



CHILDREN'S ADVOCACY INSTITUTE

5998 Alcalá Park | San Diego, CA 92110-2492

San Diego Office: (619) 260-4806

Sacramento Office: (916) 844-5646

Washington, DC Office: (917) 371-5191

www.sandiego.edu/cai | info@caichildlaw.org

The Hon. William C. Smith, Jr.
Chair, Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

March 31, 2026

Re: Written Testimony of the Children's Advocacy Institute In Support of House Bill 768 Department of Human Services – Benefits for Children in Custody – Alterations

Senate Judicial Proceedings Committee April 2, 2026

Position: Favorable

Dear Chair Smith and Members of the Senate Judicial Proceedings Committee,

The Children's Advocacy Institute (CAI) respectfully submits this testimony in support of House Bill 768. CAI is a national organization based at the University of San Diego School of Law. For over three decades, we have been dedicated to improving outcomes for vulnerable children, with a particular focus on children in foster care. We have spent years working at the intersection of child welfare law, Social Security policy, and federal benefits to ensure that foster youth receive the protections and resources they are owed. Our Campaign to Preserve Foster Youth Benefits has partnered with advocates, legislators, state leaders, and youth with lived experience to advance reforms in 38 states.

The Problem. Across the country and in Maryland state child welfare agencies have engaged in a deeply troubling practice: applying for federal benefits, including Social Security survivor benefits, Supplemental Security Income (SSI), and Veterans Affairs benefits, on behalf of foster children, and then using those funds to reimburse the state for the cost of care rather than saving or spending the funds for the child's direct benefit. These benefits belong to children because they are disabled, or because a parent has died, become disabled, or served in the military. Yet when the child welfare agency serves as representative payee, the child often never sees a penny of their own money.

The consequences are severe. Foster youth already face disproportionately high rates of homelessness, unemployment, and involvement with the criminal justice system after aging out of care. For those who are disabled or orphaned, these federal benefits represent a critical lifeline during the transition to adulthood. When the state diverts those resources, it makes an already precarious transition exponentially harder. As one former foster youth put it upon learning that her savings had been frozen so the agency could continue collecting her SSI: "Wait, so the state froze my savings account so I could keep getting a benefit I never knew about and never saw a penny of?"

This issue has drawn broad bipartisan attention. The Assistant Secretary for the Administration for Children and Families, Alex Adams, ended the diversion of foster children's Social Security survivor benefits in his home state of Idaho and has since called upon 39 Governors, including Maryland's, to do the same, characterizing the practice as a "100% tax on orphans."

Maryland was a national trailblazer in 2018 when it became the first state to establish partial protections for foster youth's federal benefits. The landscape has shifted dramatically since then, however, and states across the country and across the political divide have gone far beyond what Maryland initially did and are moving to end the practice entirely. It is time for Maryland to finish the job it started.

How House Bill 768 Addresses the Problem. HB 768, as amended and passed by the House of Delegates, takes a phased approach that advances urgently needed reforms.

Beginning October 1, 2026, the bill requires the Department of Human Services to proactively screen every child entering care for potential eligibility for VA benefits, SSI, and Social Security benefits — within 60 days of the child entering care. Critically, this screening obligation is not a one-time event. The Department must also re-screen within 60 days after the child's attorney provides notice of a material change in circumstances likely to affect eligibility, as well as within 60 days of the child attaining certain specified ages. If the Department determines a child may be eligible, it must apply for benefits on the child's behalf. This ensures that children who are entitled to benefits actually receive them. This is a fundamental prerequisite to protecting vital benefits.

Beginning July 1, 2027, the bill takes the essential next step: requiring the Department to conserve any federal benefits received on behalf of a child in its custody. This provision will ensure that these benefits are preserved for the children to whom they belong, not used to offset the state's cost of providing care it is already obligated to provide. Although we believe this change should take effect immediately, this delayed approach sets the stage for success.

Conclusion. The child welfare system exists to protect and serve the best interests of vulnerable children — not to treat them as a revenue source. HB 768, as amended, takes a meaningful and responsible approach to ending this practice in Maryland and ensuring that foster youth leave care with the financial resources they need and deserve. We respectfully urge a favorable report.

Respectfully submitted,



Amy Harfeld
National Policy Director, Children's Advocacy Institute
University of San Diego School of Law