

**Department for Children and Families  
Family Services Division**

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*Agency of Human Services*

To: The Senate Committee on Health and Welfare

From: Aryka Radke, Deputy Commissioner, Department for Children and Families, Family Services Division (DCF-FSD)

Date: 04/23/2026

Subject: H. 657

The Family Services Division (FSD) appreciates the opportunity to provide our perspectives regarding H. 657. This memo outlines our analysis of certain areas of the proposed legislation that may benefit from additional considerations, and that we encourage the committee to examine further. We value the committee's ongoing dedication to supporting Vermont's children, youth, and families.

### **Social Security Benefits for Youth in Foster Care**

FSD is in support of ending the practice of applying a child/youth's social security benefits to the cost of their foster care placement. Currently, FSD uses approximately \$812K annually in social security benefits to pay for the cost of care for children/youth in custody; this number changes based on changes to the custody population. There are two types of social security benefits that each have their own regulations and must be addressed separately. Social Security Disability benefits are based on the qualifying condition of the child and is a need-based program, meaning that the child must be below a financial threshold to qualify for benefits. The other type is sometimes called "survivor benefits." They are derivative benefits paid to a child/youth based on the disability or death of their parent. These benefits are based on the amount the parent contributed to the social security system, and they have no financial thresholds, but are subject to their own specific regulations.

Due to past budget cuts, FSD has one staff person responsible for managing the social security program. Currently, between the two types of benefits, FSD serves 79 social security beneficiaries. Those 79 children/youth primarily entered foster care with those benefits. Because of our limited staff, we do not routinely apply for new SSI benefits, the exception being when a youth is 17 and about to leave foster care. We prioritize those cases so that the youth can leave custody with benefits, which will help them as they transition into adulthood. We also prioritize applying for survivor's benefits when it comes to our attention that a child may be eligible because one of their parents is deceased.

FSD applies to become the representative payee if it appears that the child/youth will remain in custody for an extended period of time. As representative payee, FSD tracks each child/youth's benefits on a month-by-month, child-by-child basis. We do not "pool" these funds and benefits for one



child/youth are never used for other purposes or for other youth. If a child/youth leaves foster care and their cost of care was less than their benefit amount, FSD refunds the excess funds to the caregiver (or youth depending on their age).

Family Services recommends the following adjustments to the language of the bill:

1. Operationally, the best way to achieve the goals in this bill is to implement an incremental approach to conserving all social security funds. For example, FSD has already done analysis of the impact of conserving funds for all beneficiaries aged 17 and above, we have also analyzed the impact of conserving a percentage of each child's benefits a year over several years, i.e. 25% of benefits conserved per year over 4 years. Adopting an incremental approach would allow DCF time to determine and finalize the procedures for this new way of managing benefits; there are a lot of details to figure out both logistically and from a case work perspective. An incremental approach would also spread the budget impact over time, rather than in one fiscal year. We are committed to moving toward the goal of not using benefits to cover the cost of care but are concerned that if we have to cut our budget to reach the full amount, we will impact programs that may be providing support to these very beneficiaries.
2. We recommend that implementation is delayed until 2028 to give DCF adequate time to create new processes and procedures in collaboration with the Office and Child Youth and Family Advocates, youth, and other stakeholders.
3. As stated above, the two types of benefits have very different requirements, and we will not be able to use the same procedures for both as described in the language of the bill. For example, ABLE accounts are designed for use by SSI beneficiaries and are not available to those who receive survivors' benefits. For that reason, FSD will need two separate and distinct procedures for the different types of benefits. Our recommendation is for the language of the bill be less prescriptive as to how to enact this change but rather include language that moves us toward the goal while allowing that there are many details to be figured out and that a variety of approaches will be necessary.
4. We understand the desire to pursue an appeal when an application for benefits is denied. As stated above, our capacity to pursue new SSI claims is very limited. We have committed our limited resources to pursuing benefits for youth approaching 18. We would need additional staff to expand our initial applications to a broader pool, if the intent of this legislation is that DCF completes more initial applications for benefits. This is especially true if we are also required to pursue an appeal whenever there is a denial of benefits. The work of managing the ledgers and ongoing reporting requirements, not to mention the annual Social Security audit, is more than a full-time job for the current staff person. There is no capacity to add to the current staff the labor-intensive work of applying for new SSI benefits and then appealing denials, though we understand and acknowledge the importance of that work.
5. We seek clarity on how the bill would apply to youth in foster care who have received benefits prior to this change. Once enacted, does it apply to all benefits already received for current beneficiaries who are in custody, or would it only apply to all future benefits received from the effective date forward?

A formal mark-up of the bill's language is attached to this memo.

## Unaccompanied Homeless Youth

FSD is concerned that this bill presents the potential for a statistically vulnerable population of young people to be at an increased risk of human trafficking. In support of this assertion, FSD urges the Committee to reference a [2016 study](#) completed by Laura T. Murphy (*Murphy, Laura T. "Labor and sex trafficking among homeless youth." Report no. A (2016)*) that details the increased risk of homeless youths to be victimized through labor and human trafficking. Although this study is ten years old, it is relied upon by experts within the human trafficking field.

FSD recommends that, to mitigate this risk, the bill shall require that any person or entity responsible for formally designating a youth as "unaccompanied and homeless" verify that the youth is not a minor who has left home without parental consent, has not been reported missing to the National Center for Missing and Exploited Children, and is not entered into the Federal Bureau of Investigation's National Crime Information Center Missing Person File. The bill shall further require that, if the youth is determined to be unaccompanied, a human trafficking screening and consultation be conducted by statutorily designated experts or qualified entities.

FSD is aware that many of the certifying entities already face certain training requirements in order to draw down federal funding for their agencies. However, FSD believes that mandating validated training, screenings for youth, and additional background checks would be a relatively minor addition to the bill, while offering a substantial positive impact for both certifying agencies and the youth being certified as unaccompanied. These added safeguards, recommended by FSD's human trafficking expert, would help ensure that a well-intentioned bill does not result in significant unintended, potentially life-altering consequences for vulnerable youth, and may also help mitigate FSD's involvement with unaccompanied youth.

Deliberations in the House reflected a recognition of the need to strengthen protective measures, including ensuring that youth are not unaccounted for or placed in circumstances that heighten their vulnerability. This discussion further supports the incorporation of enhanced safeguards to promote accountability and the well-being of youth being certified as unaccompanied.

### **Transportation, Restraints, and Seclusion:**

This bill seeks to codify restrictions on the tools service providers use to maintain safe care environments. Many of the provisions reflect existing regulatory standards and align with the values guiding FSD's work. FSD appreciates the committee's efforts to address individually identified concerns throughout the bill.

While FSD supports the intent to ensure strong protection for youth in care, there are concerns that the bill's approach could have broader implications for the Department's system of care. DCF is concerned that certain restrictions may affect its ability to maintain existing contracts or develop new agreements with transportation and residential service providers which could result in reduced availability of these services for youth in care. Because DCF holds contracts for certain programs and services utilized by the Department of Mental Health (DMH), these impacts will also extend to DMH's youth system of care, potentially reducing availability of youth mental health services – particularly for out-of-state residential programs.

FSD recognizes that the committee heard testimony describing strip searches and the use of mechanical restraints on children in ways that suggest significant undue trauma and lasting impacts. We take these concerns and testimonials seriously.

Our foremost priority is the safety and well-being of the children and youth in our care. Practices such as strip searches are used only in rare circumstances, and only when there is an immediate risk of serious harm to the young person or to others.

FSD encourages our partners, when considering testimony about children who may or may not be in our care, to approach the information with curiosity, and to seek any additional context or clarification that may be helpful, so that conversations and decisions are grounded in a clear and accurate understanding. Family Services is deeply committed to child safety and to engaging in open, transparent dialogue about our practices.

## Section 2: DCF-FSD Proposed Mark-Up

Sec. 2. 33 V.S.A. § 4902 is amended to read:

### § 4902. DEFINITIONS

As used in this chapter:

- (1) “Child” means a person under 18 years of age committed by the Family Division of the Superior Court to the Department for Children and Families.
- (2) “Commissioner” means the Commissioner for Children and Families.
- (3) “Department” means the Department for Children and Families.
- (4) “Foster care” means care of a child, for a valuable consideration, ~~in a child care institution or in a family other than that of the child’s parent, guardian, or relative~~ who is in the custody of the Commissioner of the Department for Children and Families, regardless of where they are living.
- (5) “Qualified ABLÉ account” means an ABLÉ account, as that term is defined in section 8002 of this title, or an account established pursuant to a qualified State ABLÉ program created under 26 U.S.C. § 529A.
- (6) “Representative payee” means the person appointed by the Social Security Administration to manage Social Security benefits for a child.
- (7) “RSDI benefits” means a child’s retirement, survivors, or disability insurance benefits under 42 U.S.C. chapter 7, subchapter II.
- (8) “Social Security Act” means the Social Security Act, 42 U.S.C. chapter 7, as amended.
- (9) “Social Security benefits” means a child’s RSDI benefits, SSI benefits, or both.
- (10) “SSI benefits” means a child’s Supplemental Security Income benefits under 42 U.S.C. chapter 7, subchapter XVI.

**Sec. 3. 33 V.S.A. § 4907 is added to read:**

### § 4907. FOSTER CARE; SOCIAL SECURITY BENEFITS

- (a) The Department shall not use any portion of a child’s Social Security benefits to offset the State’s costs for the child’s maintenance ~~except as necessary to maintain the child’s eligibility for SSI benefits and to avoid violation of federal asset or resource limits.~~
- (b) Upon the request of the child or the child’s foster care provider, the Department, in its capacity as representative payee for a child, shall consider the request and make a determination, in its discretion and according to Social Security regulations, whether to ~~the may~~ use the child’s Social Security benefits for the child’s unmet needs beyond the amount that the State is obligated, required, or agrees to pay for the care of the child. No funds may be used or obligated in the absence of approval by the Department.

(c) In its capacity as representative payee for a child and with the assistance of the State Treasurer, the Department shall:

(1) establish a trust account for the child, which shall be a qualified ABLE account for any child receiving SSI benefits;

~~(2) monitor federal asset and resource limits applicable to the child's SSI benefits;~~

(3) ensure that the child's best interests are served by using the child's Social Security benefits for the child's unmet needs or conserving the child's Social Security benefits. ~~in a manner that avoids violating federal asset or resource limits affecting the child's eligibility for SSI benefits;~~

(4) appeal any denied application for SSI benefits submitted on behalf of a child through the administrative level of review; and

(5) provide an annual accounting of the use, application, or conservation of the child's Social Security benefits, including any payments made under subsection (b) of this section, to the child; the child's parent, legal guardian, or counsel; the Family Division of the Superior Court; and the Office of the Child, Youth, and Family Advocate.

(d) This section shall be effective on July 1, 2028 or when the Department has ensured appropriate systems and funding for the preservation and management of these social security benefits, whichever is sooner. As of July 1, 2028, the Department shall have 4 years to reach 100% implementation, adopting a phased approach to implementation. The phased approach used to reach 100% will be determined by the Department and stakeholders.