



CENTER FOR THE RIGHTS
OF ABUSED CHILDREN

Letter of Support for A.B. 8036 and S.B. 7778

The proposed policy seeks to conserve and maximize a child's federal benefits within applicable asset limitations and to ensure those benefits are used exclusively for the individual unmet needs and best interests of the child.

Submitted by

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Support for the Economic Justice for Kids in Foster Care Act

Every year, tens of thousands of children enter foster care eligible for federal disability or survivor benefits. Regrettably, states across the country use funds belonging to some of the nation's most vulnerable children to offset the cost of foster care. After being removed from their homes, this practice forces some children to pay for their own cost of care, depleting a resource that could meet crucial needs beyond basic foster care maintenance payments.

At the Center for the Rights of Abused Children (Center), our concern rests on a basic legal and moral truth: under federal law, Social Security and SSI benefits are the property of the child—not the state.

These benefits are paid because a parent has died, become disabled, or because a child has a qualifying disability. When a child enters foster care, the state may be permitted to manage that money—but only for the child's benefit and, when possible, to save it for the child's future.

Nationwide, the routine practice of taking every dollar of a child's benefits to reimburse foster care costs—costs the state is already legally obligated to bear—is morally and economically unjust. The result is a policy that would not be tolerated in any other context: only abused, orphaned, or disabled children are required to pay for their own care while in government custody.

Through our work, we regularly hear young people who age out of foster care with nothing, only to later discover that Social Security checks were collected in their name for years. As one former foster youth told us, "I didn't choose foster care—but I was the one who had to pay for it."

The Center’s position is straightforward: abused children should never be invoiced—directly or indirectly—for the consequences of abuse or neglect they did not cause. Protecting children’s benefits is not about denying states resources; it is about ensuring that the most vulnerable children are not stripped of their limited financial protections.

The Center for the Rights of Abused Children (Center) stands in **strong support** of the Economic Justice for Kids in Foster Care Act, **Assembly Bill 8036** and **Senate Bill 7778**. This act will remedy a longstanding injustice inflicted upon some of the most vulnerable members of our society—children in foster care.

We thank Asm. Hevesi and Sen. Brisport for their leadership on this critical issue and urge the New York Legislature to support these crucial bills.

Background Facts

1. The practice of using children’s federal benefits for the cost of foster care has been widespread. Groundbreaking journalism alerted the nation to child welfare agencies in 49 states and the District of Columbia taking foster children’s federal benefits—such as Social Security disability and survivors’ benefits—to reimburse government costs.¹

2. Hundreds of millions of dollars are implicated. In state fiscal year 2018, 38 states and D.C. used about \$179 million in children’s Social Security/SSI benefits to offset agency costs.² In 2023, SSA reported about \$190 million in benefits were paid to children in foster care with a child-welfare agency as representative payee, with state conservation rates ranging from less than 1% to 31%.³

3. Many children receive these benefits and even more may be eligible. As of November 30, 2020, roughly 25,000 children in foster care were receiving Social Security and/or SSI (about 5% of all children in care).⁴ Up to 20% of foster children may be eligible for Social Security, disability, or veterans’ benefits.⁵

¹ The Marshall Project & NPR, “These States Take Money Meant for Foster Children,” May 17, 2021.

<https://www.themarshallproject.org/2021/05/17/these-states-take-money-meant-for-foster-children>.

² Congressional Research Service, R46975, “Children in Foster Care and Social Security Administration Benefits: Frequently Asked Questions,” Nov. 23, 2021 (incl. SFY2018 \$179M; ~25,424 minors receiving benefits in foster care). <https://sgp.fas.org/crs/misc/R46975.pdf>.

³ Social Security Administration, Federal Register, “Request for Information: Use and Conservation of Social Security Benefits and Supplemental Security Income (SSI) Payments that Representative Payees Receive for Beneficiaries Residing in Foster Care,” Nov. 1, 2024, <https://www.federalregister.gov/documents/2024/11/01/2024-25462/request-for-information-use-and-conservation-of-social-security-benefits-and-supplemental-security>.

⁴ *Supra*, note 7 at 17.

⁵ *Id.* at 24.

4. Federal law places the cost of foster care on states—not on the child. Title IV-E requires states with approved plans to make foster care maintenance payments; children’s personal assets and benefits are not intended to finance a government’s legal obligation.⁶

5. Agencies are frequently designated as representative payees and report using funds to offset costs. Federal reviews document that child-welfare agencies are often appointed payee for minors in foster care and that agencies report using children’s benefits for foster-care expenses.⁷

6. Children are often left in the dark. Reporting in major jurisdictions shows thousands of foster children had benefits taken without their knowledge; most were never informed they were entitled to those funds.⁸

7. Misuse undermines long-term outcomes. Youth aging out of foster care face significantly higher rates of homelessness, incarceration, poverty, and long-term dependence on public systems, consequences that could be reduced through proper use and conservation of their federal benefits.⁹

8. Lack of protection is costly. Across the country, states collectively spend billions of dollars each year to compensate for systemic failure to achieve timely permanency for children who exit foster care. These costs come in the form of lower educational attainment, decreased earnings, lost tax revenue, increased healthcare costs, incarceration, housing, and more.¹⁰

⁶ 42 U.S.C. § 672.

⁷ U.S. Government Accountability Office, GAO-21-441R, “Social Security Administration: New Data Exchanges with Some States Provide Limited Information on Foster Care Beneficiaries,” June 3, 2021. <https://www.gao.gov/assets/gao-21-441r.pdf>

⁸ Spotlight PA & Resolve Philly, “Foster care agencies in Pa. took millions owed to kids in their care, often keeping them in the dark,” Apr. 2, 2025. <https://www.spotlightpa.org/news/2025/04/foster-care-social-security-resolve-philly/>.

⁹ See, The Annie E. Casey Foundation, Kids Count Data Center, *Youth transitioning out of foster care: Currently employed part- or full-time by race/ethnicity in United States*, <https://datacenter.aecf.org/data/bar/10872-youth-transitioning-out-of-foster-care-currently-employed-part-or-full-time-by-race-ethnicity?loc=1&loct=1#1/any/false/1698/6285,4411,4039,2638,2597,4880,4758,1353|6259/21138>; The Annie E. Casey Foundation, Kids Count Data Center, *Youth transitioning out of foster care: Experienced homelessness in the past two years in United States*, <https://datacenter.aecf.org/data/tables/10857-youth-transitioning-out-of-foster-care-experienced-homelessness-in-the-past-two-years?loc=1&loct=2#detailed/2/2-52/true/1698,1697/6259/21108>; The Annie E. Casey Foundation, Kids Count Data Center, *Youth Transitioning out of Foster Care: Incarcerated in the past Two Years in United States*, <https://datacenter.aecf.org/data/tables/10865-youth-transitioning-out-of-foster-care-incarcerated-in-the-past-two-years?loc=1&loct=2#detailed/2/2-52/true/1698,1697/6259/21124>.

¹⁰ Jim Casey Youth Opportunities Initiative, *Cost Avoidance The Business Case for Investing In Youth Aging Out of Foster Care 5* (May 2013), <https://assets.aecf.org/m/resourcedoc/JCYOI-CostAvoidance-2013.pdf>.

9. National momentum is real but uneven. Over 30 states and jurisdictions have taken action to protect children's federal benefits.¹¹

Arizona Case Study

This important legislation is not unprecedented. The Center for the Rights of Abused Children championed a similar act in Arizona which was passed in 2023. Under the prior Social Services laws, *only* children who had a disability or who had lost a parent were forced to subsidize the cost of their own foster care. No other children were treated this way. That disparity was indefensible. The Legislature found equal protection concerns compelling. All children should be afforded equal protection under the law.

Although the state Department of Child Safety (DCS) was supportive of ending the agency's use of children's benefits, they cited budgetary concerns associated with the lost revenue. These arguments met little sympathy during committee hearings. Legislators were clear about the fact that foster care is not a fee-for-service program charged to underprivileged children, and that balancing agency budgets on the backs of orphaned or disabled children was not acceptable. Nevertheless, the legislature provided backfill funding to DCS to offset the loss of Social Security Administration and Veterans Affairs benefits.¹²

Passing this act was a victory against injustice for children in Arizona. Children in New York deserve justice too.

Following passage, and prior to its formal effective date, DCS immediately began the process of implementing the new law.¹³ During rollout, the state explored amendments to its Title IV-E plan to allow IV-E administrative funds to support the operational costs of implementation. Over time, we expect these upfront investments to produce long-term savings by improving permanency outcomes, reducing downstream system involvement, and better equipping young people to transition successfully out of care.

On the fiscal management side, Arizona adopted a child-centered accounting framework that is both compliant and administratively straightforward. When DCS serves as representative payee, benefits are managed through two tools: Personal Needs Accounts (PNAs) and ABLE accounts. PNAs are used for accessible, child-

¹¹ Children's Advocacy Institute, *Preserving Federal Benefits of Foster Youth*, <https://www.sandiego.edu/cai/advocacy/youth-benefits/>.

¹² Arizona Joint Legislative Budget Committee, *FY 2025 Appropriations Report* (August 2024), BH-6, BH-12, 80-82, and 87 <https://www.azilbc.gov/25ar/fy2025approprpt.pdf>.

¹³ Ariz. Rev. Stat. Ann. § 8-468.

specific expenditures up to federal asset limits, while ABLE accounts allow children with disabilities to save substantial amounts without jeopardizing eligibility for critical federal programs. These accounts are managed internally through DCS's Accounting Office, with active oversight that includes account setup, deposits, distributions, and annual financial reporting. DCS uses standard accounting software, including QuickBooks, to maintain records and ensure transparency.

While this work does require staff time, it is not an undue administrative burden. More importantly, it ensures that benefits are used for their intended purpose: supporting the child during care and providing a foundation for stability when they leave it.

Conclusion

The Economic Justice for Kids in Foster Care Act, A.B. 8036 and S.B. 7778, protects children in two ways.

First, the bill prohibits using federal benefits belonging to disabled and orphaned children in the foster care system as a revenue stream. Second, it requires screening, application for federal benefits on behalf of children and youth placed in foster care and conserving children's benefits in their best interests. Accordingly, the act ensures that eligible children receive their benefits and that those benefits are either used solely for unmet present needs or conserved in the child's best interests.

The Center urges prompt passage of A.B. 8036 and S.B. 7778 to protect children's property rights, promote equity, and ensure compliance with federal law.