

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Human Services and Early Childhood

REVENUE: No revenue impact**FISCAL: No fiscal impact****SUBSEQUENT REFERRAL TO: None****Action:****Vote:**

Yeas:

Nays:

Exc.:

Prepared By: Cheyenne Ross, Administrator**Meeting Dates:** 5/7, 514

WHAT THE MEASURE DOES: Directs Department of Human Services (DHS) to permit and monitor savings accounts for children age 12 or older in DHS' custody, via rulemaking. Entitles children in DHS' custody for six months or more, to assistance establishing savings accounts. Prohibits DHS or other legal guardian from establishing accounts on behalf of child. Allows DHS to monitor use of child's money relating to state and federal benefits.

ISSUES DISCUSSED:

- Oregon Foster Youth Connection
- Importance of controlling one's own funds
- Benefits of learning financial responsibility

EFFECT OF COMMITTEE AMENDMENT:

[-A5 amendment] Removes requirement that DHS actively encourage use of savings accounts.

[further amendment pending] Incorporates -A5 amendment. Clarifies that assistance establishing accounts is to be provided by DHS. Adds provisions for financial institutions to permit youth to make deposits and withdrawals, and to rely on youth's signature.

BACKGROUND: House Bill 2889-A is brought by the Oregon Foster Youth Connection (OFYC), a statewide, youth-led, advocacy group of current and former foster youth between the ages of 14 and 25. Through advocacy work with OFYC, participating youth become actively engaged in civic process.

Foster youth are concerned about developing money management skills. Such skills contribute greatly to financial maturity and independence, and foster youth may not have the same opportunity as other youth to gain these important skills. In addition, those who receive Social Security or other financial benefits, or who receive funds from an inheritance or a legal settlement, may be financially vulnerable. House Bill 2889-A allows youth age 12 or older, in the custody of the Department of Human Services for six months or more, to open a savings account for which they may be solely responsible.