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TO: Health and Human Services Committee

FROM: Amy Harfeld, National Policy Director, Children's Advocacy Institute

DATE: March 12, 2025

Testimony in Support of LD52

Ensuring Proper Use and Conservation of Foster Children's Federal Benefits

Chairperson and Members of the Committee,

My name is Amy Harfeld, and I serve as the National Policy Director for the Children's Advocacy Institute at the University of San Diego School of Law. I submit this testimony in strong support of LD52, a bill that will ensure Maine's foster youth receive the federal benefits intended for them, rather than having those funds intercepted by the state.

For decades, my organization has led a nationwide campaign to protect the Social Security and Veterans' benefits of foster children. We have worked with legislators, advocates, and youth across more than 30 states to advance policy reforms through legislation, litigation, and education. The reason is simple: children in foster care, particularly those eligible for federal benefits, already face enormous challenges. These benefits exist to help the beneficiaries—not to supplement state budgets on the backs of the children who the agency exists to serve.

Maine is currently violating the constitutional rights of foster children by confiscating their private property without due process. The Office of Child and Family Services (OCFS) is also discriminating against disabled foster children by charging only Social Security beneficiaries for their care—while all other foster youth receive the same services at no cost. This unjust practice denies these children access to the very benefits meant to address their special needs and compensate for the loss of a parent. The consequences are severe. Studies show that youth who leave foster care without financial resources face a significantly higher risk of homelessness, multi-generational child welfare involvement, and reliance on public assistance. These outcomes are likely even worse for disabled youth, who have a considerably reduced lifetime earnings projection, and youth whose parents have passed away. Conserving even a portion of these children's benefits is transformative, and cost effective. Research suggests that for every \$1 of benefits preserved for a foster youth, approximately \$3.59 in public costs could be saved by reducing homelessness, incarceration, and long-term dependency on welfare programs.

Maine is falling behind as states across the country move swiftly to end this practice. Five states—Massachusetts, Oregon, Kansas, Arizona, and Washington, D.C.—have already stopped intercepting foster youth benefits, and an additional 26 states have advanced reforms or have bills pending. This is a bipartisan issue, with red, blue, and purple states alike recognizing that these funds belong to the children—not to the state.

During prior testimony, Director Johnson suggested that Social Security benefits exist to assist with the immediate cost of care for a child, regardless of who is responsible for their care and custody, and should not be saved. However, this is a fundamental misunderstanding of federal law, which explicitly distinguishes when a child's benefits should be used for care and when they must be saved. **42 U.S. Code § 672(a)** requires that all state child welfare agencies cover the full cost of foster care maintenance. At the same time, **SSA policy (POMS GN 00602.001)** mandates that a representative payee must act in the child's best interests and use benefits only for their personal needs. If those needs are already covered, the law is clear: the funds must be **conserved or invested** on the child's behalf.

OCFS's position that these funds should be used to offset the cost of care conflicts with federal requirements. If a child's basic needs—such as food, clothing, shelter, and medical care—are already being provided, a representative payee **must** save or invest the child's benefits for their future. The [Social Security Administration's guidance](#) is explicit that child welfare agencies acting as representative payees must make individualized determinations for each child and cannot automatically divert benefits for general maintenance when those needs are met elsewhere. Furthermore, there are longstanding [strict prohibitions on blanket spending](#) of benefits, which is exactly what OCFS is doing by making automatic determinations about the use of each child's benefits in their individual best interests based upon their circumstances.

Director Johnson has also stated that OCFS lacks guidance on how to prepare for and implement this reform. However, multiple states have successfully navigated this transition, and several practical resources are readily available to support Maine in doing the same. Arizona, which implemented model legislation two years ago, has provided a [comprehensive implementation toolkit](#) and [policy framework](#), along with a [webinar](#) outlining the process of reform. These materials offer clear, concrete steps for policy changes, funding mechanisms, and procedural adjustments.

Additionally, federal agencies have issued strong guidance urging states to act. In a [July 2024 letter](#), the **Social Security Administration** emphasized: *"We count on child welfare agencies to carry out the duties of representative payees, including meeting regularly with beneficiaries and deciding on an individual basis how to use and save benefits in the beneficiaries' best interests."*

The SSA has also provided a [Resource Hub for Representative Payees of Foster Children](#) and guidance on [ABLE accounts](#), which allow foster youth with disabilities to save their benefits without jeopardizing eligibility for other assistance. These accounts offer a straightforward way for states to ensure compliance with federal law while maximizing positive outcomes for foster youth.

Concerns about implementation costs should not stand in the way of this necessary reform. Many states have integrated eligibility screening into existing processes, such as EPSDT screenings, with minimal additional costs. Under IV-E, states can recover 50% of costs associated with

identifying and applying for benefits on behalf of eligible children, with potential higher reimbursement rates available for training expenses. Additionally, Title IV-E can be used to support legal representation for children seeking to secure or appeal their benefits—ensuring they receive the full amount they are entitled to. These options have already been successfully leveraged by other states to cover costs while strengthening financial protections for foster youth.

LD52 is a commonsense bill that aligns Maine’s policies with federal law, best practices, and the urgent needs of foster youth. For too long, Maine has taken money meant to help these vulnerable children transition into adulthood—leaving them without the resources they need to succeed. When parents care for their children, they do everything they can to set them up for success. When Maine acts as the legal parent of foster youth, it should do the same.

I extend my deep gratitude to Representative Amy Roeder for championing this legislation and to all those working to ensure justice for Maine’s foster youth. I urge you to pass LD52 without delay.

Thank you for your time and consideration. Please feel free to reach out to me with any questions.

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LD 52

Please see attached testimony for your interest.