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H.427

Introduced by Representatives Noyes of Wolcott and McGill of Bridport

Referred to Committee on

Date:

Subject: Human services; foster care; direct cash transfers

Statement of purpose of bill as introduced: This bill proposes to establish a pilot program to provide direct cash transfers to youth exiting foster care.

An act relating to a pilot program to provide direct cash transfers to youth exiting foster care

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. PILOT PROGRAM; DIRECT CASH TRANSFERS TO YOUTH
EXITING FOSTER CARE

(a) There is established a two-year pilot program within the Department for Children and Families for the purpose of providing monthly \$1,000.00 direct cash transfers to youth over the course of a 24-month period upon the youth's exit from the foster care system. Participation in the pilot program is voluntary for eligible individuals. Youth who elect to receive monthly cash transfers pursuant to this subsection shall complete two annual surveys conducted by the Department at the completion of the first and second year of the program that

1 assess the stability of each participant's finances, health, employment, and
2 housing and each participant's educational attainment.

3 (b)(1) To the extent permitted under federal law, direct cash transfers
4 issued pursuant to subsection (a) of this section shall be considered an
5 unconditional, nontaxable gift and shall be excluded from gross income
6 pursuant to 26 I.R.C. § 102.

7 (2) Notwithstanding 32 V.S.A. § 5811(21), direct cash transfers made
8 under this section shall be excluded from the youth's Vermont taxable income
9 in the taxable year that the youth receives the direct cash transfers.

10 (3) To the extent permitted under federal law, direct cash transfers shall
11 not be considered income or resources for the purpose of determining
12 eligibility to receive benefits and financial aid or the amount of benefits and
13 financial aid, including under the following programs:

14 (A) Reach First pursuant to 33 V.S.A. chapter 10;

15 (B) Reach Up pursuant to 33 V.S.A. chapter 11;

16 (C) Reach Ahead pursuant to 33 V.S.A. chapter 12;

17 (D) Supplement Nutrition Assistance Program pursuant to 33 V.S.A.
18 chapter 17;

19 (E) Child Care Financial Assistance Program pursuant to 33 V.S.A.
20 § 3512;

21 (F) medical assistance pursuant to 33 V.S.A. chapter 19;

1 (G) General Assistance established pursuant to 33 V.S.A. chapter 21;

2 and

3 (H) State and federal financial aid and postsecondary support,
4 including federal Pell Grants, John H. Chafee Foster Care for Successful
5 Transition to Adulthood Grants, and any other need-based aid.

6 (c) On or before November 1, 2025, the Department shall submit a report
7 to the House Committee on Human Services and to the Senate Committee on
8 Health and Welfare providing findings and recommendations related to the
9 pilot program established in subsection (a) of this section, including aggregated
10 data regarding the stability of participating youths' finances, health,
11 employment, and housing and participating youths' educational attainment.

12 Sec. 2. APPROPRIATION; DIRECT CASH TRANSFERS TO YOUTH
13 EXITING FOSTER CARE

14 In fiscal year 2024, \$650,000.00 is appropriated from the General Fund to
15 the Department for Children and Families for the purpose of funding the pilot
16 program established in Sec. 1 (pilot program; direct cash transfers to youth
17 exiting foster care) of this act.

18 Sec. 3. EFFECTIVE DATES

19 This act shall take effect on July 1, 2023, except, notwithstanding 1 V.S.A.
20 § 214, Sec. 1(b)(2) (exemption from Vermont taxable income) shall take effect

- 1 retroactively on January 1, 2023 and shall apply to taxable years beginning on
- 2 and after January 1, 2023.