

1 S.92

2 Introduced by Senators White, Bray, Gulick, Hardy, Harrison, Hashim, Lyons,

3 McCormack, Perchlik, Ram Hinsdale, Vyhovsky and Watson

4 Referred to Committee on

5 Date:

6 Subject: Human services; foster care; direct cash transfers

7 Statement of purpose of bill as introduced: This bill proposes to establish a

8 pilot program to provide direct cash transfers to youth exiting foster care.

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

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

12 Sec. 1. PILOT PROGRAM; DIRECT CASH TRANSFERS TO YOUTH

13 EXITING FOSTER CARE

14 (a) There is established a two-year pilot program within the Department for  
15 Children and Families for the purpose of providing monthly \$1,000.00 direct  
16 cash transfers to youth over the course of a 24-month period upon the youth's  
17 exit from the foster care system. Participation in the pilot program is voluntary  
18 for eligible individuals. Youth who elect to receive monthly cash transfers  
19 pursuant to this subsection shall complete two annual surveys conducted by the  
20 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.