

JAN 17 2025

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# A BILL FOR AN ACT

RELATING TO FOSTER CARE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the United States  
2 Department of Health and Human Services Adoption and Foster Care  
3 Analysis and Reporting System recorded 1,418 children in foster  
4 care in Hawaii on September 30, 2021. Approximately ten per  
5 cent of foster youth in the United States are entitled to social  
6 security benefits, either because their parents have died or  
7 because they have a physical or mental disability.

8           The legislature also finds that the United States Social  
9 Security Administration (SSA) generally appoints representative  
10 payees to receive and manage social security payments on behalf  
11 of beneficiaries who are incapable of managing their social  
12 security or supplemental security income, including children.  
13 Although the SSA lists child welfare service agencies as one of  
14 the least preferred types of representative payees, many state  
15 child welfare agencies apply to become the representative payee  
16 of child beneficiaries in foster care and intercept and seize  
17 their social security payments, often without notifying the



1 child or other persons who are more preferred as the child's  
2 representative payee. Between 2018 and 2022, the department of  
3 human services collected \$1,500,000 on behalf of thirty-seven  
4 children in foster care.

5 The legislature believes that intercepting social security  
6 payments meant for foster children limits their financial well-  
7 being as they pursue higher education or achieve financial  
8 independence. In addition, child welfare officials in New York  
9 City recently decided to end the practice of intercepting foster  
10 children's social security payments and plan to deposit the  
11 payments into savings accounts, which a foster child may access  
12 when the child is returned to their family, is adopted, or ages  
13 out of foster care.

14 Accordingly, the purpose of this Act is to:

- 15 (1) Prohibit the department of human services from using  
16 any social security benefits or funds received for a  
17 child under foster custody of the department to cover  
18 the cost of foster care services; and
- 19 (2) Require the department of human services to deposit  
20 all social security funds received for a child under  
21 foster custody of the department into a savings



1 account that may be accessed by the child when the  
2 child returns to their family, is adopted, or ages out  
3 of foster care.

4 SECTION 2. Chapter 587A, Hawaii Revised Statutes, is  
5 amended by adding a new section to be appropriately designated  
6 and to read as follows:

7 "§587A- Social security payments to children in foster  
8 care; savings account. (a) The department shall not use any  
9 social security payments, including supplemental security income  
10 payments, it receives from the Social Security Administration on  
11 behalf of a child under foster custody of the department to  
12 cover the cost of any foster care services.

13 (b) The department shall establish a savings account for  
14 each child under foster custody of the department, on behalf of  
15 whom the department receives social security payments, including  
16 supplemental security income payments, and deposit all social  
17 security payments received from the Social Security  
18 Administration for the child into the child's savings account.  
19 The department shall make the savings account accessible to the  
20 child when the child is removed from foster care custody because



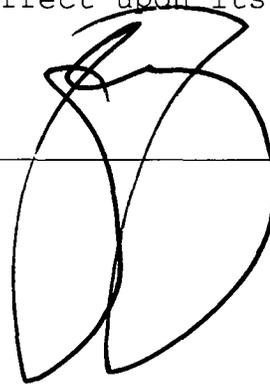
1 the child returns to their family, is adopted, or ages out of  
2 foster care."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

A handwritten signature in black ink, consisting of several overlapping loops and curves, positioned over the horizontal line following the text "INTRODUCED BY:".

# S.B. NO. 974

**Report Title:**

DHS; Social Security Payments; Foster Care; Savings Account

**Description:**

Prohibits 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 summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

