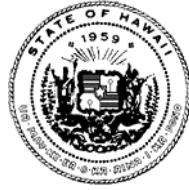


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

January 28, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 974 – RELATING TO FOSTER CARE.**

Hearing: Wednesday, January 29, 2025, Time 1:00 p.m.
Conference Room 225 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill, offers comments, and respectfully requests that the measure be deferred.

PURPOSE: The purpose of the bill is to prohibit the Department of Human Services from using any social security income payments, including supplemental income payments it receives on behalf of a child under foster custody of the Department, to cover the cost of foster care services. Requires the Department of Human Services to deposit all social security income payments received on behalf of a child under foster custody of the Department into a savings account that shall be made accessible to the child when the child leaves foster care custody.

The department agrees that intercepting social security payments meant for foster children limits their financial well-being as they pursue higher education or work to achieve financial independence.

DHS is required by federal law to apply for benefits on a child's behalf and request an appointment as the child's payee once the child enters foster custody. Ultimately, the Social Security Administration (SSA) will make the final decision of selecting the representative payee. The representative payee is responsible for the management of funds received on behalf of the SSA

recipient. In previous years, the Legislature provided general funds for foster board payments for children in foster care who are ineligible for Title IV-E reimbursement due to being beneficiaries of SSA, offsetting the cost that was previously recuperated through SSA funds.

This funding offset allowed DHS to utilize state dollars to support these children. So, effective July 1, 2023, DHS ceased using all forms of SSA payments (Supplemental Security Income (SSI) and Retirement, Survivors, and Disability Insurance (RSDI) benefits) received on behalf of children in foster care for foster board or difficulty of care reimbursement to the state. DHS requests that this funding offset continue to be made available through the executive budget.

For the Legislature's information, although reimbursement for foster board payments and difficulty of care payments have ceased, SSA benefits are to be used for the child's current maintenance needs, such as food, clothing, shelter, medical care, and personal comfort items. These benefits can also be used to meet the education or medical-related costs of beneficiary children in care, so SSA payments may continue to be used for those reasons.

As noted in the State of New York example, all money received by Hawaii DHS as the representative payee on behalf of a child in foster care is currently kept in a child-specific trust account with the DHS Fiscal Management Office (FMO) until the child exits foster care.

As required by federal regulation, when a child exits foster care, any money conserved in the child's trust account must be returned by the representative payee to the local SSA Office, not to the family or young adult. The SSA then redistributes the funds to the new responsible adult, which would be the next representative payee, if required, so that the child has access to the conserved funds when the child is returned to their family, is adopted, has a legal guardian appointed, ages out of foster care or is a disabled adult when leaving foster care. If the child is an adult, the SSA distributes the conserved funds to the individual as the new responsible adult.

For these reasons, DHS respectfully requests that the measure be deferred.

Thank you for the opportunity to provide comments on this measure.

SB-974

Submitted on: 1/24/2025 5:09:33 PM

Testimony for HHS on 1/29/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Yamamoto	Individual	Support	Written Testimony Only

Comments:

Senator San Buenaventura and committee,

I strongly support the illegal collection of Social Security benefits of foster children and am concerned that it happened in the first place.