

SB 740 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Prepared By: Matthew Perreault, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/13

WHAT THE MEASURE DOES:

The measure directs the Department of Human Services to establish and administer the Youth Support and Repayment Grant Program to issue grant payments to individuals from whom benefit payments were seized by the state.

Detailed Summary:

- Directs the Department of Human Services (ODHS) to establish and administer the Youth Support and Repayment Grant Program.
- Requires ODHS to take the following actions by September 15, 2026:
 - Identify each person from whom certain benefits and other payments were seized by the state to pay for services provided to that person while under age 21 between January 1, 1998 and the effective date.
 - Notify each affected person and provide information regarding the seizure of funds and possible eligibility for the Youth Support and Repayment Grant Program.
- Requires ODHS to issue grants to affected persons and prescribes allowable uses of grant payments.
- Allows affected persons to submit multiple applications for grants up to 125 percent of the total value of funds seized from each person.
- Provides that grants issued to affected person may not supplant other resources and services provided to that person.
- Establishes the Youth Support and Repayment Grant Fund as a source of grant payments.
- Authorizes ODHS to adopt rules establishing an application process for the grant program and, if moneys remain in the Fund after January 1, 2055, expanding eligibility for grants.
- Sunsets on January 2, 2055 or when moneys in the Youth Support and Repayment Grant Fund are depleted.
- Takes effect on 91st day following adjournment sine die.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to a [2021 Congressional Research Service report](#), approximately 27,000 children in foster care nationwide (about 5 percent) receive Social Security benefits, including Supplemental Security Income (SSI) based on their own disabilities, or a parent's disability, survivor, or retirement benefits. In most cases, the state child welfare agency is appointed by the Social Security Administration as the child's representative payee to receive the benefit payments. States may use benefit payments to cover the costs of providing care and services on the child's behalf rather than transferring those payments directly to the child. Youth who age out of foster care at age 21 may continue to receive Social Security benefits if they meet the eligibility requirements as an adult, but they are not necessarily entitled to recover the benefits accrued while they were in the state's care if the funds

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were spent on their behalf.

In 2023, the legislature previously considered [SB 557](#), which would have established the Youth Support and Repayment Grant Program to provide grants to youth whose benefits were seized by the state to pay for their care and services. That year, the legislature also enacted [SB 556](#), which prohibited the Department of Human Services from using benefit payments to cover the costs of care and services on a child's behalf and required the department to establish separate accounts for each child in the state's care to receive benefit payments.