Office of the Child Advocate
State of Rhode Island
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HOUSE COMMITTEE ON FINANCE

May 20, 2025

Thank you, Chairman Abney and members of the Committee, for the opportunity to provide testimony today in support of House Bill 5077 which will require the Department of Children, Youth and Families (DCYF) to establish segregated savings accounts for a foster care child receiving social security benefits, supplemental security income, veteran benefits or railroad retirement benefits, which payments would be exempt from the asset limits in order to manage the accounts and keep the child eligible for future benefits.

My name is Katelyn Medeiros, and I am the Child Advocate for the State of Rhode Island. I am the Director of the agency which serves as the oversight agency to DCYF. As the oversight agency, we monitor the case of each child and young adult open to the Department to protect their legal rights and to promote policies and practices which ensure that youth are safe, and that their physical, mental, medical, educational, emotional, and behavioral health needs are met.

Many youth in foster care face financial instability due to circumstances beyond their control. According to research by Fostering Families Today, there are instances where a child loses a parent or guardian, only to have the Supplemental Security Income (SSI) death benefits intended for them, diverted to foster care agencies or other custodians. The failure to direct these funds to the youth they were intended for undermines their financial security and hinders their ability to transition smoothly into adulthood. Direct payment of SSI death benefits will allow these youth to manage their finances, cover personal need costs, and build independence as they transition out of the foster care system.

Currently, federal law dictates that the Social Security Administration appoint a representative payee for children in foster care who are eligible for SSI benefits. However, the handling of these funds varies significantly between states and even individual cases. Best practice indicates that funds directly benefit of the child, including their education and special needs. Ensuring that these funds go directly to the youth can mitigate these risks, providing a safety net for the child during the tumultuous years of adolescence and their eventual transition to adulthood.

According to an evaluation completed by the Children's Advocacy Institute looking at the practices all 50 states and the District of Columbia, there is a national call to action to prohibit child welfare agencies from using the assets or benefits of a youth in foster care to reimburse for placement costs. Additionally, bipartisan legislation efforts are underway to protect the best interest of the child by ensuring financial benefits are used in consultation with the child and their attorney. States across the country are working to promote and elevate the best interest of youth in foster care, requiring child welfare agencies to preserve the child's benefits.

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States including Washington, Oregon, California, Arizona, Alaska, Hawaii, New Mexico, Nebraska, Illinois, District of Columbia, Maryland, New Jersey, and Connecticut have enacted reforms of current practice to varying degrees. In 2024, Oregon, Arizona, New Mexico, and Illinois implemented the most intensive reforms addressing this critical issue.

It is important to note that the intent of this legislation is not only to ensure financial support but also to empower youth as they navigate the challenging process of aging out of the foster care system. Additionally, ensuring these accounts are protected will be critical to safeguard their ability to access other critical benefits. Providing direct access to benefits supports the youth's ability to manage finances, make informed decisions about their future, and plan for independent living. Promoting financial literacy and independence is vital for youth in care to succeed as adults.

This legislation represents an important step forward in protecting the rights and interests of youth in foster care. By ensuring that SSI death benefits are directed to youth directly, we are offering these young people the dignity, autonomy, and support they deserve. The proposed bill will not only address immediate financial needs but will also serve as a critical tool in helping youth prepare for their transition to adulthood with greater security and self-sufficiency. The financial impact of this proposed change is estimated to be just under one million dollars or roughly $12,000 per young person.

I would like to thank Representative Casimiro for her advocacy in sponsoring this legislation. Additionally, I want to recognize the advocacy of Sylvia Parrot and partners in this advocacy including Foster Forward, the Economic Progress Institute, Amy Harfield from the Children's Advocacy Institute, the Annie E. Casey Foundation, and Think of Us.

The OCA supports and urges passage of House Bill 5077 to require DCYF to establish protected savings accounts for children in state care receiving social security benefits, supplemental security income, veteran benefits, or railroad retirement benefits. We thank you for your continued support of children and families involved with the child welfare system in Rhode Island.

Sincerely,

Katelyn Medeiros

Katelyn Medeiros, Esq.
Acting Child Advocate