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HOUSE COMMITTEE OF REFERENCE REPORT

March 19, 2025
Chair of Committee Date
Committee on <u>Health & Human Services</u> .
After consideration on the merits, the Committee recommends the following:
HB25-1271 be amended as follows, and as so amended, be referred to the Committee on <u>Appropriations</u> with favorable recommendation:
Amend printed bill, strike everything below the enacting clause and substitute:
"SECTION 1. In Colorado Revised Statutes, add 19-7-105 as follows: 19-7-105. Federal benefits for children and youth in foster care - rules - definitions - legislative intent - legislative declaration. (1)
(a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:
(I) THE FEDERAL GOVERNMENT PROVIDES VARIOUS BENEFITS AND
RESOURCES TO PROMOTE THE WELL-BEING, EDUCATION, HEALTH, AND
SAFETY OF CHILDREN OR YOUTH IN FOSTER CARE;
(II) IN ADDITION TO THEIR NEEDS AND CIRCUMSTANCES MAKING THEM ELIGIBLE FOR BENEFITS, CHILDREN OR YOUTH IN FOSTER CARE OFTEN
FACE SIGNIFICANT CHALLENGES, INCLUDING INSTABILITY IN LIVING
ARRANGEMENTS, LACK OF FINANCIAL RESOURCES, AND LIMITED ACCESS
TO LONG-TERM CARE AND SUPPORT;
(III) FEDERAL BENEFITS ARE OFTEN ALLOCATED TO SUPPORT
PLACEMENT OF CHILDREN IN THE FOSTER CARE SYSTEM; HOWEVER,
FEDERAL BENEFIT FUNDS ARE NOT ALWAYS DIRECTLY ALLOCATED FOR THE
PERSONAL USE AND NEEDS OF INDIVIDUAL CHILDREN OR YOUTH IN FOSTER
CARE;
(IV) Individualized allocation of federal benefits is
CRITICAL FOR ADDRESSING THE SPECIFIC NEEDS AND CIRCUMSTANCES OF
EACH CHILD OR YOUTH IN FOSTER CARE, PROVIDING THEM WITH THE
RESOURCES NECESSARY TO PROMOTE HEALTH, EDUCATION, AND
LONG-TERM SUCCESS; AND (V) INDIVIDUALIZED ALLOCATION OF FEDERAL BENEFITS IS
(1) INDIVIDUALIZED ALLOCATION OF FEDERAL BENEFITS IS

CONSISTENT WITH THE POLICY OF THE STATE OF COLORADO TO PRIORITIZE

THE NEEDS OF CHILDREN OR YOUTH IN FOSTER CARE, PARTICULARLY THEIR FINANCIAL SECURITY AND INDEPENDENCE, AS THEY TRANSITION TO ADULTHOOD OR REUNIFICATION WITH FAMILIES.

- (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THE INTENT OF THIS SECTION IS TO ENSURE THAT FEDERAL BENEFITS PROVIDED TO CHILDREN OR YOUTH IN FOSTER CARE ARE SET ASIDE SPECIFICALLY FOR THE USE OF INDIVIDUAL CHILDREN OR YOUTH IN FOSTER CARE, THEREBY:
- (I) ENABLING CHILDREN OR YOUTH IN FOSTER CARE TO ACCESS BENEFITS DIRECTLY FOR THEIR PERSONAL CARE, EDUCATION, AND WELFARE;
- (II) HELPING TO MITIGATE THE EFFECTS OF INSTABILITY BY GIVING CHILDREN OR YOUTH IN FOSTER CARE ACCESS TO THE RESOURCES THEY NEED TO THRIVE IN THEIR CURRENT FOSTER CARE ENVIRONMENT OR TRANSITION TO INDEPENDENCE; AND
- (III) PROVIDING TRANSPARENCY AND ACCOUNTABILITY IN THE USE OF FEDERAL BENEFITS, ENSURING THAT CHILDREN OR YOUTH IN FOSTER CARE RECEIVE THE FULL SUPPORT INTENDED FOR THEIR UNIQUE NEEDS.
- (c) It is the intent of the general assembly to create a system in which all federal benefits are not generalized or pooled for institutional purposes, but are individually allocated and protected for the direct use of each child or youth in the foster care system. It is further the intent of the general assembly that:
- (I) FEDERAL BENEFITS, WHICH ARE THE LEGAL ENTITLEMENT OF INDIVIDUAL CHILDREN AND YOUTH, NOT BE USED TO COVER THE COSTS OF CARE THAT THE STATE AND COUNTIES OF COLORADO ARE LEGALLY REQUIRED TO COVER;
- (II) FEDERAL BENEFIT FUNDS BE MANAGED AND DISTRIBUTED WITH OVERSIGHT TO ENSURE THAT THEY ARE USED SOLELY FOR THE BENEFIT AND ADVANCEMENT OF AN INDIVIDUAL CHILD OR YOUTH'S WELL-BEING AND DEVELOPMENT; AND
- (III) FEDERAL RESOURCES BE ALLOCATED TO PRIORITIZE THE PERSONAL RIGHTS AND NEEDS OF INDIVIDUAL CHILDREN OR YOUTH IN FOSTER CARE, AFFORDING THEM THE OPPORTUNITIES AND STABILITY NECESSARY TO SUCCEED, REGARDLESS OF THEIR STATUS IN THE FOSTER CARE SYSTEM.
- (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (a) "FEDERAL BENEFITS" MEANS SURVIVOR BENEFITS THAT ARE ADMINISTERED BY THE UNITED STATES SOCIAL SECURITY ADMINISTRATION, VETERANS BENEFITS ADMINISTRATION, OR THE RAILROAD RETIREMENT BOARD AND THAT ARE BASED ON THE ELIGIBILITY

OF AN INSURED PARENT.

- (b) "INTERESTED PARTY" MEANS A CHILD OR YOUTH; THE CHILD'S OR YOUTH'S COUNSEL FOR YOUTH; A PARENT AND THE PARENT'S COUNSEL, UNLESS PARENTAL RIGHTS HAVE BEEN TERMINATED OR THERE IS A COURT ORDER RESTRICTING ACCESS; THE INDIVIDUAL WITH WHOM THE CHILD OR YOUTH IS CURRENTLY PLACED; THE GUARDIAN AD LITEM; OR OTHER PARTY WHO MAY HAVE INFORMATION ABOUT THE CHILD'S OR YOUTH'S ELIGIBILITY FOR OR RECEIPT OF FEDERAL BENEFITS.
- (3) (a) Beginning on or before July 1, 2026, a county department shall, within ninety days after the date of placement of a child or youth into the legal custody or under the legal authority of the county department, determine whether each child or youth is receiving federal benefits.
- (b) Beginning on or before July 1, 2026, a county department shall, within ninety days after the date of placement of a child or youth into the legal custody or under the legal authority of the county department, determine whether each child or youth who is not receiving federal benefits may be eligible to receive federal benefits. If the county department makes an initial determination that the child or youth is not likely to be eligible for federal benefits, the county department shall annually review the case of the child or youth to determine whether circumstances have changed to make the child or youth eligible for federal benefits.
- (c) IN CONDUCTING AN INITIAL BENEFIT ELIGIBILITY DETERMINATION OR AN ANNUAL REVIEW PURSUANT TO THIS SUBSECTION (3), THE COUNTY DEPARTMENT SHALL CONSULT WITH INTERESTED PARTIES.
- (d) If the county department determines that the child or youth may be eligible to receive federal benefits, then the county department shall, in compliance with all applicable federal rules and regulations, apply for the federal benefits on behalf of the child or youth.
- (e) FOLLOWING A DENIAL OF FEDERAL BENEFITS OR OTHER ADVERSE BENEFIT ELIGIBILITY DETERMINATION, THE COUNTY DEPARTMENT SHALL CONSULT WITH INTERESTED PARTIES AND APPEAL THE DENIAL OR ADVERSE DETERMINATION IF DOING SO IS IN THE BEST INTERESTS OF THE CHILD OR YOUTH.
- (f) If a child or youth is in a noncertified kinship care placement, and if the county department or noncertified kinship caregiver determines that the child or youth may be eligible for federal benefits, the county department shall provide the

NONCERTIFIED KINSHIP CAREGIVER WITH THE TECHNICAL ASSISTANCE NEEDED FOR THE NONCERTIFIED KINSHIP CAREGIVER TO COMPLETE AND SUBMIT A SUCCESSFUL APPLICATION FOR THE FEDERAL BENEFITS ON BEHALF OF THE CHILD OR YOUTH.

- (4) (a) If a child or youth in the legal custody or under the legal authority of a county department is already receiving federal benefits or may be eligible for federal benefits pursuant to subsection (3) of this section, the county department shall perform an assessment of possible representative payees or fiduciaries. The county department shall follow the established categories of preferred payees pursuant to social security or applicable federal guidelines when determining which potential representative payee or fiduciary to include in an application to change the representative payee or fiduciary, if the county department deems a change necessary, or in an application for federal benefits. Decisions about which potential representative payee or fiduciary to include in an application must be made in consultation with interested parties.
- (b) If a county department provides a noncertified kinship caregiver with technical assistance pursuant to subsection (3)(f) of this section, the county department may presume that the noncertified kinship caregiver is the appropriate representative payee or fiduciary if the presumption is consistent with established categories of preferred payees pursuant to social security or applicable federal guidelines.
- (c) If the county department becomes the representative payee or fiduciary, the county department shall annually reassess, in consultation with interested parties, whether a candidate other than the county department would better serve the best interests of the child or youth as the representative payee or fiduciary.
- (5) (a) Beginning on or before July 1, 2026, if a county department is the representative payee or fiduciary for a child or youth, the county department shall:
- (I) Not use any federal benefits of a child or youth to pay for or reimburse the county department for care or services for the child or youth, including, but not limited to, foster care maintenance expenses as defined in the federal "Social Security Act", 42 U.S.C. sec. 675 (4)(A), cost of care as defined in section 19-1-103, or any special allowances or expenses established by the department of human services for the care of a child or youth in a particular age range;
 - (II) ESTABLISH AND MAINTAIN, CONSISTENT WITH FEDERAL AND

STATE ASSET AND RESOURCE LIMITS, AN ACCOUNT FOR DEPOSIT OF THE FEDERAL BENEFITS OF A CHILD OR YOUTH. THE ACCOUNT MAY BE AN INDIVIDUAL ACCOUNT OR AN APPROVED COLLECTIVE ACCOUNT, IF THE REPRESENTATIVE PAYEE MAINTAINS A SEPARATE LEDGER AND ACCOUNTING RECORDS FOR EACH CHILD OR YOUTH BENEFICIARY OF AN APPROVED COLLECTIVE ACCOUNT. THE CONTENTS OF THE ACCOUNT, INCLUDING APPLICABLE INTEREST OR EARNINGS, MUST BE SAVED FOR THE FUTURE NEEDS OF THE INDIVIDUAL CHILD OR YOUTH.

- (III) PROVIDE AN ANNUAL ACCOUNTING OF THE ACCUMULATION OF THE CHILD'S OR YOUTH'S FEDERAL BENEFITS TO INTERESTED PARTIES. THE ANNUAL ACCOUNTING INFORMATION MUST INCLUDE:
- (A) THE AMOUNT AND SOURCE OF FEDERAL BENEFITS COLLECTED BY THE COUNTY DEPARTMENT AND CREDITED TO THE ACCOUNT MAINTAINED ON BEHALF OF THE CHILD OR YOUTH;
- (B) THE BALANCE OF THE ACCOUNT MAINTAINED ON BEHALF OF THE CHILD OR YOUTH; AND
- (C) Information regarding the child's or youth's assets and resources, including benefits, insurance, cash assets, trust accounts, and earnings, if the assets or resources are controlled by the county department.
- (b) IF A COUNTY DEPARTMENT IS NOT THE REPRESENTATIVE PAYEE OR FIDUCIARY FOR A CHILD OR YOUTH, THE COUNTY DEPARTMENT IS NOT RESPONSIBLE FOR ESTABLISHING OR MAINTAINING AN ACCOUNT FOR DEPOSIT OF THE FEDERAL BENEFITS OF THE CHILD OR YOUTH OR PROVIDING RELATED ACCOUNTING INFORMATION PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION.
- (c) If a county department is the representative payee or fiduciary for a child or youth pursuant to subsection (5)(a) of this section, this section does not prevent or limit the county department from conserving for the child or youth benefits that:
 - (I) ARE ADMINISTERED BY A FEDERAL AGENCY; AND
- (II) FALL OUTSIDE THE SCOPE OF THE DEFINITION OF FEDERAL BENEFITS IN SUBSECTION (2)(a) OF THIS SECTION.
- (6) (a) THE COUNTY DEPARTMENT SHALL PROVIDE TIMELY, DEVELOPMENTALLY APPROPRIATE NOTICE TO INTERESTED PARTIES OF:
- (I) SUBMISSION OF AN APPLICATION FOR FEDERAL BENEFITS ON BEHALF OF A CHILD OR YOUTH;
- (II) SUBMISSION OF A REQUEST FOR THE COUNTY DEPARTMENT TO BECOME THE REPRESENTATIVE PAYEE OR FIDUCIARY FOR THE CHILD OR YOUTH AND IDENTIFICATION OF THE REPRESENTATIVE PAYEE OR FIDUCIARY ULTIMATELY SELECTED;
 - (III) RECEIPT BY THE COUNTY DEPARTMENT OF A FEDERAL

AGENCY'S DECISION REGARDING FEDERAL BENEFITS, INCLUDING DENIAL, TERMINATION, OR REDUCTION OF FEDERAL BENEFITS;

- (IV) A DECISION BY THE COUNTY DEPARTMENT ABOUT WHETHER OR NOT TO APPEAL AN ADVERSE DETERMINATION, INCLUDING THE OUTCOME OF ANY APPEAL FILED;
 - (V) RECEIPT OF AN ELIGIBILITY REDETERMINATION; AND
- (VI) THE ESTABLISHMENT OF A SPECIAL ACCOUNT OR TRUST ON BEHALF OF THE CHILD OR YOUTH.
- (b) THE NOTICE MUST STATE THAT INTERESTED PARTIES MAY SUBMIT INFORMATION RELEVANT TO THE SELECTION OF A REPRESENTATIVE PAYEE OR FIDUCIARY FOR THE CHILD OR YOUTH, AND THAT AN INDIVIDUAL MAY HAVE THE RIGHT TO CONTEST THE SELECTION OF A REPRESENTATIVE PAYEE OR FIDUCIARY BEFORE THE RELEVANT FEDERAL AGENCY, INCLUDING THE SOCIAL SECURITY ADMINISTRATION OR VETERANS ADMINISTRATION.
- (7) ONCE A CHILD WHO IS RECEIVING FEDERAL BENEFITS LEAVES THE LEGAL CUSTODY OR LEGAL AUTHORITY OF THE COUNTY DEPARTMENT, THE COUNTY DEPARTMENT SHALL RELEASE, PURSUANT TO THE REQUIREMENTS OF THE FUNDING SOURCE, ANY FUNDS THAT HAVE ACCUMULATED IN AN ACCOUNT THAT THE COUNTY DEPARTMENT HAS ESTABLISHED OR MAINTAINS FOR DEPOSIT OF THE FEDERAL BENEFITS OF THE CHILD OR YOUTH.
- (8) On or before July 1, 2026, the department of human services, in consultation with interested stakeholders, including, but not limited to, county departments, organizations that advocate on behalf of youth in foster care, guardians ad litem, organizations that represent court-appointed special advocates, organizations that advocate on behalf of disability rights, the office of respondent parents' counsel, and the office of the child's representative, shall adopt rules for the implementation of this section. The rules must include guidance to the county departments on:
- (a) THE TYPES OF FEDERAL BENEFITS FOR WHICH A COUNTY DEPARTMENT SHALL, PURSUANT TO SUBSECTION (3) OF THIS SECTION, CONDUCT AN ELIGIBILITY SCREENING, SUBMIT AN APPLICATION, OR APPEAL AN ADVERSE DETERMINATION;
- (b) SCREENING METHODS FOR IDENTIFYING WHETHER A CHILD OR YOUTH IS ALREADY RECEIVING FEDERAL BENEFITS OR MAY BE ELIGIBLE TO RECEIVE FEDERAL BENEFITS AND SCREENING METHODS FOR SUBSEQUENT ANNUAL ELIGIBILITY REVIEWS;
- (c) BEST PRACTICES FOR CONSULTING WITH THE CHILD OR YOUTH OR OTHER INTERESTED PARTIES WHO MAY HAVE INFORMATION ABOUT THE CHILD'S OR YOUTH'S RECEIPT OF OR ELIGIBILITY FOR FEDERAL BENEFITS;

(d) THE APPLICATION PROCESS FOR FEDERAL BENEFITS FOR EACH CHILD OR YOUTH, WHO, PURSUANT TO SCREENING, IS LIKELY TO BE DETERMINED ELIGIBLE FOR FEDERAL BENEFITS;

- (e) THE PROCESS FOR APPEALING AND REQUESTING RECONSIDERATION OF ADVERSE DECISIONS REGARDING ELIGIBILITY FOR FEDERAL BENEFITS;
- (f) THE PROCESS FOR PROVIDING TECHNICAL ASSISTANCE TO A NONCERTIFIED KINSHIP CAREGIVER WHO IS APPLYING FOR FEDERAL BENEFITS ON BEHALF OF A CHILD OR YOUTH;
- (g) METHODS FOR IDENTIFYING, PURSUANT TO APPLICABLE FEDERAL GUIDELINES, AN APPROPRIATE REPRESENTATIVE PAYEE OR FIDUCIARY FOR A CHILD OR YOUTH IN THE LEGAL CUSTODY OR UNDER THE LEGAL AUTHORITY OF THE COUNTY DEPARTMENT OR IN A KINSHIP CARE PLACEMENT;
- (h) THE PROCESS FOR ESTABLISHING AND MAINTAINING AN ACCOUNT FOR DEPOSIT AND ACCUMULATION OF THE FEDERAL BENEFITS OF A CHILD OR YOUTH WHILE IN THE LEGAL CUSTODY OR UNDER THE LEGAL AUTHORITY OF THE COUNTY DEPARTMENT AND FOR PROVIDING RELATED ACCOUNTING INFORMATION ANNUALLY;
- (i) SPECIFICATIONS FOR PROVIDING REQUIRED NOTICES REGARDING FEDERAL BENEFIT APPLICATIONS, APPLICATIONS FOR A COUNTY DEPARTMENT TO BECOME A REPRESENTATIVE PAYEE OR FIDUCIARY, RECEIPT OF DECISIONS REGARDING FEDERAL BENEFIT ELIGIBILITY, APPEALS OF DENIALS, AND ESTABLISHMENT OF ACCOUNTS;
- (j) Informing a child or youth about rights and responsibilities regarding the continued receipt of federal benefits, the sources of assistance that may be available for resolving related problems, and the process for transferring accumulated federal benefits; and
- (k) For youth participating in the foster youth in transition program pursuant to part 3 of this article 7, information about applying for and conserving federal benefits or obtaining related financial literacy training.
- **SECTION 2.** In Colorado Revised Statutes, 19-7-305, **amend** (1)(c)(IV) as follows:
- **19-7-305. Available services and supports.** (1) Each county department shall offer, at a minimum, the following services and supports to participating youth in the transition program:
- (c) Case management services, including the development of a case plan with a roadmap to success for the participating youth, as well as assistance in the following areas, as appropriate, and with the agreement of the participating youth:
 - (IV) Obtaining appropriate community resources and public

benefits, including applying for federal benefits as defined in section 19-7-105, conserving or managing federal benefits obtained pursuant to section 19-7-105, or obtaining related financial literacy training;

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SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions."

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