an implementation plan

to discontinue the reimbursement policy at the earliest feasible date and conserve funds for the future needs of the child in a way the funds will not count against their eligibility for means-tested programs.

As required under ESSB 5187 Sec. 230 (29), DCYF convened the Public Benefits Preservation Work Group beginning in September 2023. This group provided input into developing an implementation plan that DCYF will release by October 1, 2024. The department is submitting Agency Request Legislation per the implementation plan that will require the department to:

- Discontinue the policy reimbursing the agency for the cost of care for children and youth placed into foster care or juvenile rehabilitation.
- Conserve RSDI and other public benefits due to children and youth in accounts that prevent money from counting against asset limits for other public benefits (e.g., the Achieving a Better Live Experience (ABLE) account, a special need trust or pooled trusts).
- Utilize public benefits to address the child's unmet needs while in custody.
- Provide notification of application for benefits and annual account statements of any funds conserved to children, their parents, caregivers, and attorneys.
- Coordinate with the Department of Social and Health Services, Developmental Disabilities Administration (DDA) when children receiving Supplemental Security Income or Social Security Disability Insurance benefits are eligible to receive DDA Medicaid Waiver services.
- Provide financial training to youth over age 14 who are exiting care on financial literacy, the allowable uses of their account, and how to maintain their benefits.

**Discontinuation of Reimbursement:**

DCYF requests \$9,450,000 GF-S to discontinue reimbursing the agency for the cost of care. Revenue from these reimbursements is included in the foster care per-capita forecast. This funding would replace the lost revenue.

**Conserving Public Benefits and Financial Training and Support for Youth:**

DCYF requests \$1,539,000 GF-S to conserve benefits for children and youth in an appropriate investment account. DCYF will need to contract with an agency that holds a statewide master contract with experience conserving Social Security Administration benefits for children's future needs in a way the funds will not count against their eligibility for means-tested programs. DCYF will also need to establish a financial training program for youth over age 14 who are exiting care and are receiving RSDI benefits or have accumulated savings in an account. DCYF will need to contract with an agency or community-based organization with experience working with people eligible for public benefits from the Social Security Administration on maintaining eligibility and appropriate uses of their funds.

**Coordination with DDA on Medicaid Waiver Services**

DCYF requests \$748,000 (\$598,000 GF-S) and 3.0 full time equivalents (FTE) to coordinate with DDA on a case-by-case basis on the appropriate utilization or conservation of Supplemental Security Income and Social Security Disability Insurance benefits when a child or youth is or may be eligible for DDA Medicaid Waiver services.

Without this funding, DCYF would need to continue its current policy and practice to reimburse the agency with public benefits due to children and youth who are placed into its care and custody. Children and youth exiting these systems of care would not have access to valuable resources that could support their reunification with their families and meet their needs when they leave care.

**Assumptions and Calculations**

**Expansion, Reduction, Elimination or Alteration of a current program or service:**

DCYF currently uses SSI and SSA benefits to help reimburse for the cost of care. In addition to this decision package request, DCYF is also submitting agency request legislation seeking to end this practice and conserve those benefits for the youth until they leave care or request the funds themselves to pay for a non-cost of care item. The number of youth in out of home foster care has been slowly declining. The benefits that DCYF has been using has decreased with the decreasing population.

**Detailed Assumptions and Calculations:**

DCYF requests \$10,989,000 GF-S in the 2025-27 Biennial Budget for conservation of youth benefits.

Backfilling this revenue and discontinuing the use of public benefits to offset the cost of care for up to 735 youth totals \$8,318,000 total benefits per year. Of the total benefit amount, DCYF used approximately \$6,300,000 of those benefits for cost of care. DCYF does not use benefits for every youth and does not always use all the benefits that youth are entitled to.

Total FY24 benefits received for youth in foster care - \$8,318,000

	Monthly	Yearly	
SSI	\$506,391	\$6,077,000	
SSA	\$186,714	\$2,241,000	
<b>Total</b>	<b>\$693,105</b>	<b>\$8,318,000</b>	

Total FY 24 benefits DCYF used for cost of care - \$9,450,000, which DCYF is requesting be backfilled with general fund-state. Start date of January 1, 2026.

	<b>Total</b>	<b>GF-S</b>	<b>GF-F</b>
<b>FY26</b>	<b>\$3,150,000</b>	<b>\$3,150,000</b>	<b>\$0</b>
<b>FY27</b>	<b>\$6,300,000</b>	<b>\$6,300,000</b>	<b>\$0</b>
<b>Biennium Total</b>	<b>\$9,450,000</b>	<b>\$9,450,000</b>	<b>\$0</b>

DCYF requests one time start-up cost of \$196,000 with an annual ongoing amount of \$895,000 per fiscal year. This contract will also provide financial literacy to youth. Due to the January 1, 2026 start date only half of the preserving costs were modeled for FY 26.

Initial start-up	Preserving costs		
\$196,000	\$895,000		
	<b>Total</b>	<b>GF-S</b>	<b>GF-F</b>
<b>FY26</b>	<b>\$644,000</b>	<b>\$644,000</b>	<b>\$0</b>
<b>FY27</b>	<b>\$895,000</b>	<b>\$895,000</b>	<b>\$0</b>
<b>Biennium Total</b>	<b>\$1,539,000</b>	<b>\$1,539,000</b>	<b>\$0</b>

**Workforce Assumptions:**

DCYF requests \$748,000 (\$598,000 GF-S) and 3.0 FTE to assist with conserving benefits, working with the contracted agency, and working with DDA to coordinate eligibility.

1.0 Social Service Specialist 3 (SSS3) for the DCYF SSI/SSA unit to coordinate with the contractor and DDA liaisons.

SSS3 cost: 1 x \$125,000 per year (\$100,000 GF-S, \$25,000 GF-F)

FY26- \$125,000 per year (\$100,000 GF-S, \$25,000 GF-F)

FY27- \$118,000 per year (\$94,000 GF-S, \$24,000 GF-F)

Biennial cost: \$243,000 (\$194,000 GF-S, \$49,000 GF-F)

2.0 Program Specialist 5 (PS5) positions. One position will coordinate with DDA regarding eligibility. The other position will manage and coordinate the financial literacy contract work.

PS5 cost \$130,000 per year per staff (\$104,000 GF-S, 26,000 GF-F)

FY26- \$260,000 (\$208,000 GF-S, \$52,000 GF-F)

FY27- \$246,000 (\$197,000 GF-S, \$49,000 GF-F)

Biennial cost: \$506,000 (\$405,000 GF-S, \$101,000 GF-F)

**Historical Funding:**

Under this proposal, DCYF will discontinue using public funds for the cost of care and conserve funds for the future needs of the child. The table below is the historical SSI and SSA benefit amounts DCYF has used for the cost of care.

FY19	\$7,203,431
FY20	\$7,976,235
FY21	\$8,619,225
FY22	\$7,532,999
FY23	\$7,423,327
FY24	\$6,299,694

## Strategic and Performance Outcomes

### **Strategic Framework:**

This package supports the Governor's Results Washington goal to promote Health and Safe Communities by reducing the number of unsheltered homeless people in Washington. Youth exiting foster care and juvenile rehabilitation experience high rates of homelessness. The resources conserved in accounts may help them secure housing when youth exit care.

### **Performance Outcomes:**

This package supports DCYF's goal to create successful transitions to adulthood for youth and young adults in our care by providing those receiving RSDI and other benefits with financial assets to support them as they transition to adulthood and independence.

## Equity Impacts

### **Community Outreach and Engagement:**

DCYF convened a workgroup to inform the development of this agency request legislation and decision package. The workgroup included representatives from agencies and organizations representing persons with disabilities, youth in foster care, attorneys for parents, children and youth in the foster care system and other community partners in child welfare.

### **Disproportional Impact Considerations:**

Under this proposal, the department will continue to work to establish any unlicensed relative caregivers who are not receiving foster care maintenance payments as the representative payee for public benefits to support the placement with that relative. This proposal may result in children and youth who are eligible for benefits and who are placed with an unlicensed relative caregiver not having an ABLÉ account or special needs trust established on their behalf. DCYF will work diligently with relative caregivers to become licensed through initial and child-specific licenses to ensure this is a rare occurrence.

### **Target Communities and Populations:**

A disproportionate share of children and youth in foster care and juvenile rehabilitation have disabilities compared to the general population. They are more likely to have experienced trauma and adverse life experiences, which can have ripple effects throughout their lifetime, than their peers. This proposal will provide them with financial assets that can support them to secure housing, meet their basic needs, and pay for school and other accommodations that they may need under the Americans with Disabilities Act.

### **Community Inputs and Incorporation:**

Workgroup members emphasized the importance of ensuring that:

- The department continues to apply for benefits on behalf of children and youth
- Benefits are conserved in accounts that will not count against the child's eligibility for other benefits
- Parents, youth, and attorneys are aware of the resources and assets in the account
- The department explores alternative representative payees
- Youth receive financial training
- Implementation should begin at the earliest possible date

All these recommendations were incorporated into this decision package and agency request legislation.

## Other Collateral Connections

### **HEAL Act Agencies Supplemental Questions**

Not Applicable

### **Puget Sound Recovery:**

Not Applicable

### **State Workforce Impacts:**

Not Applicable

### **Intergovernmental:**

This proposal may have impacts on the number of ABLE accounts established by the Department of Commerce. This impact is minor.

This proposal may require additional coordination on the part of DDA when it comes to working with children and youth in foster care when they are eligible for and likely to need to access DDA waiver services.

**Stakeholder Impacts:**

DCYF consulted with key stakeholders through the Public Benefits Preservation Work Group. DCYF expects support for this proposal from child welfare advocates, parent's attorneys, attorneys for youth, organizations representing people with disabilities, and organizations representing the interests of children and youth in foster care and juvenile rehabilitation.

**State Facilities Impacts:**

Not Applicable

**Changes from Current Law:**

A new section would be added to RCW 43.216 requiring that when a child or youth is in the care and custody of the department and is eligible for RSDI benefits, the department shall:

- Assess whether a child or youth is eligible for benefits
- Apply for SSI and SSDI on behalf of the child. If the child is over age 12, the child shall be asked to consent to authorize a release of information for the application
- Notify the child's parents, caregivers, and the attorney for the child that the department has applied for benefits
- Provide Social Security with all relevant information concerning potential representative payees for the child
- Maintain eligibility for the benefits
- Place funds into an account and disburse funds to meet unmet needs for the child
- When the amount of money due to the child exceeds asset limits, place the funds into an appropriate savings or investment account.
- Provide an annual account statement to the child, the child's parents, the caregivers, and the attorney for the child.
- When placement conditions no longer exist, DCYF shall work with the parent, person or agency who is legally responsible for the child to become the representative payee. If the child turns 18, work with the child to be their own payee unless the child requires a guardian to manage the funds.
- Provide financial literacy training to youth over age 14 who are exiting care.

RCW 74.13.060 would be amended to:

- Strike language authorizing the secretary to apply as reimbursement and public benefits against the amount of public assistance expended on behalf of a person.
- Add language authorizing the secretary to conserve benefits on behalf of a person placed with the department.
- A new section would be added to RCW 43.216 requiring that when a child or youth is in the care and custody of the department and is eligible for RSDI benefits, the department shall:

**Legal or Administrative Mandates:**

Not Applicable

**Governor's Salmon Strategy:**

Not Applicable

**IT Addendum**

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. E	\$3,794	\$7,195	<b>\$10,989</b>	\$7,195	\$7,195	<b>\$14,390</b>
Obj. A	\$262	\$262	<b>\$524</b>	\$262	\$262	<b>\$524</b>
Obj. B	\$89	\$89	<b>\$178</b>	\$89	\$89	<b>\$178</b>
Obj. E	\$5	\$5	<b>\$10</b>	\$5	\$5	<b>\$10</b>
Obj. G	\$7	\$7	<b>\$14</b>	\$7	\$7	<b>\$14</b>
Obj. J	\$22	\$0	<b>\$22</b>	\$0	\$0	<b>\$0</b>

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