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Testimony for Informational Hearing on Executive Order 25-01
House Committee on Child Welfare and Foster Care

Chair Howerton, Ranking Member Ousley and Members of the House Committee on Child Welfare and Foster Care,

Thank you for the opportunity to provide this testimony. I am writing in support of Executive Order 25-01, which ends the practice of DCF using federal benefits of children in foster care to reimburse the state for the costs of the care of the children while in state custody.

Kansas Appleseed has a long history of unwavering commitment to advocating for the rights and well-being of children, including improving our state's foster care system. Despite some improvements to the foster care system in recent years, it remains a system that requires substantial improvements to achieve the goal of serving the best interests of all children in its care. Executive Order 25-01 is another step towards improving that system. It will provide access to resources for children, give them future autonomy, and improve their chances to achieve stability and success when they leave the system. Importantly, this change also puts an end to a practice that results in only children with deceased parents or disabilities being personally financially penalized for their time in foster care

Attention to this issue has been growing in recent years. At least as far back as 2021, media coverage began appearing highlighting the practice of seizing foster children's federal benefits across the country and the negative consequences of eliminating that financial support on the future outcomes of foster kids.¹ Currently, there are six jurisdictions that have enacted legislation or policies that limit how federal benefits can be used by the DCF equivalent in each jurisdiction. Those jurisdictions are Arizona, Illinois, Maryland, New Mexico, Washington D.C., and Philadelphia, PA. Since 2021, legislation to modify this practice regarding federal benefit funds has been introduced, but has not yet been passed, in Minnesota, Nebraska, Texas, California, and, as of last year, Kansas.

In 2023, the Legislature made the historic step of passing the Representative Gail Finney Memorial Foster Care Bill of Rights. That act made it state law that the proper care and protection of a child in the state's child welfare system has certain protected rights. One of those rights is to have and maintain their belongings.² Kansas Appleseed believes that the federal benefits addressed in Executive Order 25-01 are the personal property of the child and fall into the category of a child's belongings. Under federal law, that money is considered the property of the child. We owe it to the children in the state's care to honor the state's commitment to their rights and future success.

Currently, Kansas has identified approximately 950 children (around 15% of all children in foster care in the state) who are eligible to receive these benefits. That money results in about \$9 million in annual revenue for DCF. In budgetary terms, that is only around 3% of DCF's foster care budget.³ However, to

¹ Hager, E. and Shapiro, J. "Foster Care Agencies Take Millions of Dollars Owed to Kids. Most Children Have No Idea." 2021. The Marshall Project.

<https://www.themarshallproject.org/2021/04/22/foster-care-agencies-take-thousands-of-dollars-owed-to-kids-most-children-have-no-idea>

² K.S.A. 38-2201 et seq.

³ Kansas Division of Budget. Fiscal Note for HB 2552. 2024.

https://www.kslegislature.org/li/b2023_24/measures/documents/fisc_note_hb2552_00_0000.pdf and Kansas Legislative

those children to whom the money belongs, it could provide them necessary material support when they leave foster care and put them on the path to success.

This money is especially important to older youth in foster care who will be reaching adulthood. Many of these children are left with limited resources when they leave foster care:

- In 2023 there were about 2,000 (over 30% of all children in foster care) kids 14 and older in the Kansas foster care system.⁴
- Of children 16 and older in Kansas foster care, more than 50% will age out of the system, meaning they will enter adulthood without a permanent or legal family connection and support.⁵
- In 2023 about 600 children in foster care (about 10% of all children in foster care) had permanency goals leading to emancipation or aging out.⁶

These children, in particular, are facing adulthood without critical financial support as they navigate postsecondary education, finding employment, finding affordable housing, and much more. Some of those children have federal payments they could use to establish themselves as they enter young adulthood. That financial assistance and stability could help lead to successful transitions for these children out of foster care and into independent adulthood.

Currently, children leaving foster care in Kansas face significant challenges in education, housing, and more:

- In 2022, 24% of youth aged 19 exiting the foster care system in Kansas did not have a high school diploma or other degree.
- In 2022, 29% of youth aged 19 exiting foster care had experienced homelessness.
- 28% of youth aged 19 exiting foster care reported being recently incarcerated.⁷

We know that education leads to good jobs, stable housing requires money, and people living in poverty are more likely to face desperation that leads to crime. Ensuring children have the money they are owed provides necessary resources to some of these children as they leave foster care, improving their chances at stability and success. It is right to end the practice of billing these children for their own foster care. Kansas Appleseed is grateful for this action, and is particularly thankful for the focus of so many stakeholders on making sure this is done well, so that this money can be preserved and utilized to support these youth as intended.

We urge the legislature to support this change in two main ways. First, the legislature should codify this change into statute as soon as possible. Second, the legislature should allocate funds to make up for this lost source of funding for DCF. While it is important, and morally right, that these children receive the money that is rightfully theirs, it is also true that our foster care system and systems that support foster care like mental and behavioral health continue to require deep investments to better serve the children and families of Kansas. This change should be recognized as a change to benefit the long-term success of these children, but not result in a reduction of funds for DCF and the important work that happens in our foster care system.

Thank you,

Mike Fonkert

Research Department. 2023-2024 Appropriations Report. 2023.

https://klrd.org/wp-content/uploads/2024/01/Appropriations_Report_2024-1.pdf

⁴ DCF. Children in Out of Home Placement by Age Groupings, FY 2023 (FACTS).

https://www.dcf.ks.gov/services/PPS/Documents/FY2023DataReports/FCAD_Summary/AgeGenderReportFY23.pdf

⁵ Adoption and Foster Care Analysis and Reporting System (AFCARS). 2021.

<https://www.acf.hhs.gov/cb/report/trends-foster-care-adoption>

⁶ DCF. SFY2023 Permanency Goal for Children in Out of Home Placement (FACTS).

https://www.dcf.ks.gov/services/PPS/Documents/FY2023DataReports/FCAD_Summary/PlacementPermGoalFY23.pdf

⁷ National Youth Transition Database (NYTD). Outcomes Data Snapshot: Kansas. FY 2018-2022.

<https://www.acf.hhs.gov/sites/default/files/documents/cb/nytd-outcomes-ks-2022.pdf>