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STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
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March 16, 2023

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Committee on Health and Human Services

FROM: Cathy Betts, Director

SUBJECT: [SCR 51/ SR 46](#) - REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO
IMMEDIATELY CEASE INTERCEPTING SOCIAL SECURITY PAYMENTS FOR
CHILDREN IN FOSTER CARE.

Hearing: March 17, 2023, 1:00 pm
Conference Room 225 & Via videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the resolutions and offers comments.

PURPOSE: These resolutions request the Department of Human Services to immediately cease intercepting Social Security Administration (SSA) payments for children in foster care and deposit Social Security payments for foster children into savings accounts that may be accessed by foster children when they return to their families are adopted, or age out of foster care.

DHS appreciates the Legislature's commitment to supporting children in foster care and to investing in the Child Welfare Services Branch (CWS) and the broader community of care.

For the Legislature's information, DHS immediately ceased intercepting Social Security payments for children in foster care in response to House Concurrent Resolutions 117 HD1/House Resolution 17 HD1 (2022) that made similar requests.

However, this session, DHS requests the Legislature's support for a recurring general fund appropriation of \$500,000 to increase foster board payments. This budget request is to make up for those SSA benefits that are no longer intercepted and to improve support for children with complex needs. CWS cannot claim federal foster care board reimbursements for children and youth in foster care who receive Social Security benefits. Without SSA reimbursements, State funds must be used to pay for monthly foster board payments. The budget request is in [GM1](#),¹ page 33, program ID HMS 303.

Additionally, the Social Security monies, including Retirement, Survivors, Disability Insurance (RSDI), and Supplemental Security Income (SSI) benefits for children in CWS care, are deposited into a checking account with the First Hawaiian Bank. The DHS Fiscal Management Office (FMO) opens a state trust account (T-903) for each child, where the conserved funds are held. As required by federal regulation, when a child exits foster care, any money in the state trust account is returned to the local SSA Office, and the SSA distributes the funds. If the child is an adult, the SSA distributes it to the individual. If the child is a minor when they exit foster care or if the existing individual is an adult with a disability requiring a representative payee, the family or responsible adult resume payments from the SSA. The new responsible adult (i.e., adoptive parent, legal guardian, biological parent) must apply to become the new representative payee for the child or disabled adult to access the funds. CWS staff works with the assigned social worker and social services assistant to forward to the new responsible adult-representative payee to provide information to contact their local SSA office.

Thank you for the opportunity to provide additional comments.

¹ Note, the Department's initial budget request for additional funds was \$5M; it was not added to the "steady state budget."