

SB 556 -3 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 4/20, 4/27

WHAT THE MEASURE DOES:

Prohibits public bodies to seize Social Security benefits, death benefits, survivor benefits, crime victim impact payments, inheritance proceeds, wages, or any other benefits or resources, other than child support payments, intended for a person under 21 years of age who is in the custody of the Department of Human Services to use the seized benefits or resources to pay for services that the person would otherwise have been entitled or eligible through any state or federal agency or public or private program. Requires said benefits and resources be deposited with the State Treasurer and held or distributed for the person's benefit. Specifies qualified expenses from person's trust in which said funds are deposited.

ISSUES DISCUSSED:

- Benefits barriers if benefits are deposited into checking or savings accounts
- Trust fund intended use and set up logistics with the Department of the Treasury
- Processes for different benefits and differences between different benefit programs

EFFECT OF AMENDMENT:

-3 Replaces the measure.

Defines “maintenance cost”. Prohibits the Department of Human Services (DHS) to use funds, benefits, payments, proceeds, settlements, awards, inheritances, wages, or any other moneys received by DHS on behalf of a child in its custody for the purpose of maintenance costs, except for moneys received pursuant to a child support order or as otherwise specifically required by federal or state law, court order or other legal instrument. Directs DHS to establish separate accounts for each child’s benefits, payments, proceeds, settlements, awards, inheritances, wages, or any other moneys. Requires DHS to administer accounts in collaboration with the State Treasurer in the best interest of the children and in compliance with any applicable state or federal law, court order or other legal instrument. Permits DHS to make distributions from the account for specific expenditures. Permits DHS to direct funds into trust account, subaccount of a trust Account, or specific privately held accounts at the request of the child or the child’s attorney or representative. Allows agencies to take action prior to operative dates.

Declares emergency, effective on passage.

BACKGROUND:

According to a 2021 report by the Congressional Research Service, about 10 percent of foster youth in the U.S. are entitled to Social Security benefits. About 27,000 children in foster care per year (about 5 percent of all children in foster care) receive benefits from the Supplemental Security Income (SSI) or the Social Security program based on their disability or due to retirement, disability, or death of an insured parent. These children are placed in the custody of a state child welfare agency which has responsibility for placement and around-the-clock care. ORS 419B.373 specifies the duties and authority of a legal custodian in the state of Oregon. A legal custodian can be a person, agency, or institution having legal custody of an individual. The legal custodian has physical custody and control of the ward; supplies food, clothing, shelter, and incidental necessities; provides care, education, and discipline; authorizes medical, dental, psychiatric, psychological, hygienic, or other remedial care; reports and informs the court as required; applies for Social Security benefits, public assistance or medical assistance to which the individual is otherwise entitled and use the benefits or assistance to provide for the care of the ward. The

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agencies also receive and manage the SSI/Social Security benefits on the child's behalf. The benefits are considered the child's property under federal law (for example, about 700 dollars per month on average for survivor benefits). Social Security Administration data for 2018 indicates 38 states and the District of Columbia used about \$179 million in SSI/Social Security benefits received on behalf of children in foster care to offset child welfare agencies' cost of providing care for those children.

Senate Bill 556 prohibits public bodies that act as legal custodians to seize Social Security benefits, death benefits, survivor benefits, crime victim impact payments, inheritance proceeds, wages, or any other benefits or resources, other than child support payments, intended for children and young adults under 21.