SB0658 - Family Law - Department of Human Services - Benefits for Children in Custody - Alterations
February 26, 2026
Position: FAVORABLE

Maryland Legal Aid submits written and oral testimony on SB0658 at the request of its sponsor, Senator Chris West.

Maryland Legal Aid asks that the Committee report **favorably** on SB0658, which alters the Department of Human Services (DHS)'s responsibilities as representative payee and fiduciary for certain children in foster care. It also requires the Department to use children's benefits in a manner consistent with the best interests of the child and their unmet, uncovered needs. Maryland Legal Aid serves residents in each of Maryland's 24 jurisdictions, providing free legal services to the State's low-income and vulnerable residents in a range of civil legal matters. Maryland Legal Aid is Maryland's largest civil non-profit law firm, representing vulnerable young people in Child in Need of Assistance (CINA) matters across the State. This proposed legislation is an important measure to provide financial support and stability to children and young people exiting foster care to adulthood.

Maryland Legal Aid's staff represent thousands of children in CINA and Guardianship ("TPR") proceedings throughout the state. Our attorneys represent children from infancy to young adulthood continuously, while under the jurisdiction of the juvenile court, including when the youth transitions from foster care to adulthood. As a result of its extensive work in the field, Maryland Legal Aid has expertise in matters concerning child welfare, children in foster care, and particularly, youth who are aging out of foster care.

The proposed legislation appropriately amends Family Law § 5-527.1 to further codify the decision in *Ryan W.* and clarify the obligations of the Department to the child and to child's counsel.[1] These proposed amendments are particularly important for children receiving U.S. Department of Veterans' Affairs benefits, Supplemental Security Income, or Social Security. For these federal benefits, the legislation obligates the Department to consult with the child's guardian ad litem or attorney to identify an appropriate representative payee or, where necessary, to seek appointment as payee itself. The Department must also monitor the designated payee and replace them if doing so serves the child's best interests.

This bill requires consultation with the child's attorney in selecting a representative payee, limits the use of a child's funds exclusively to unmet needs beyond what the Department or medical insurance must provide, and ensures that any remaining funds are conserved until the child exits foster care.

[1] *In re Ryan W.*, ("*Ryan W.*"), 434 Md. 577 (2013).

Under previous practices, the conservation of children's funds varied by age. The legislation strengthens financial protections by ensuring that children's benefits cannot be used to reimburse the State for the cost of care. Instead, the funds must be directed toward unmet needs or conserved for the child to support their successful transition into adulthood.

The challenges facing youth who exit foster care without permanent family connections are well-documented. Studies show that 22% to 30% of former foster youth experience homelessness during their transition to adulthood, compared to an estimated 4% lifetime prevalence among the general population. Additionally, one in five youth formerly in foster care have not earned a high-school diploma, vocational certificate, or license by age 21, according to the KIDS COUNT® Data Center.[2] By age 26, the earnings of youth aging out of foster care are 50% lower, and their employment rates 20% lower, than similarly educated peers.[3] These statistics highlight the significant barriers confronting these young adults and underscore the importance of preserving and appropriately using their financial resources.

Given these substantial challenges, ensuring that foster youth's benefits are used for their present unmet needs, or conserved for their future, is not only fiscally responsible but essential to supporting their long-term stability, development, and success as independent adults.

Maryland Legal Aid urges the Committee to issue a FAVORABLE report on Senate Bill 658 and urge its ultimate passage. If you have any questions, please contact: Erica I. LeMon, Advocacy Director for Children's Rights at elemon@mdlab.org (410) 951-7648 or (410) 935-0937.

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[2] Annie E. Casey Found., What Happens to Youth Aging Out of Foster Care (Feb. 25, 2025), https://www.aecf.org/blog/what-happens-to-youth-aging-out-of-foster-care.

[3] Anthony Bald, Joseph J. Doyle Jr., Max Gross & Brian A. Jacob, Economics of Foster Care, 36 J. Econ. Persp. 223 (2022).