

TESTIMONY IN SUPPORT OF SB 658:**Department of Human Services – Benefits for Children in Custody – Alterations**

TO: Hon. William C. Smith, Jr., Chair, and members of the Senate Judicial Proceedings Committee

FROM: Daniel L. Hatcher, Professor of Law, University of Baltimore School of Law

DATE: February 26, 2026

RE: SB 658 – Support

Dear Chairman Smith and members of the Committee:

Thank you for the opportunity to present testimony in support of SB 658. I have been a law professor at the University of Baltimore since 2004, including teaching the Civil Advocacy Clinic where students represent low-income clients. My research has received national attention, focusing on improving programs and policies for vulnerable children and impoverished adults—including extensive research regarding foster children’s Social Security Benefits. Prior to UB, I was an assistant director of advocacy and also staff attorney at the Legal Aid Bureau, representing adults in all areas of poverty law and representing children in foster care. I was also a senior staff attorney for the Children’s Defense Fund.

SB 658 is needed to protect foster children’s resources. My scholarship first exposed the harmful practice of foster care agencies taking children’s resources, and I have conducted [research regarding the issues addressed in this bill for over twenty years.](#)¹ Maryland’s foster care agencies (overseen by DHS) were created to serve and protect the best interests of vulnerable children. Unfortunately, the agencies have been subverting that purpose, taking foster children’s resources and requiring the children to pay for their own care. For help in taking the children’s funds, the agencies have worked with a private contractor, Maximus, Inc., who in a contract document referred to foster youth as a [“revenue generating mechanism.”](#)

SB 658 will help stop the harm to foster children. Foster care agencies have been searching for children who may be disabled or have deceased parents and therefore potentially eligible for SSI or survivor benefits. The agencies apply on the children’s behalf and then take control of the funds

¹ E.g., Daniel L. Hatcher, [Foster Children Paying for Foster Care](#), 27 Cardozo L. Rev. 1797 (2006); [Purpose vs. Power: Parens Patriae and Agency Self-Interest](#), 42 N. Mex. L. Rev. 159 (2012); [Stop Foster Care Agencies from Taking Children’s Resources](#), 71 Florida Law Rev. Forum 104 (2019).; Daniel L. Hatcher, *THE POVERTY INDUSTRY: THE EXPLOITATION OF AMERICA’S MOST VULNERABLE CITIZENS* (NYU Press, 2016); Daniel L. Hatcher, *INJUSTICE, INC: HOW AMERICA’S JUSTICE SYSTEM COMMODOFIES CHILDREN AND THE POOR* (UC Press, 2023).

by applying to become the children's representative payee. Then, although the agencies' core purpose is to serve and promote the welfare of children, the agencies divert the children's money to government revenue rather than using the funds for the children's individualized needs and best interests as intended. The agency rationale is to pay back the cost of foster care, but children have no legal obligation to pay for their own care. Disabled children desperately needing more help are denied assistance from their own funds. Foster children traumatized by their parents' deaths are then deprived of their survivor benefits, stopping the children from using their own money to help themselves and stripping the children of the invaluable emotional connection the benefits could have provided to their deceased parents.

Despite years of agency opposition to stopping the practice, Maryland became the first state to begin protecting foster children's Social Security and VA benefits through 2018 legislation, but the legislation unfortunately only protected benefits starting at age 14. Although DHS has always had the authority to protect all children's resources, the agency has continued to take part of the benefits of children over 14, and all the benefits of children under 14.

Now, most other states have taken steps towards protecting all foster children's resources through legislation—and [Kansas](#) stopped the takings through executive order. *Also, at the federal level, the encouragement of states to protect foster children's benefits has been bipartisan—by both the [last administration](#) and the [current administration](#).*

SB 658 should have a zero fiscal note and result in state savings. Foster children's Social Security and VA benefits belong to the children. Thus, if the state agency intended to protect children stops inappropriately taking the children's resources, such corrective action should not result in a fiscal note because the money never belonged to the state agency. Further, by foster children having access to their own funds to help in the transition out of care, state savings will result because the children will be more likely to succeed in the transition to adulthood—working and paying more taxes, and with reduced need for public assistance and reduced interaction with the criminal justice system.

I therefore submit this testimony in support of SB 658 and respectfully request a favorable report.