

ANGUS DRIGO
SENATE TESTIMONY
COMMITTEE ON HEALTH, HOSPITALS AND HUMAN
SERVICES - BILL NO. 36-0035
April 22, 2025

Good Morning, Senator Ray Fonseca, Chairman of the Committee on Health, Hospitals, and Human Services, committee members, other senators present, and members of the listening and viewing audience.

I am Angus Drigo, Executive Director of V.I. Advocacy Inc., better known as the Disability Rights Center of the Virgin Islands (DRCVI).

Thank you for inviting DRCVI to testify on Bill 36-0035 which seeks to implement the “Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE),” relative to establishing

a tax-free savings account (program) for individuals with disabilities who are the designated beneficiaries and owners.

We provide legal protection and advocacy for individuals with disabilities regardless of their race, gender, nationality, or station in life. DRCVI's mission embraces these mandates and is to advance the legal rights of people with disabilities, support and empower families, and provide training and information that promotes the overall health and educational development of children and youth.

DRCVI has two offices in the Virgin Islands: the main office is in Frederiksted, just a stone's throw from the former Kmart West, and a satellite office is in Havensight on St. Thomas.

DRCVI has an 11-member staff that includes three full-time lawyers/advocates. Its work is overseen by a nine-

member board, which meets quarterly and comprises of individuals with disabilities, lawyers, parents and family members of individuals with disabilities.

Bill 36-0035 will implement ABLE, which became law on December 19, 2014.

The program allows eligible individuals to establish ABLE savings accounts, that enable them to save money for qualified disability expenses without affecting their eligibility for government benefits. There are also checking and investment options.

The law aims to ease financial strains faced by individuals with disabilities by making tax-free savings accounts available to cover qualified disability expenses. The proposed bill will make ABLE savings/investment accounts managed by the Department of Finance.

Overall, these provisions aim to promote financial independence and improve the quality of life for individuals with disabilities, ensuring they have access to necessary resources and support.

ABLE accounts foster independence and security for individuals with disabilities and their families. These accounts serve as an essential estate planning tool for families wishing to ensure continued care for their loved ones after they pass away, all while protecting vital benefits from being jeopardized.

ABLE accounts will significantly improve the quality of life for people with disabilities, promoting employment opportunities and participation in the community.

Many people with disabilities are unable to visit banks in person, particularly those residing in facilities. Under the

proposed law, beneficiaries will rely on the Department of Finance's program management.

These accounts are already available in 46 states, with 26 of those states extending access to non-residents, albeit often at a higher cost.

DRCVI suggests that a free educational component be established to ensure that account holders and beneficiaries know how to use the funds, what is expected of both parties to avoid complications, and know what the money can and cannot be used for.

Let's suppose beneficiaries are not adequately informed about how to utilize the program or the implications of the rules. In that case, they may not fully benefit from the savings account or make detrimental choices regarding their funds. It should be noted that transferring the money from

an ABLE account to a trust is not considered a qualified disability expense (QDE), and almost all ABLE accounts also serve as checking accounts with a debit card, so education on what is and is not a QDE is also very important.

Proper education can empower families to save money for necessary expenses without jeopardizing their eligibility for essential benefits from Supplemental Nutrition Assistance Program known as SNAP, Medicaid Assistance Program or MAP, the Free Application for Federal Student Aid (FAFSA), Vocational Rehabilitation Services, Federal Housing Administration or FHA, and Department of Housing and Urban Development commonly referred to as HUD. This is important because yearly costs for families with an adult person with a disability average 29% higher than those for families without people with disabilities. The bill also aims to promote financial independence for individuals with

disabilities by facilitating tax-advantaged savings. ABLE Account Holders or their employers can add additional income towards retirement, tax-free.

The bill separates the Fund's assets from the General Fund of the Virgin Islands regarding the regulations that govern the program to ensure compliance with the Federal ABLE Act, allowing for managing deposits, contributions, and earnings within the Fund. It also establishes the authority of the Department of Finance to manage investments within the Fund. The Commissioner of Finance is the trustee, potentially delegating responsibilities to contractors for investment management.

DRCVI suggests that an independent third-party fiduciary manages these accounts, and the proposed legislation changes from "may" to "shall" in this regard.

National investment companies are much better equipped to

handle these types of investments and the necessary reporting. They also have systems that allow online account management, which would benefit our residents who rely on assistance from families located stateside. Additionally, there should be some component in the law to mirror federal changes as the plan updates. One of these changes set to change in January 2026 is that the age of disability onset will change from 26 to 46 years old as part of the ABLE Age Adjustment Act.

Education about the nuances of the types of savings accounts available for people with disabilities is essential before establishing the account. For instance, State Medicaid programs providing medical assistance or waiver services for ABLE account beneficiaries may choose to assert a payback claim for reimbursement limited to Medicaid expenses after

the ABLE account's creation upon the beneficiary's death, using remaining funds in the account.

Overall, the provisions in the ABLE bill aim to promote financial independence and improve the quality of life for individuals with disabilities, ensuring they have access to necessary resources and support.

We remain committed to advocating with groups such as National Alliance for Individuals with Mental Illness (NAIMI), Virgin Islands Developmental Disabilities Council (DD Council), Virgin Islands University Center for Excellence in Developmental Disabilities (VIUCEDD), and Virgin Islands Deaf and Hard of Hearing Advocates to bring awareness and promote self-advocacy, for individuals with disabilities.

I am available to answer any questions that you may have.