LOCAL

Minnesota counties take millions in federal benefits meant for children in foster care

Foster youth and their advocates are pushing to ban the practice — which they say is tantamount to theft.

By Chris Serres (https://www.startribune.com/chris-serres/6370536/) Star Tribune

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Monica Stevens, 23, of St. Paul, is having to choose between paying her heating bill and buying food and diapers for her 2-year-old daughter.

Nathan Thomas, 20, of Grand Rapids, is living in a cramped motel room with his girlfriend and newborn daughter because he lacks the money for rent and transportation to work.

And Anthony Jackson, 18, of Bloomington. has postponed his dream of attending performing arts school because he can't afford tuition and has no parents to support him.

These young adults share a common plight: They are among hundreds of former foster youths across Minnesota who are struggling to make ends meet because county agencies took their federal benefits without telling them.

Under a longstanding practice, Minnesota counties are withholding monthly Social Security payments from foster children whose parents have died or have become disabled, and instead are using the money to offset the cost of county foster care. Based on new data, child advocacy groups estimate that each year between $6 million to $11 million in federal payments are being taken from some 1,400 foster youths statewide.

JERRY HOLT, STAR TRIBUNE

Anthony Jackson, 18, spent some time in the Minneapolis Sculpture Garden on Oct. 31, 2022. He is among hundreds of Minnesota

From Mankato to Duluth, former foster youth said they feel betrayed and abandoned by the county welfare agencies charged with protecting them. Most said they were never told of the benefits, and only learned about them by chance years after their parents died. The money, which averages about $700 a month, could have been a crucial lifeline — helping them pay for rent, tuition, transportation, therapy and other expenses as they transition to adulthood.

RENÉE JONES SCHNEIDER, STAR TRIBUNE

Ada Smith straps her daughter A'merris, 3, into a car seat after picking her up from day care after also picking up her son Terrance, 7, from school

Now, an emerging coalition of foster youth, child welfare advocates and civil rights attorneys are pushing to end the practice — which they say is tantamount to theft and exacerbates the economic hardships that many foster youths face. A bill to be introduced (https://www.revisor.mn.gov/bills/text.php?number=SF3955&version=latest&session=ls92&session_year=2022&session_number=0) early next year would preserve these funds for youths by placing them in individual trust accounts, which foster children could access when they turn 18. The legislation is modeled after similar laws in Connecticut, Hawaii, Nebraska and Texas, as well as Philadelphia and the District of Columbia.

"It's theft, plain and simple," said Hoang Murphy, executive director of Foster Advocates (https://www.fosteradvocates.org/), a St. Paul-based nonprofit that has been lobbying to end the practice (https://www.fosteradvocates.org/survivor-benefits). "How can these agencies say they are serving children while they are taking the very money that would help them make a start in life?"

In Minnesota, as in most states, local agencies routinely gain control over a child's Social Security survivor and disability benefits by applying to be their financial representatives (known as "representative payees" (https://www.ssa.gov/payee/)) with the federal Social Security Administration. Federal law requires these financial representatives to act in the best interests of the foster children, yet the money is frequently taken without foster youths ever knowing it. In 2018 alone, local child welfare agencies took more than $165 million in Social Security benefits owed to foster youth, according to a national survey by Child Trends (https://www.childtrends.org/), a Washington, D.C., research group.

While these payments represent a fraction of county budgets, they are hugely significant to foster youth as they enter adulthood. Each year, scores of youths in Minnesota are required to leave foster care and stop receiving benefits because they become too old — a transition known as "aging out" of care. Many are left to fend for themselves with little or no support, extending the trauma they endured during a childhood separated from their birth parents.

The practice of taking the benefits disproportionately affects youth of color, who are greatly overrepresented in Minnesota's foster care system. In 2020, Black children in Minnesota were 2.4 times more likely to be removed from their birth parents than white children; American Indian children were 16.4 times more likely, according to the most recent state data (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5408Ma-ENG).

"These are children who have already been deeply traumatized by the loss of a parent and deserve our support," said state Rep. Dave Pinto, a DFLer from St. Paul, chairman of the House Early Childhood Finance and Policy committee (https://www.house.leg.state.mn.us/Committees/Home/92005) and author of the legislation that would place the benefits in trust accounts. "They certainly don't deserve to be pushed out of the [foster care] system with insufficient resources to care for themselves."

A spokesman for the Minnesota Department of Human Services, which oversees the foster care system, said the federal payments go directly to counties and the agency does not track how the monies are spent.

In Hennepin County, home to the state's largest population of foster children, the revenue from the benefits is significant. Between 2019 and 2021, Hennepin collected nearly $1.5 million in survivor and disability benefits from foster children, which is used to offset the cost of their care. Each year, between 100 to 150 foster youth in Hennepin are eligible for the benefits, which represents less than 12% of the county's population of youths in out-of-home care, according to county data.

Kwesi Booker, Hennepin County's director of children and family services, took issue with claims that benefits are being "stolen," asserting that the county uses the funds to pay for the cost of housing, medical care and other expenses for foster youth. "I don't think it's as severe as saying it's money that's being taken out of the mouths of these children," Booker said. "We're utilizing it to help support the children."

Yet to many child welfare advocates, the withholding of these benefits effectively means that children who are removed from their birth homes are being forced to pay for their own foster care — a public service that agencies are required to pay for under state law.

"It makes me sad and angry because so much of my childhood was already stolen from me," said Stevens, whose mother was murdered when she was 8 and who spent most of her childhood rotating in and out of foster homes. "And now you've gone and taken something that would have helped tremendously in getting established in life and supporting my child."

Daniel Hatcher, a law professor at the University of Baltimore and an expert (https://nyupress.org/9781479874729/the-poverty-industry/) on the practice, said it has gone largely unnoticed for decades in part because foster children have become a "revenue stream" for counties, which are reluctant to forfeit the money. "Children are not supposed to be paying for their own foster care," Hatcher said. "It's nonsensical at best and inhumane."

In interviews, some foster youth said the withheld funds could have saved them from years of financial struggle, anxiety and even homelessness.

Ada Smith, 24, of Minneapolis, remembers being unable to afford basic items like diapers and clothing for her infant son as she transitioned out of foster care. She was also unable to work or go to college because she couldn't afford child care and had no family who could help care for her baby, she said. Smith would spend two years shuttling in and out of homeless shelters before finding a stable place to live.

Years later, Smith gets visibly angry when she reflects on that precarious time. She calculates that she should have received at least $18,000 in survivor benefits because her mother died when Smith was a teenager. "For too long, I was living in survival mode because the county wouldn't trust me with money I was entitled to," said Smith, who has two children, ages 3 and 7, and works for Connections to Independence (https://www.c2iyouth.org/), a nonprofit that helps youth aging out of foster care.

Jackson, whose mother died when he was 12, said he never would have known about the money were it not for a chance conversation. A writer and performing artist, Jackson was discussing with his girlfriend how he could afford tuition and board at his "dream college" — a performing arts school in Atlanta. Suddenly, his girlfriend's mother asked him if he was receiving federal survivor benefits. Jackson did some research and learned that he should have received $22,000 in Social Security payments while in foster care.

When Jackson contacted the county, he was told that the money was already spent and he "could not touch it," he said.

"I never imagined that a system that was supposed to help kids had really been stealing from them all along," he said.

Chris Serres is a staff writer for the Star Tribune who covers social services.