



Office of the Child Advocate

State of Rhode Island

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SENATE COMMITTEE ON FINANCE

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Thank you, Chairman DiPalma and members of the Committee, for the opportunity to provide testimony today in **strong support** of Senate Bill 2841 which would mandate Department of Children, Youth & Families (DCYF) protection for benefits owed to children and youth in foster care.

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 through no fault of their own. Federal benefits including Social Security benefits, Supplemental Security Income (SSI), veterans' benefits, and railroad retirement benefits, received by children and youth in care, are intended to support their basic needs and well-being. Yet too often, these funds are diverted to child welfare agencies rather than reaching the young people they are meant to serve, undermining financial stability and restricting successful transitions into adulthood. The OCA fully supports nationwide advocacy efforts to halt this practice in every state, including Rhode Island, guaranteeing that youth are protected when they exit state care by having access to the federal benefits to which they are entitled. Direct access to these federal benefits would allow young people to meet their personal needs, invest in their education, and begin building financial independence. These funds can provide a meaningful foundation for stability and self-sufficiency at a critical state in development.

The OCA seeks to align protections for other federal benefits received by foster youth, including veterans' benefits and railroad retirement benefits, and we recommend they be included through amended language in Senate Bill 2841.

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

On December 11, 2025, the Administration for Children and Families (ACF) at the U.S. Department of Health and Human Services sent a letter to Governors, including Rhode Island, calling for states to cease the process of child welfare agencies intercepting federal benefits to reimburse their own costs. Additionally, ongoing litigation raises

questions about whether this practice violates the constitutional rights of children in state care. Arguments have been made that this practice specifically violates the Equal Protection Clause and the Due Process Clause.

Pursuant to the Equal Protection Clause, these practices single out children in foster care who are disabled and those who have a deceased parent requiring just that subset of children to pay for their own care. For the most part, children outside these classes of children in foster care are allowed to keep their assets and resources intact while in care. Appropriating the benefits for children in foster care confers inferior status due to their disability and constitutes discrimination that should be assessed rigorously and with heightened scrutiny. Regarding the Due Process Clause, children have a right to notice and be provided the opportunity to be heard when a government entity seeks appointment as a child's fiduciary to control their federal benefits, is so appointed, and then spends those benefits. Notice and the opportunity to be heard are fundamental components of due process, however, very few states are engaging in either when using a child's benefits to offset the cost of care for the child.

The OCA is firmly committed to protecting the legal rights of children and youth involved with DCYF. Taking proactive steps to address this issue through legislative change, would not only strengthen protections for vulnerable children, but also align our practices with emerging legal standards, reduce the risk of potential litigation in the future, and conform with the current recommendations from the ACF.

A national evaluation by the Children's Advocacy Institute (CAI) highlights the urgency of this issue, calling for reforms that prohibit child welfare agencies from using a young person's benefits to offset placement costs. Across the country, bipartisan efforts are underway to protect these funds ensuring they are used in consultation with the youth and, when appropriate, their legal representatives. CAI reports that to date, ten (10) states and jurisdictions, including Massachusetts, have enacted reforms to conserve all social security benefits. Twenty-three (23) states and jurisdictions have enacted partial reforms, including Connecticut and New Hampshire. Fifteen (15) states and jurisdictions have pending legislation, and six (6) have recently introduced legislation or proposed executive action that has not been codified. This marks the third consecutive year that legislation has been proposed to reform this practice in Rhode Island, yet meaningful change remains long overdue. The moment to act is now.

We ask that the voices and lived experiences of the children and youth directly impacted by this practice, are elevated as advocacy for Senate Bill 2841 moves forward. Young people involved in the child welfare system through no fault of their own are disproportionately burdened, often bearing the financial cost of their own care. This responsibility should never rest on their shoulders. Ensuring that youth have access to these funds upon their exit from state care is not merely a corrective measure; it is an essential investment in their stability, opportunity, and long-term success.

This legislation represents more than financial support—it is about equity, dignity, and opportunity. Protecting these benefits ensures that youth exiting foster care have the resources they need to secure housing, pursue education, and plan for the future, while safeguarding their eligibility for other critical assistance programs. Just as importantly, it promotes financial literacy and empowers young people to make informed decisions as they move toward independence.

Youth experiencing the foster care system are more likely to be homeless, incarcerated, or re-enter the child

welfare system as parents than their peers who have not experienced the foster care system. Rhode Island has been a leading state in many ways, and we have the opportunity to join neighboring states in making meaningful, lifelong changes for young people. Ensuring that their entitled federal benefits are available to them as a resource when they exit care will change the trajectory of their life.

This bill represents a meaningful step forward in aligning policy with the best interests of youth in foster care. When federal benefits are preserved for their intended recipients, we can support stability during a vulnerable time and equip young people with the tools they need to succeed. This comprehensive reform effort is estimated to cost about \$1.2 million per year, or roughly \$12,000 per young person, representing a relatively modest investment with the potential to deliver meaningful, lasting outcomes. We recognize the significant fiscal pressures facing the legislature this session. Even so, young people should never have to shoulder the burden of resolving DCYF's financial challenges. We urge DCYF to consider leveraging Title IV-E funds to help offset these costs, as other states have successfully done.

I would like to thank Senators Lauria and DiMario for their advocacy in sponsoring this critically important piece of legislation. I would also like to thank the Children's Advocacy Institute, the Annie E. Casey Foundation, and Think of Us for their nationwide advocacy on this issue. Additionally, and most importantly, I want to recognize the advocacy of our young people and their families who have been impacted by this practice.

The OCA strongly supports and urges passage of Senate Bill 2841 to mandate DCYF protection for benefits owed to children and youth in foster care. We thank you for your continued support of children and families involved with the child welfare system in Rhode Island.

Sincerely,



Katelyn Medeiros, Esq.
Child Advocate

Toolkit for Advocates and Legal Representatives

THE PROBLEM

Up to 80k

Foster youth who are disabled or have a deceased parent are either receiving or may be eligible for Social Security or other federal benefits

\$16,031

Average amount of benefits that accrue to each impacted foster youth beneficiary

Federal and state law require that these benefits – the private property of the child – be used to meet the child's unmet current needs or saved for their future needs. Yet most foster care agencies routinely apply for and then covertly intercept foster youth's benefits to supplant their own fiscal obligations, providing no additional benefit to the child. Most impacted foster youth will never know about their benefits or see a dollar of their money as they struggle to achieve self-sufficiency.

CURRENT OUTCOMES ARE DISMAL & COSTLY

In addition, disabled youth are projected to earn an additional 37% less than their non-disabled peers over their lifetimes.

40%
face homelessness
within 2 years of
leaving care

<3%
obtain a
bachelor's
degree

71%
of young women
will be pregnant
by age 21

43%
are
unemployed at
age 21* AECF

Costs avoided if young people transitioning from foster care had outcomes similar to non-foster care peers: \$4.1 BILLION

POLICY REFORM CHANGES LIVES

ONE CHILD'S BENEFITS (\$16K) AMOUNTS TO:



10.4 MONTHS RENT FOR A ONE BEDROOM¹



2.8 YEARS COST OF COMMUTING TO WORK²



1.6 YEARS TUITION AT PUBLIC STATE UNIVERSITY³



1.4 YEARS OF CHILDCARE⁴

¹ The average monthly rent in the United States for a one-bedroom as of October 2025 is \$1,630

² The average commuter pays \$5,748.50 annually to commute to work in 2023

³ The average annual cost of tuition and required fees for a first-year college student at a public in-state school in 2022-2023 is \$9,833

⁴ The national average price for childcare in July 2023 is \$11,582

THE SOLUTION

Advocates and legal representatives must take steps to protect foster youths' benefits, including:

- **CHECK** to see if your client is eligible for or receiving federal benefits, who is serving as Rep Payee, and whether agency has used or conserved benefits.
- **COUNSEL** your client about their benefits, their rights, and discuss their unmet current and future needs.
- **REQUEST** an accounting of all your client's benefits and regular meetings between rep payee and child w/attorney/GAL to discuss child's needs and interests.
- **IDENTIFY** an alternative representative payee who has your client's best interest at heart, apply for a change, and seek to establish an exempted account to conserve benefits if appropriate.
- **DEMAND** fiduciary accountability for agency payees and consider raising misuse of funds, breach of fiduciary duty, and violations of due process and equal protection. Request refund of client's benefits.
- **ADVOCATE** for your client's rights and for larger policy reform at the state and local levels.

LEARN MORE, GET STARTED

Check Where Your State Stands:

- View our [interactive map](#)

Take Action For Your Client:

- Send [sample letters to the child welfare agency](#) for information on your client's benefits, use of their funds, requesting notice, help establishing an ABLE account, etc. *Courtesy of Youth Law Center*
- Learn more about the [Representative Payee Program](#), Submit a [change in Representative Payee request to SSA](#), if appropriate, and [View SSA's Foster Child Rep Payee Resource Hub](#)
- Research [different account options to save or conserve your client's benefits](#)
- Consult [these additional resources](#)

Advocate for Policy Reform:

- Review [Toolkit for Preservation of Youth Benefits](#) for templates, letters, sample op-eds, sample social media posts and other tips *Courtesy of the Center for the Rights of Abused Children*
- Contact [your state representative or senator](#)
- Learn [more about this issue and reform efforts](#)
- **Keep Current:** view [national and local news](#) including coverage by the following outlets:



Children's Advocacy Institute
www.caichildlaw.org



STATE

Foster kids are entitled to benefits. For years, RI has been pocketing the money.



Katie Mulvaney

Providence Journal

April 28, 2026, 6:29 a.m. ET

- Rhode Island is considering legislation to stop the state from using federal benefits intended for foster children to cover agency costs.
- The proposed law would require the state to place these funds into savings accounts for the children's future needs.
- Advocates argue this money could be life-changing for youth aging out of foster care, helping with housing, education, and other expenses.

Renee Gomes found herself on her own at age 18, grabbing shelter with any friends who would have her.

Born to a mother with addiction issues, she spent the bulk of her childhood in residential care due to her mental health and behavioral struggles.

“I was couch surfing. I was homeless. I had a lot of trauma,” Gomes, now 41, said.

Years later, as she was getting clearance from the state Department of Children, Youth and Families to become a peer recovery specialist, she discovered that her case as a former foster child had remained open until she was 21, despite her adoption. She had never met a caseworker, received federal survivor’s benefits, Social Security or any support at all. An adoptive sister told her dismissively at her father’s deathbed that she received disability benefits, she said.

“It’s baffling. I wasn’t living at home. Were they collecting money?” she said. She wondered about benefits foster children can receive through age 21, even those who are adopted.

Gomes contemplates what she might have done with that money. Maybe she would have enrolled in college earlier, secured housing – anything that would have helped her transition to adulthood. Her adoptive siblings made it impossible for her to live at home, she said.

“I probably wouldn’t have turned to the bottle,” said Gomes, who lives in Woonsocket and is now nine years into her recovery, working as a peer recovery specialist.



Federal benefits for foster kids are going to the state

Rhode Island currently uses the benefits some foster children are entitled to receive to provide basic needs and support services to the children in foster care, Barbara Francella, DCYF spokeswoman, said.

As of early April, DCYF was the representative payee appointed to manage SSI and/or Retirement, Survivors and Disability Insurance (RSDI) benefits for about 114 children.

DCYF doesn't currently track SSI and/or RSDI benefit status for youth when they are not the representative payee, she said.

But a bill has been filed in the General Assembly this year that would preserve those benefits, rather than divert them to the state.

“We know that these kids are disadvantaged when they exit the care of the state,” said [Sen. Pamela J. Lauria](#), an East Bay Democrat and [lead sponsor of the Senate bill](#). “I think it could make a great impact.”

The legislation would establish Achieving a Better Life Experience Act accounts, otherwise known as ABLE accounts, or another financial vehicle to secure federal benefits for the foster children’s futures through the Rhode Island Treasurer’s Office.

"The treasurer's office works to help people of all ages build financial stability, no matter their situation. This bill would allow DCYF to open savings accounts, like an ABLE disability savings account or a 529 college savings plan for children in state care," Treasurer James Diossa said in an email. "Kids in foster care should have the same chance to save money as others, and if they receive federal benefits directly under this bill, they should be able to use them in the way that benefits them most."

'It's life changing amounts of money'

According to the [Children's Advocacy Institute](#) at the University of San Diego, an estimated 40,000 to 80,000 children in foster care are eligible for or receiving Social Security disability, survivor, or other benefits. Under federal law, those benefits must be used in the child's best interest for unmet needs.

About 20,000 of those youths exit foster care without a permanent family each year, according to [the Annie E. Casey Foundation](#). They must forge their own way, often alone, and are more likely to experience hardships such as homelessness, joblessness, early parenthood and substance use.

The legislation aims to secure money that could serve as a lifeline for them by covering housing, food, healthcare, and transportation expenses. A car, apartment and education could be within reach.

"It's life changing amounts of money," [Rhode Island Child Advocate Katelyn Medeiros](#) said. "To me, we have a chance to be proactive. We know it's the right thing to do."



'Number one priority'

The measure is Rep. Julie Casimiro's number one priority this session. [Casimiro, D-North Kingstown, Exeter](#), has submitted legislation on the House side to secure benefits for the children for the past three years.

"\$1.2 million should not be a heavy lift," Casimiro said, adding that those benefits are now going to the bottom line at DCYF, whose budget has grown to \$405 million even as the number of foster children declines.

Trump administration's backing makes for interesting political alliance

President Donald Trump's administration is opposed to states diverting benefits to offset agency expenses – a practice they argue runs "contrary to the best interests of children."

Rhode Island was among 39 states that [received a letter in December 2025](#) stating that the government intends to stop the diversion of benefits. The Dec. 8 communication to Gov. Dan McKee referenced First Lady Melania Trump's "commitment to the well-being of America's most vulnerable children" as captured in the executive order "Fostering the Future for American Children and Families."

"Among the most vulnerable children are those who have deceased parents, some of whom might be eligible for federal survivors benefits. These benefits could be the last, or only, financial support deceased parents can provide to their children," wrote Alex J. Adams, assistant secretary for the Administration of Children and Families. The letter lamented that those dollars were being absorbed by state agencies, like DCYF.

Francella, spokeswoman for DCYF, acknowledged the letter, but emphasized that it recommended, but did not mandate, that states end the practice.

"By the time this letter was received, DCYF had already prepared and submitted its upcoming budget request. It is a constrained budget year that also includes costly high priorities, such as \$4.4 million to implement the next year of reforms under the federal consent decree concerning children's behavioral health," Francella wrote in an email.

She said DCYF would work to implement the initiative if funding is available to support it. The state opposed similar legislation last year based on the "substantial strain" it would put on agency resources.

'Bad things happen'

Jorge Armesto, a clinical psychologist, had a front-row seat to what the transition from state care to adulthood looks like in Rhode Island as a member of the Parole Board for nine years.

“You see all these cases of youth who age out and they have no resources and bad things happen,” Armesto said.

“We sort of drop them like hot potatoes and we expect them to figure it out. They can make it. They need much more support,” he continued.

The state has the misconception that it’s saving money by diverting the benefits, he said.

“They’re not really saving money if they are spending it on prison,” Armesto said.

What the legislation would mandate

- The state would screen children in their care to determine if they are eligible for federal benefits and apply, if so.
- An account would be established to preserve the benefits on behalf of the child to be used toward their transition to adulthood. The state would notify the child’s legal representative about the benefits and act as fiduciary.
- DCYF would be prohibited from using such benefits to reimburse the state for the child’s placement in foster care.
- DCYF would provide youth with ongoing financial literacy training and support, beginning at age 14.

Work is under way to ensure that the House and Senate bills align. The law would be effective Jan. 1, 2028.

National advocacy sparks change

Rhode Island is not an outlier. It is among 15 states considering legislation reforming the practice, with more than 22 states enacting at least partial remedies, according to the Children’s Advocacy Institute. The Senate legislation is modeled after [a law Massachusetts enacted](#) last year.

“Most of these young beneficiaries have no idea,” [Amy Harfeld, a policy advocate at the Children’s Advocacy Institute](#), said. The benefits represent the “difference between scrambling for the next couch.”

“To fund agencies off the backs of these people is damning,” Harfeld said.

Local organizations in support

The proposal has the support of Rhode Island organizations that work firsthand with vulnerable foster youth.

“I support the legislation. I would like to see the young people have what is rightfully theirs to use when they exit foster care,” Darlene Allen, executive director of Adoption Rhode Island, said in an email.

Rhode Island Office of the Child Advocate is also rallying behind it.

“Preserving federal benefits could be life-changing when youth exit state care to independence, providing a solid financial foundation for housing, food, education, and stability during an already vulnerable transition to adulthood. Instead, many never see a dollar, as many child welfare agencies across the nation use these funds without their knowledge to cover foster care costs,” the office said in a statement.

“Protecting federal benefits for youth in care is not only the right thing to do, but it can also be the difference between stability and hardship at one of the most critical moments of their lives,” the office said.