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OF ABUSED CHILDREN

## **Support House Bill 2552**

Requires the preservation and protection of federal benefits that belong to a child in the care of the children's division. These benefits include those that are administered by the Railroad Retirement Board, Social Security Administration and Veterans' Administration owed to children who are disabled or who survive a deceased parent.

### **In-Person Testimony**

Kendall Seal, Vice President of Policy  
Center for the Rights of Abused Children

### **House Committee on Child Welfare and Foster Care**

Wednesday, Feb. 7, 2024, at 1:30 p.m.

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Chair Concannon, Vice-Chair Johnson, and Committee Members:

My name is Kendall Seal, Vice President of Policy with the Center for the Rights of Abused Children. I am here today in support of House Bill 2552.

In our work with children, we learned an estimated 10-20% of children in foster care qualify for federal benefits ranging from supplemental security income to veteran survivor benefits. As you are aware, states, including Kansas, are using a child's federal benefits to reimburse themselves for the cost of the child's care. Often, children never even knew they were entitled to the money. The effect of this practice is that some of the state's most vulnerable children are left without financial security and stability, particularly those who age out of the foster care system. They are left unable to meet their unique needs.

Not only does this policy strain the financial future of children, but it also treats children unequally. In essence, some children, children entitled to federal benefits, are



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being asked to pay for their own cost of care ... costs other children are not required to pay.

Ian Marx was one such young man. When Ian was 11 years old, he lost his mother, and his father was arrested for a serious crime. He had no relatives to care for him, and he was placed in foster care—where he stayed until he aged out of the system.

Ian did not choose to be in foster care. He said that amid his grief, he was terrified of living with strangers, anxious about how he would survive, and felt utterly alone. He is haunted by the trauma to this day.

But he had one source of hope. His mom served honorably in the U.S. Navy. Consequently, Ian was eligible for survivor benefits through the Department of Veterans Affairs and the Social Security Administration.

He had hoped those funds would help him through college. He had hoped those dollars might help him secure safe housing, stable transportation, and do what he called, “normal things,” like go on school trips and participate in extracurricular activities.

But he never saw a dime of those funds. That is because, as he learned when he turned 18 and exited foster care, the very system that was supposed to be helping him had been spending his money the whole time.

The state’s child welfare agency, without Ian’s knowledge, had applied for his federal benefits on his behalf, received those benefits for years, and used those benefits to reimburse itself for Ian’s time in foster care.



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Ian, who has become a champion to change this practice, quipped, "If I was paying for my time in foster care, I want a refund."

The most recent data indicates that Kansas uses approximately 4.8 million dollars of foster youth's supplemental security income, disability insurance, and survivor's benefits managed by the U.S. Social Security Administration and Department of Veterans Affairs. This is money that, if allowed to remain with and be used by the child for the child's unmet needs and conserved for future needs, could more directly impact the children for whom they were intended, satisfying the unique needs of children who have a disability, prematurely lost a parent, or will be exiting care and transitioning into adulthood.

The bill in front of this committee will protect children like Ian from experiencing what he experienced.

House Bill 2552 does this by:

- Ensuring the department properly screens children for eligibility and applies for federal benefits;
- Requiring the court to appoint a representative payee;
- In those circumstances where the department is appointed as the representative payee, prohibiting the use of the funds for basic maintenance costs, and requiring the division to only spend the child's funds to meet current, otherwise unmet needs, *and* requires the



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department to conserves the balance of those funds for the youth's future needs; and

- Accounting of the department's use of the child's funds.

This bill will allow federal benefits that belong to the child to be better used for the benefit of the child or youth in care. Thank you for your time and attention and I urge your support for House Bill 2552.



## Frequently Asked Questions

### **Q: What other states have done this well?**

**A:** Arizona was the first state to pass comprehensive legislation prohibiting child welfare systems from using a child's federal benefits for the cost of care. The Arizona Department of Child Safety is working with stakeholders, such as the Center, to implement the new law. Other jurisdictions have prohibited the practice to varying degrees.

### **Q: Why does the legislation call out these three benefit programs?**

**A:** We recognize that these three programs are not an exhaustive list of federal benefit programs available to children. The bill targets those programs that we know are being used by states to cover the cost of care - the largest of which are managed by the Social Security Administration followed by Veterans Affairs.

### **Q: Who has access to the money and how is it spent? Can it be spent by a foster parent?**

**A:** This bill essentially establishes a trust in which the trustee must manage the funds for the benefit of the child with all due loyalty and care. The money cannot be used for the child's basic maintenance costs - such as food, shelter, and basic clothing. However, they may be used for the child's unmet needs, above and beyond what the department is required to cover. Additionally, it is *impermissible* for the money to be used as a slush fund for foster parents. To enhance transparency, this legislation requires reporting.



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Under federal law, “foster care maintenance payments’ means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement. In the case of institutional care, such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.” 42 U.S.C.A. § 675(4)(A).