

# Senate Health and Human Services Committee

*Sophie Walsh 271-3469*

**HB 661-FN**, relative to the department of health and human services management of social security payments, supplemental security income payments, and veterans benefits for children in foster care.

**Hearing Date:** March 25, 2026

**Time Opened:** 9:03 a.m.

**Time Closed:** 9:49 a.m.

**Members of the Committee Present:** Senators Rochefort, Avard, Birdsell and Long

**Members of the Committee Absent:** Senator Prentiss

**Bill Analysis:** This bill establishes requirements for the management of federal benefits received by dependent children in the custody of the department of health and human services. This bill provides for appointment of a representative payee, which may be the department if no other suitable candidate is available. This bill also directs the department to adopt procedures regarding establishment of ABLE accounts for dependent children for whom the department is representative payee.

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**Sponsors:**

Rep. Wallner

Rep. Mooney

Rep. DeSimone

Rep. Rice

Sen. Rosenwald

Sen. Long

Sen. Rochefort

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**Who supports the bill:** 163 people signed in support of the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh ([sophie.walsh@gc.nh.gov](mailto:sophie.walsh@gc.nh.gov)).

**Who opposes the bill:** 2 people signed in opposition to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh ([sophie.walsh@gc.nh.gov](mailto:sophie.walsh@gc.nh.gov)).

**Who is neutral on the bill:** 2 people signed in neutral to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh ([sophie.walsh@gc.nh.gov](mailto:sophie.walsh@gc.nh.gov)).

**Summary of testimony presented:**

Representative Mary Jane Wallner, Merrimack – District 19

- Representative Wallner explained that this bill's journey began 4 years ago, when she learned of a report about states taking children's Social Security

payments while in foster care. Many states are now making efforts to preserve these funds for the children to access when they age out of foster care.

- In HB 1598, the legislature agreed to have a consultant prepare a report for the Department of Health and Human Services (DHHS) to serve as a guide to implement this policy in New Hampshire. That report was used to design this bill.
- House Finance – Division III amended this bill to utilize an implementation timeline to phase this initiative in over time. Representative Wallner referenced written testimony including a timeline, noting that the first step would occur in June 2027, but the bill would not be fully implemented until July 2028. She noted that the major fiscal impact of this bill will happen in the next budget cycle.
- Children only receive Social Security benefits if they have a disability themselves, have a parent with a disability, or have a deceased parent. Of the approximate 1,500 New Hampshire children in foster care, only 200-250 of them are receiving these benefits.
- Representative Wallner read a letter from a young man named Dawson Hayes who used to be in the foster care system. He lived in several foster homes, and each time the Division for Children, Youth, and Families (DCYF) became payee of his Social Security benefits. DCYF had received \$16,132 over a period of roughly 3 years on his behalf, and Mr. Hayes sees this as unfair because they already receive funding for the care they arrange for foster children. He questioned why only foster children entitled to these benefits essentially must pay for their own foster care, and emphasized that this money should have been saved for his benefit.
- Fewer than half of foster children graduate high school, and only 3% get a college degree. 22% of foster children experience homelessness at some point in their first year out of care.
- Representative Wallner emphasized that these funds should be preserved for when these children leave foster care, so they do not become homeless and can pay for further education and housing. She said this is a policy New Hampshire should be proud to establish.
- Representative Wallner noted that the federal administration is now urging states to assess their policies and make changes to it. She referenced a letter from the Administration for Children & Families submitted to the Committee and noted that they are in favor of seeing this change nationwide.

Representative Maureen Mooney, Hillsborough – District 12

- Representative Mooney stated that she is speaking in support of the bill. She emphasized that a lot of work has been done to get this to a manageable level.

- Approximately 250 of the 1,500 New Hampshire children in foster care receive federal benefits. Under current law, those benefits go toward the children's foster care. Under this legislation, those benefits would be put into a separate account to be accessible to the child once they leave foster care.
- An executive order has been issued by President Trump encouraging states to take action similar to this legislation, so that foster children will be given an edge when they leave foster care. A letter was also sent to governors from Assistant Secretary of the Administration for Children & Families encouraging similar action to be taken as well.
- This bill has a cost of approximately \$280,000, as a consultant must be hired. Representative Mooney noted that this is new territory for the state, as this creates Achieving a Better Life Experience (ABLE) accounts, sorts out payee appointments, and encourages the Department of Health and Human Services to seek any federal funds available.
- Representative Mooney noted that there is a specific clause indicating that only those in foster care from the time of this bill's passage and into the future may have access to these accounts. It prohibits anyone previously in foster care from seeking benefits from the state.

Representative Debra DeSimone, Rockingham – District 18

- Representative DeSimone stated that she is speaking in support of the bill.
- Last term, Speaker Packard recognized this issue within the foster care program and appointed a special committee to look deeper into the issue.
- The special committee found that one of the biggest issues was the lack of continuity and support for children once they age out of the program. Oftentimes, foster children have no money, no planned housing, and sometimes no high school education.
- One of the suggestions from the special committee at the time was to allow foster children to stay with their foster parents until they could access further education with scholarships. Representative DeSimone emphasized that this has been very helpful for foster children. While acknowledging the cost of that effort, she questioned what the cost is of losing an 18-year old to homelessness.
- The special committee further looked into the approximate 200-250 children receiving Social Security benefits in foster care. She explained that this is money that the state should not be charging, as the other 1,200 foster children are not paying the system for their care. She emphasized that foster children should not have to pay for their care, as it is the state's responsibility.
- Representative DeSimone emphasized that New Hampshire has the opportunity to properly care for these children and set them up to be productive citizens.

Nathan White & Susan Larrabee, Department of Health and Human Services

- Ms. Larrabee stated that the Department is not taking a position on the bill.
- She emphasized that this is a complicated process and explained this is why the 2024 initiative transitioned into the ability for the Department to contract with a public consulting group known as PCG.
- PCG delivered a report on what is currently being done, what will need to be done if the process is changed, and how to implement this change. PCG compared different possible hybrid models and included budgetary requirements needed for the various models.
- Mr. White stated that cost is one of the key challenges. If the state chooses to change the current policy, there will be a potential \$2.9 million general fund impact in the long-term to ensure that sufficient funds are available for the success of the program.
- Mr. White noted that there is a provision for the Department to seek all available federal funding sources. To date, the Department is not aware of any additional federal awards available to support such a policy change. According to the Department's analysis, there would also not be any additional IV-E funds or any other funding sources identified at this time.
- Mr. White emphasized that the Department is not opposed to this policy, but wants to ensure that sufficient funds are available for the program to be successful and have no negative impacts on existing services provided by the Department.
- Senator Long asked if this would include children who are eligible for foster care but not yet in a foster home, such as those who are in respite care or group homes.
- Ms. Larrabee explained that there are approximately 1,523 children in out-of-home foster care. According to the federal definition, foster care includes general foster homes, kinship care homes, relative caregivers, or residential treatment placement. She noted that children in residential treatment have certain needs that require such placement.
- Senator Long asked what the biggest issue is that money is currently being used for, but would not longer be under this change.
- Mr. White explained that the money is used for the children's cost of care for services. The biggest change would be that the state would now pay for those costs via general funds or whatever matching federal funds are available, as opposed to collecting that money and applying to the cost of services.
- Ms. Larrabee emphasized that this is because the state is stepping into the shoes of the representative payee.
- Senator Birdsell inquired about the difference between the original fiscal note and the revised fiscal note.

- Ms. Larrabee referenced table 9 in the PCG report describing the implementation process. At time of the report, PCG estimated a one-time vendor contract for approximately \$280,000 as phase 1 of implementation.
- She referenced table 10 of the report describing the ongoing operations budget. It would either be 6 full-time employees for yearly implementation and ongoing operations, or an ongoing contract with a vendor to do that implementation for the cost of \$461,000.
- The report also discussed the budgetary impact as benefits are conserved, and the impact of IV-E funding loss and loss of other federal revenue, which would be over \$2.1 million per year.
- Mr. White explained that the revised fiscal note looks different because of the way it is structured. In the revised version, the \$2.5 million loss represents that expenditures do not disappear while the state loses revenue that needs to be made up with general funds. He emphasized that there is both an increase in expenditures in addition to the loss of federal revenue, which will require to be supplemented with or replaced by general funds.
- Ms. Larrabee referenced page 22 of the report, which talks about the impact of developing a child center benefit management program and breaks down into categories the loss of federal IV-E revenue and implementation and contract costs for a 2-year biennial impact of \$6.1 million.
- Senator Birdsell asked how long children receiving these benefits are typically in foster care.
- Ms. Larrabee explained that it varies, which is why some hybrid models break down age groups. As mentioned in the executive order, there is an emphasis on 14-17 year olds, as they are most likely to age out of care. This is especially relevant when it comes to some implementation recommendations such as financial literacy education.
- Senator Birdsell asked if there is data on how much of the benefit money is actually used for the child.
- Ms. Anissa Drake explained that the revolving funds that benefits currently are put into are used to cover services applicable to the child, with any remaining funds being conserved or saved. When the child leaves foster care, the Department either sends the money back to Social Security if there is a remaining balance or lets Social Security know they should no longer be the representative payee if there is no balance.
- Senator Birdsell asked why the money is sent back to Social Security, and Ms. Drake explained that it is Social Security's standard operating procedure.
- Senator Avard said it does not seem fair to him that foster children are cared for by the state, but foster children who receive benefits are taxed to cover everybody else. He said he is in support of the bill. He asked if these funds are

given back to the children in full and inquired about protections from liens being put on these accounts.

- Ms. Drake explained that the children entitled to these benefits are currently the only ones who can benefit from that income, as it does not go to any other child's services or placement costs.
- If not all of the money is needed for the child while in care, it goes back Social Security because they determine who would be the representative payee for a minor. The Department would let them know that they should not be representative payee anymore because a child has been reunified with a parent, in which case that individual would need to apply to be representative payee. If a child ages out, they may no longer be eligible for benefits, but if they are, they can apply to be representative payee.
- There are situations in which funds are conserved in anticipation that a child may need to make a downpayment on a car or something similar. That money is sent back to Social Security, and the child can become their own representative payee and access that money.
- If the state were to go to a new system, the benefits would still be specific to that child. There may be some nuances with ABLE accounts because there may need to be an authorized representative, but these are issues that other states have worked out.
- Senator Avard asked if children are notified of the benefits saved for them and the process to access them when they age out, and Ms. Drake confirmed.

#### Stacy Phillips

- Ms. Phillips stated that she is speaking in support of the bill.
- She told a personal story about her foster child, Mariah. She came into their care at 8-months old and was considered severely developmentally delayed growing up. It was expected that she would be institutionalized by age 10, but Mariah overcame a lot. She is now aged out of school and continues to live at home. She has a supportive job and does volunteer work as well.
- Ms. Phillips explained that she has a unique perspective on this issue, as she has spent years working for Social Security making medical decisions for disability programs.
- She explained that she could not apply for Mariah as a foster parent, and DCYF did not apply despite Mariah clearly meeting the criteria. Had DCYF applied, the benefits would have been very helpful to Ms. Phillips' family. There are many costs associated with Mariah's disability that could not be covered by insurance or the state stipend, meaning Ms. Phillips did not have money to cover out-of-pocket costs on many occasions.
- Ms. Phillips shared a story about another foster child who she previously cared for before they went to a group home with a sibling. This child was receiving

benefits while in foster care, but was homeless on the street when they aged out of the program at 18 years old. When they reached out to Ms. Phillips and explained that they owed several thousand dollars to Social Security despite never receiving any funds from them, Ms. Phillips discovered that the state had continued paying Social Security after the child turned 18 years old, and they were expected to pay back the overpayments because they were now an adult.

- While Ms. Phillips was able to rectify the situation, she emphasized that there are other people aging out of the system in these same circumstances who do not have anyone to help them.