

HB 661-FN - AS AMENDED BY THE SENATE

11Mar2026... 0821h

04/16/2026 1425s

05/14/2026 1854s

2025 SESSION

25-0373

05/09

HOUSE BILL

661-FN

AN ACT relative to the department of health and human services management of social security payments, supplemental security income payments, and veterans benefits for children in foster care.

SPONSORS: Rep. Wallner, Merr. 19; Rep. Mooney, Hills. 12; Rep. DeSimone, Rock. 18; Rep. Rice, Hills. 38; Sen. Rosenwald, Dist 13; Sen. Long, Dist 20; Sen. Rochefort, Dist 1

COMMITTEE: Children and Family Law

AMENDED ANALYSIS

This bill:

I. Establishes requirements for the management of federal benefits received by dependent children in the custody of the department of health and human services.

II. Provides for appointment of a representative payee, which may be the department if no other suitable candidate is available.

III. Directs the department to adopt procedures regarding establishment of ABLE accounts for dependent children for whom the department is representative payee and authorizes the department to request additional funds from the fiscal committee for this purpose.

IV. Establishes a phase-in schedule for the percentage of benefits conserved on behalf of the child beginning July 1, 2028.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the department of health and human services management of social security payments, supplemental security income payments, and veterans benefits for children in foster care.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Dependent Children; Federal Benefits. Amend RSA 126-A by inserting after
2 section 6 the following new section:

3 126-A:6-a Dependent Children; Eligibility For and Appointment of Representative Payee to
4 Manage Federal Benefits.

5 I. For all children in the care of the department, the department shall determine whether
6 each child is receiving benefits administered by the Social Security Administration or the Veterans
7 Administration within 60 days after the child enters the department's care. If the department
8 determines that a child is not receiving benefits but may be eligible for federal benefits, the
9 department shall apply for the benefits on behalf of the child.

10 II. If a child is already receiving benefits before entering the department's care with an
11 appointed representative payee in place, the department shall not seek to change the payee
12 appointment unless the current payee has been deemed unsuitable or other circumstances
13 warranting a payee change are met in accordance with the federal regulations for naming a
14 successor payee. If there is no payee or if the department applies for benefits on behalf of the child,
15 the department shall identify, in consultation with the child and the child's representative, a
16 representative payee in accordance with 20 C.F.R. sections 404.2021 and 416.621 and encourage the
17 identified individual to apply to the Social Security Administration to be appointed as the child's
18 representative payee. The department shall apply to become the representative payee only if no
19 other suitable candidate is available.

20 2 New Paragraphs; Use and Management of Federal Benefits. Amend RSA 126-A:6-a by
21 inserting after paragraph II the following new paragraphs:

22 III. If the department is determined by the court to serve as the representative payee:

23 (a) The department shall not use the child's federal benefits, other benefits, savings, or
24 assets to pay for or reimburse the department or this state for any of the costs of the child's care in
25 accordance with the phase-in schedule under subparagraph (b).

26 (b) In addition to any amount required to be set aside by the department under federal
27 law and the division for children, youth and families policy, the department shall conserve the
28 following amounts on behalf of the child:

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1 (1) Beginning July 1, 2028, the department shall conserve 25 percent of the child's
2 federal benefits.

3 (2) Beginning July 1, 2030, the department shall conserve 50 percent of the child's
4 federal benefits.

5 (3) Beginning July 1, 2032, the department shall conserve 75 percent of the child's
6 federal benefits.

7 (4) Beginning July 1, 2034, the department shall conserve 100 percent of the child's
8 federal benefits.

9 (c) The department may use the child's federal benefits for the child's unmet needs
10 beyond what the department is obligated or required to pay.

11 (d) The department shall establish an appropriate account to use and conserve the
12 child's benefits in the child's best interest for current unmet needs and future needs in a manner
13 consistent with federal and state asset and resource limits. The account may include any of the
14 following:

15 (1) A special needs trust.

16 (2) A pooled special needs trust.

17 (3) An Achieving a Better Life Experience (ABLE) savings account, established
18 pursuant to RSA 195-K and section 529A of the Internal Revenue Code.

19 (4) Any other trust account determined not to interfere with social security or asset
20 limitations for any other benefit program.

21 (e) The department shall provide an annual accounting as to the use, application, or
22 conservation of the child's federal benefits to the child, the child's representative, and the child's
23 parents or guardians.

24 IV. The department shall notify the child, the child's parents, unless parental rights have
25 been terminated, the child's guardian, the child's current placement, the child's court appointed
26 special advocate or guardian ad litem, and the child's attorney of any application or decision related
27 to a child's federal benefits. In providing notice of any denial of benefits, the department shall
28 explain that there is a right to appeal, the process for filing an appeal, and the names and contact
29 information of organizations that might be available to provide pro bono or reduced fee legal
30 assistance.

31 V. The department shall annually review cases of children in the department's care to
32 determine whether a child may have become eligible for benefits after the department's initial
33 assessment.

34 VI. Notwithstanding any other law, on termination of the department's responsibility for the
35 child, the department shall release any moneys remaining to the child's credit pursuant to the
36 requirements of the funding source or, in the absence of any requirements, shall release the
37 remaining moneys to:

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1 (a) The child, if the child is at least 18 years of age or is emancipated; or

2 (b) The person who is responsible for the child if the child is a minor and not
3 emancipated.

4 VII. For purposes of this section, a "child in the care of the department" means the
5 department has custody or guardianship over the child or the child in a court-ordered placement or
6 other out-of-home placement under the supervision of the department.

7 3 ABLE Accounts. The department of health and human services shall develop and complete
8 the processes and procedures for establishing ABLE accounts for children in its custody for whom it
9 serves as representative payee no later than June 30, 2027. The department may utilize federal
10 Title IV-E funds it secures pursuant to the 2025, 141:310 for this purpose.

11 4 Policies and Procedures Regarding Federal Benefits for Dependent Children. The department
12 of health and human services shall develop the necessary policies and procedures, establish process
13 workflows, and conduct necessary staff training to facilitate implementation of this act on or before
14 June 30, 2028. To assist in completing the tasks required to begin implementation of these
15 requirements, the department may hire a consultant with knowledge of other states' efforts to
16 develop necessary policies and procedures to manage federal benefits for children in state custody.

17 5 Executive Order. In accordance with the federal executive order entitled "Fostering the
18 Future for American Children and Families" dated November 13, 2025, the department of health
19 and human services shall seek all available federal resources to fund the provisions of this act.

20 6 Applicability. RSA 126-A:6-a, as inserted by section 1 of this act and amended by section 2 of
21 this act, shall apply only to children in the care of the department of health and human services on
22 or after July 1, 2027.

23 7 Fiscal Committee Approval. The department of health and human services may request
24 additional general funds from the fiscal committee of the general court to implement section 3 of this
25 act, relative to establishing ABLE accounts for children in the department's custody for whom it
26 serves as representative payee. The governor is authorized to draw a warrant for sums approved out
27 of any funds in the treasury not otherwise appropriated.

28 8 Effective Date.

29 I. Section 1 of this act shall take effect July 1, 2027.

30 II. Section 2 of this act shall take effect July 1, 2028.

31 III. The remainder of this act shall take effect upon its passage.

HB 661-FN- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT #2026-1425s)

AN ACT relative to the department of health and human services management of social security payments, supplemental security income payments, and veterans benefits for children in foster care.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	(\$2.5 million)
<i>Revenue Fund(s)</i>	Federal Funds			
Expenditures*	\$0	\$280,000	\$461,000	\$461,000
<i>Funding Source(s)</i>	General funds, federal funds (if available)			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill requires the Department of Health and Human Services to ensure that social security payments and veterans benefits for children in the care of the Department are held securely until the child is no longer in the care of the Department. Specifically, the bill makes the following changes to the Department's existing practices. (See below for an explanation of the bill's contingency language and its potential impact on effective dates.)

- Section one requires the Department to screen for determination and eligibility of federal benefits administered by the Social Security Administration or the Veterans Administration within 60 days after a child enters placement. If a child is already receiving benefits, the Department shall not seek to change the representative payee appointment unless no other suitable candidate is available. **Effective date: July 1, 2027.**
- Section two states that if the Department is appointed a child's representative payee, it shall not use the federal benefits for any of the costs of the child's care. The Department may, however, use the benefits for the child's unmet needs outside of the cost of state care. The Department shall establish an account to use and conserve the benefits in a way befitting the child's best interest. The bill identifies Achieving a Better Life

Experience (ABLE) savings accounts as one possible means of conserving the child's benefits. **Effective date: July 1, 2028.**

- Sections three and four require the Department to develop policies and procedures needed to comply with the terms of the bill, including those to establish ABLE accounts. **Effective date: Upon passage.**
- Section 5 requires the Department to seek all available federal resources to fund the provisions of the bill. **Effective date: Upon passage.**
- Section 6 states that RSA 126-A:6-a, as established by the bill, shall only apply to children in the care of the Department on or after July 1, 2027. **Effective date: Upon passage.**

The Office of the Legislative Budget Assistant notes that the bill contains contingency language allowing its provisions to go forward only if the commissioner of the Department of Health and Human Services certifies that sufficient funding is available. As the bill does not define "sufficient," this determination would be at the sole discretion of the commissioner. As drafted, it is conceivable that the legislature could appropriate funding for the bill's provisions in future budgets, but the commissioner could deem such funding insufficient, in which case the policy changes contained in the bill would not be implemented.

The analysis that follows assumes the bill will be implemented in accordance with the intended effective dates.

The Department notes that, since the effective dates are staggered, implementation is expected to proceed in phases. Phase one, to take place in FY27, will involve working with a vendor to implement the policies and procedures required by sections three and four of the bill. The Department states that it will need to retain a vendor with experience in the policy areas addressed by the bill, and assumes the cost of a contract will be approximately \$280,000. Phase two, to take place in FY28, will focus on key areas including communications to stakeholders, representative payee identification, ABLE account opening and management, monthly reporting of program metrics, and administration of financial literacy training. The Department again assumes it will contract with a vendor, at an estimated cost of \$461,000. In phase 3, beginning in FY29, the federal benefits accruing to minors will no longer be for use by the Department in funding the minors' care. Based on existing Social Security Income (SSI), Retirement, Survivors, and Disability Insurance (RSDI), and Title IV funds, the Department anticipates that lost federal revenue will total approximately \$2.5 million per year. The Department also suggests that ongoing operational costs may total the same \$461,000 needed for initial implementation in FY28. The combined fiscal impact, therefore, is expected to be approximately \$2.9 million per year. Although the bill requires the Department to utilize federal funds to the extent available,

as of this writing any such federal resources are unknown, and so it is assumed that the bill's provisions will be funded with state general funds.

AGENCIES CONTACTED:

Department of Health and Human Services