

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB275

Hearing Date: Wednesday March 12, 2025
Committee On: Health and Human Services
Introducer: Hunt
One Liner: Require the Department of Health and Human Services to screen state wards for social security benefit eligibility

Roll Call Vote - Final Committee Action:

Advanced to General File

Vote Results:

Aye: 7 Senators Hardin, Ballard, Fredrickson, Hansen, Meyer, Quick, Riepe
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Megan Hunt
Allison Derr
Tonja Nieveen
Kendra Jackson

Representing:

Opening Presenter
Nebraska Appleseed
self
self

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 275 amends section 43-907 to revise the oversight of social security benefits received by children in foster care.

Amends section 43-907; Assets; Custody; Records; Social Security Benefits.

The section governs the custody and control over assets owned by children under the charge of the Department of Health and Human Services. The section currently provides that unless a guardian has been appointed, the department shall have custody and control over a child's assets.

Children owning assets shall pay for personal items;

Assets over \$1,000 and current income shall be used to reimburse the state for cost of care;

Assets may be placed in a checking account, invested in U.S. Bonds, or deposited in a savings account insured by the U.S.government;

All investment income shall be credited to the child whose funds are invested; and

The department shall maintain detailed financial records relating to the child's assets.



Section 43-907 is amended as follows:

New subsection (2) of the section is amended to provide that the use of assets over \$1,000 and current income allowed to reimburse the department for cost of care is increased to \$2,000.

New subsection (3) of the section adds new language requiring that children under the department's charge shall be screened for social security benefit eligibility within 60 days of coming under the department's care. The department shall notify the child and the child's guardian ad litem of all determinations made by the Social Security Administration. If approved to receive social security benefits the child and the guardian ad litem shall be notified that adults known to the child may apply to be the child's representative payee. If the department is appointed to be the representative payee the department shall notify the child within 10 days of the appointment and of their right to appeal the appointment. If the department determines the child is not eligible for social security benefits the department shall rescreen the child annually for benefit eligibility.

New subsection (4) currently provides that if the department serves as the representative payee for a child's social security benefits the department shall provide notice to the child and their guardian ad litem that the department is acting as their representative payee for purposes of receiving social security payments within 30 days after receipt of the first payment.

The subsection is amended by providing that such notice shall be in writing and must include the following:

That the department has received the payment and the amount received;

Notice that a trust account has been created;

Benefit payments shall be used in accordance with federal law and unused funds will be provided to the child when they leave the department's care;

A child may access benefit payments for personal use through a process created by the department;

A child 14 or older may request through the juvenile court that funds be used or consumed in a specific manner; and

The child, their guardian ad litem, attorney or parent may request all accounting records that the department maintains.

Additionally, the subsection currently provides that any review for the child by the juvenile court the department shall provide information regarding the receipt and conservation of any social security benefits including the total amount received, the total amount conserved and unspent, and all accounting records regarding the receipt, use and conservation of the child's benefits to the child, the child's guardian ad litem, attorney or parent upon a request of any of these individuals, or termination of the departments's role as the representative payee.

LB 275 amends this subsection to require that the notice to the juvenile court be in writing the information included in the report shall include the total amount of funds spent, including an itemized listing of expenditures since the previous juvenile court review.

New subsection (5) adds new language to the section prescribing additional requirements for the department when it serves as the representative payee for a child's social security payments:

Funds shall be managed, used and conserved consistent with federal law for the use of the child and their best interests;

The child's funds shall be held separately from other department funds;

Benefit payments shall be managed by the department in a way that avoids exceeding federal limits;

Conserve a minimum amount of social security payments which shall not be used to reimburse the state for cost of care. For a child 16 or under- not less than 40%, for a child 17 or older- 70%, and for a child 18 or older-100%;

Based on a request from the child if social security funds are disbursed to the child, the department shall reimburse such funds with subsequent social security benefit payments and the payments shall not be available to reimburse the department for the child's care.



New subsection (6) adds new language providing that if the department serves as the representative payee for a child beneficiary 14 years or older for social security payments the child beneficiary shall:

- Be consulted by the department not less than every 6 months regarding foreseeable needs of the child in order to to spend and conserve social security payments in a manner that supports the child's best interests;
- Have the right to request through the juvenile court that social security payments be conserved or spent in a manner different than that being done by the department;
- Be informed in writing at least 6 months prior to leaving the care of the department of the process to continue receiving social security payments, applicable federal limits, and the process for conserving federal benefits; and
- At least 6 months prior to leaving the care of the department have an application submitted on their behalf or receive assistance in submitting an application for renewed or new benefits for which the child may be eligible for.

New subsection (7) adds new language providing that when a child exits the care of the department they shall be provided written notice that they have the right to receive unspent benefits, the amount available, such payments will be paid by the Social Security Administration, that the department will no longer act as their beneficiary representative. If the child is under 18 an adult they know may apply to become their beneficiary representative.

New subsection (8) directs the department to create a form for child beneficiaries under the department's care to request access to social security benefit payments for personal use.

New subsection (9) directs the department to adopt regulations implementing the provisions of the bill on or before October 1, 2026.

Brian Hardin, Chairperson

