

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 558

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO FEDERAL BENEFITS; AMENDING TITLE 16, IDAHO CODE, BY THE ADDI-  
2 TION OF A NEW CHAPTER 25, TITLE 16, IDAHO CODE, TO PROVIDE A SHORT TI-  
3 TLE, TO DEFINE TERMS, TO ESTABLISH PROVISIONS REGARDING FEDERAL BENEFIT  
4 ELIGIBILITY DETERMINATIONS FOR CHILDREN IN THE LEGAL CUSTODY OF THE DE-  
5 PARTMENT OF HEALTH AND WELFARE, TO ESTABLISH PROVISIONS REGARDING OBLI-  
6 GATIONS OF THE DEPARTMENT WHEN ACTING AS REPRESENTATIVE PAYEE, TO ES-  
7 TABLISH PROVISIONS REGARDING THE PROHIBITED USE OF FEDERAL BENEFITS BY  
8 THE DEPARTMENT, TO ESTABLISH PROVISIONS REGARDING NOTICE AND APPEAL, TO  
9 ESTABLISH PROVISIONS REGARDING MILESTONE DISBURSEMENT OF FEDERAL BEN-  
10 EFITS, AND TO ESTABLISH PROVISIONS REGARDING RELEASE OF REMAINING FED-  
11 ERAL BENEFIT FUNDS UPON TERMINATION OF LEGAL CUSTODY; AND DECLARING AN  
12 EMERGENCY AND PROVIDING AN EFFECTIVE DATE.  
13

14 Be It Enacted by the Legislature of the State of Idaho:

15 SECTION 1. That Title 16, Idaho Code, be, and the same is hereby amended  
16 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-  
17 ter 25, Title 16, Idaho Code, and to read as follows:

18 CHAPTER 25

19 FEDERAL BENEFITS FOR CHILDREN IN CUSTODY OF THE DEPARTMENT OF HEALTH AND  
20 WELFARE

21 16-2501. DEFINITIONS. As used in this chapter:

22 (1) "Department" means the department of health and welfare and its au-  
23 thorized agents.

24 (2) "Representative payee" means a person or organization appointed by  
25 a federal agency to receive federal benefits on behalf of a child.

26 16-2502. FEDERAL BENEFITS PROVIDED TO CHILDREN IN THE LEGAL CUSTODY OF  
27 THE DEPARTMENT -- ELIGIBILITY DETERMINATIONS. (1) Within sixty (60) days af-  
28 ter a child enters the department's legal custody, and annually thereafter,  
29 the department shall determine whether the child is currently receiving or  
30 eligible to receive federal benefits administered by the social security ad-  
31 ministration or the department of veterans affairs, including survivor ben-  
32 efits or dependent benefits.

33 (2) If it is determined that a child in the legal custody of the depart-  
34 ment is already receiving federal benefits, the department shall:

35 (a) In consultation with the child and the child's attorney, identify  
36 the child's representative payee consistent with federal law; or

37 (b) Apply to become the child's representative payee if no other suit-  
38 able candidate is available.

39 (3) If the department determines that the child is eligible for federal  
40 benefits, the department shall:

- 1 (a) Apply for those benefits on behalf of the child; and  
2 (b) If no other candidate is available, apply to become the child's rep-  
3 resentative payee.

4 16-2503. OBLIGATIONS OF THE DEPARTMENT WHEN ACTING AS REPRESENTATIVE  
5 PAYEE. If the department is appointed to serve as the representative payee of  
6 a child in the legal custody of the department, the department shall:

7 (1) Establish and maintain an appropriate account to use and conserve  
8 the child's federal benefits for current unmet needs and future needs pur-  
9 suant to the requirements of the funding source and any applicable asset and  
10 resource limits;

11 (2) Annually review whether another qualified person, other than the  
12 department, could assume the role of representative payee and could better  
13 serve that role. If another qualified person is identified, the department  
14 shall assist in transferring the role of representative payee to such per-  
15 son; and

16 (3) Provide an annual accounting of the use, application, or conserva-  
17 tion of the child's federal benefits to the child, the child's attorney, the  
18 child's guardian, and the child's parents if parental rights have not been  
19 terminated.

20 16-2504. PROHIBITED USE OF FEDERAL BENEFITS. (1) If the department is  
21 the child's representative payee, the department shall not use a child's  
22 federal benefits to pay for or reimburse the department or the state of Idaho  
23 for any costs of the child's care, maintenance, supervision, or services.

24 (2) The department may use such benefits to pay for the child's unmet  
25 needs beyond what the department is obligated, is required, or has agreed to  
26 pay.

27 16-2505. NOTICE AND APPEAL. (1) The department shall notify the child,  
28 the child's attorney, the child's guardian, and the child's parents, if  
29 parental rights have not been terminated, in writing of any application,  
30 decision, or appeal related to the child's federal benefits.

31 (2) In providing notice of the denial of benefits, the department shall  
32 consult with the child and the child's attorney and appeal the denial if it is  
33 in the child's best interest.

34 16-2506. MILESTONE DISBURSEMENT OF FEDERAL BENEFITS. If the depart-  
35 ment is appointed to serve as the representative payee of a child in the legal  
36 custody of the department, the department shall:

37 (1) Develop and implement a success sequence savings and disbursement  
38 plan for each child with conserved earned benefits. Under the plan the child  
39 may access a portion of the child's benefits upon completion of specific  
40 milestones that promote independence and financial readiness. Such mile-  
41 stones may include:

- 42 (a) Obtaining a driver's license or state identification card;  
43 (b) Receiving a high school diploma or a recognized equivalent;  
44 (c) Enrolling in a postsecondary education, vocational training, or  
45 apprenticeship program;

- 1 (d) Maintaining verified employment for at least six (6) consecutive  
2 months; and  
3 (e) Completing a department-approved financial literacy or saving  
4 readiness program;  
5 (2) Determine reasonable disbursement thresholds and amounts for each  
6 milestone; and  
7 (3) Before the child leaves the custody of the department, ensure that  
8 the child has access to financial literacy and planning tools.

9 16-2507. RELEASE OF REMAINING FEDERAL BENEFIT FUNDS UPON TERMINATION  
10 OF LEGAL CUSTODY. If the department is the child's representative payee,  
11 upon termination of the department's legal custody of a child, the depart-  
12 ment shall release any remaining funds to:

- 13 (1) The child, if the child is at least eighteen (18) years of age or  
14 emancipated; or  
15 (2) The child's parent or guardian, if the child is younger than eigh-  
16 teen (18) years of age and is not emancipated.

17 SECTION 2. An emergency existing therefor, which emergency is hereby  
18 declared to exist, this act shall be in full force and effect on and after  
19 July 1, 2026.