Economic Justice for Kids in Foster Care Act

Legal Aid is building a coalition to help pass A. 8036/S. 7778[1], a critical bill that would require Local Social Services Districts to use and conserve all federal benefits on behalf of kids in foster care, disrupting cycles of poverty that exacerbate and increase foster care involvement. Please see below for additional information. If your organization is interested and able to sign on, or if you have any questions, please reach out to Anna Blondell (ABlondell@legal-aid.org).

Why kids and families affected by foster care need A.8036 / S.7778:

Since 2011, New York City's Administration for Children's Services (ACS) has routinely screened children entering foster care to identify those eligible for federal Social Security benefits—either due to a parent's death or a qualifying disability. Without notifying the child, family, or their attorney, ACS applied for the benefits, had itself assigned the child's "representative payee" entrusted with managing the funds, and kept the money.

Each year, ACS identified hundreds of children, some of whom had been receiving benefits prior to entering foster care, and rerouted millions of dollars in Title XVI Supplemental Security Income ("Disability") benefits and Title II Old-Age, Survivors, Disability Insurance ("Survivors") benefits. The longer a child remained in foster care, the more of their money went to ACS. ACS used the money to pay itself for providing foster care services.

While ACS has recently made limited policy changes in response to advocacy, key elements of the problematic practice persist. Additionally, it is not clear which New York State jurisdictions, beyond ACS, are also conducting a similar problematic practice. We must ensure that in New York State, every dollar owed to a child because of a disability or the loss of a parent is used to meet that child's needs – not to subsidize government operations.

What the bill does:

The **Economic Justice for Kids in Foster Care Act (A.8036 / S.7778)** ensures that children in foster care across New York State benefit from the federal funds intended for them. The bill would require local social services districts (LSSDs) to:

- Screen all children for federal benefits eligibility upon entry into foster care, and at regular intervals thereafter;
- Work with the child, Attorney for the Child, and family to identify the most appropriate representative payee;
- Notify the child, Attorney for the Child and parents/guardians about any action taken to apply for or manage the benefits;

[1] This is the 2025-2026 bill number. We expect to reintroduce in 2027.

- Apply for benefits promptly when eligibility is established.

If no suitable family member can serve as payee, the LSSD may do so—but must:

- Use benefits solely for the child's unmet needs, above and beyond what foster care funding already provides;
- Conserve remaining funds in an account that will not jeopardize the child's future benefit eligibility;
- Report regularly to the child and their attorney on all activities related to the funds.

For older youth and those preparing to leave foster care, the bill also requires LSSDs to:

- Develop a transition plan to continue benefits after discharge and turn over all conserved funds.
- Assist youth over 18 in becoming their own representative payees whenever possible.
- Provide financial literacy training to youth and family members who will manage benefits.

Why this bill matters:

Title XVI Supplemental Security Income ("Disability benefits") supports children with disabilities whose families have limited means, as the cost of disability is often high and unpredictable and some disabilities present challenges to obtaining and retaining employment. Title II Old-Age, Survivors, Disability Insurance ("Survivors benefits") provides for children whose parents have died or become disabled – funded through the parent's payroll contributions. In other words, families have already paid for these benefits.

Allowing agencies to seize these funds perpetuates intergenerational poverty and exacerbates the instability that foster care is meant to alleviate. This bill restores fairness and ensures that federal benefits serve their intended purpose: to improve the lives of individual children.

Join us!

We invite you to stand with us in this fight for economic justice for children and families entangled in the foster care system. We welcome the opportunity to meet, answer questions, and explore ways your organization can join the coalition supporting **A.8036 / S.7778**.