

9:6B-7 & 9:6B-8
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2025 **CHAPTER:** 162

NJSA: 9:6B-7 & 9:6B-8, Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances.

BILL NO: S3153 (Substituted for A4543 (2R))

SPONSOR(S) Ruiz, M. Teresa and others

DATE INTRODUCED: 5/6/2024

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: Health, Human Services & Sr. Citizens
Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 12/08/2025

SENATE: 12/19/2024

DATE OF APPROVAL: 12/19/2025

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (S3153 Sca (1R) enacted)

ADVANCE LAW	Yes
PAMPHLET LAW	Yes

S3153

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	SHH 10/7/24 1R
TECHNICAL REVIEW OF BILL:	No	
COMMITTEE STATEMENT: ASSEMBLY:	Yes	Appropriations
SENATE:	Yes	Health, Human Services & Sr. Citizens Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	11/06/2024

A4543 (2R)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	ACF 9/23/24 1R AAP 3/20/25 2R
TECHNICAL REVIEW OF BILL:	No	
COMMITTEE STATEMENT:		
ASSEMBLY:	Yes	Children, Families & Food Security Appropriations
SENATE:	No	

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	10/16/2024 03/26/2025
VETO MESSAGE:	No	
GOVERNOR’S PRESS RELEASE ON SIGNING:	Yes	
LEGISLATOR STATEMENT:	No	
FOLLOWING WERE PRINTED:		
To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or mailto:refdesk@njstatelib.org		
REPORTS:	No	
HEARINGS:	No	
NEWSPAPER ARTICLES:	No	

CL/MMcB

P.L. 2025, CHAPTER 162, *approved December 19, 2025*
Senate, No. 3153 (*First Reprint*)

1 AN ACT concerning federal benefits for a child in out of home
2 placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. a. In any case of a child in the custody of the division, the
8 department is prohibited from utilizing any portion of the child's
9 property or benefits ¹**【**, including federal Social Security benefits,**】**¹
10 to offset the State's costs for the child's maintenance ¹, except to
11 maintain the child's eligibility for federal Supplemental Security
12 Income Program benefits and to avoid a violation of federal asset or
13 resource limits under the Supplemental Security Income Program,
14 as provided in subsection c. of this section¹.

15 b. If the department has been appointed as the representative
16 payee for the federal benefits of a child in the custody of the
17 division, the department may utilize such benefits of a child in the
18 custody of the division for the child's unmet needs beyond the
19 amount that the State is obligated, required, or agrees to pay after
20 notifying the child, the child's ¹**【**parent(s) or**】** parent,¹ legal
21 guardian, counsel, and the Family Part of the Chancery Division of
22 the Superior Court.

23 c. If the department has been appointed as the representative
24 payee for the federal benefits of a child in the custody of the
25 division, the department shall ¹**【**establish an account at a federally
26 insured financial institution into which the child's federal benefit
27 will be deposited for conservation or use in the child's best
28 interests, consistent with federal and State asset and resource limits,
29 as applicable**】** appropriately monitor any federal asset or resource
30 limits for the benefits, establish a qualified ABLE account, or other
31 trust account, for every child who is eligible, and ensure that the
32 child's best interest is served by using the benefits for the child's
33 unmet needs or conserving the benefits in a way that avoids
34 violating any federal asset or resource limits that would affect the
35 child's ability to receive the benefits¹.

36 d. For any child in the custody of the division, the department
37 shall determine whether the child is receiving or is eligible to
38 receive federal benefits. If the department determines that a child is

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SHH committee amendments adopted October 7, 2024.

1 eligible or may be eligible for federal benefits, the department shall
2 apply for the benefits on behalf of the child with notice to the child,
3 the child's ¹~~parent(s) or~~ parent,¹ legal guardian, counsel, and the
4 Family Part of the Chancery Division of the Superior Court.

5 e. If the department has been appointed as representative payee
6 for a child's benefits, it shall provide an annual accounting as to the
7 use, application, or conservation of such benefits to the child, the
8 child's ¹~~parents(s) or~~ parent,¹ legal guardian, counsel, and the
9 Family Part of the Chancery Division of the Superior Court.

10 f. As used in this section:

11 "Department" means the Department of Children and Families.

12 "Division" means the Division of Child Protection and
13 Permanency in the Department of Children and Families.

14 "Federal benefits" means any cash payments from the federal
15 government for which a child may be eligible, including but not
16 limited to, Social Security benefits pursuant to Title II of the Social
17 Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social
18 Security Act (42 U.S.C. s.1381 et seq.), and Veterans
19 Administration benefits.

20 ¹"Qualified ABLE account" means an account established
21 pursuant to P.L.2015, c.185 (C.52:18A-250 et al.) or an account
22 established pursuant to any qualified State ABLE Program
23 established pursuant to section 529A of the federal Internal
24 Revenue Code of 1986, 26 U.S.C. s.529A.

25 "Supplemental Security Income Program" has the same meaning
26 as provided in section 1 of P.L.1973, c.256 (C.44:7-85 et seq.).¹

27
28 2. The Commissioner of Children and Families shall apply for
29 any federal waivers as may be necessary to implement the
30 provisions of this act and ensure continued federal reimbursement
31 for State expenditures for child welfare services under Part E of
32 Title IV of the Social Security Act (42 U.S.C. s.670 et seq.), ¹except
33 that if a child is or may be eligible for federal Supplemental
34 Security Income Program benefits, the department shall, if
35 necessary for benefits eligibility, forego claiming that child for
36 purposes of any federal Title IV-E maintenance payments under
37 section 475(4) of the Social Security Act (42 U.S.C. s.675(4)).¹

38
39 3. The Commissioner of Children and Families, in accordance
40 with the "Administrative Procedure Act," P.L.1968, c.410
41 (C.52:14B-1 et seq.), shall adopt rules and regulations necessary to
42 implement the provisions of this act.

43
44 4. This act shall take effect on the first day of the twelfth month
45 next following enactment, except that the Commissioner of
46 Children and Families may take any anticipatory administrative

1 action in advance as shall be necessary for the implementation of
2 this act.

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7 Prohibits DCF from using federal benefits received by a child in
8 out of home placement to reimburse State for cost of child's care,
9 except under certain circumstances.

CHAPTER 162

AN ACT concerning federal benefits for a child in out of home placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.9:6B-7 Prohibition against use of property, benefits, child in custody, exceptions.

1. a. In any case of a child in the custody of the division, the department is prohibited from utilizing any portion of the child's property or benefits to offset the State's costs for the child's maintenance, except to maintain the child's eligibility for federal Supplemental Security Income Program benefits and to avoid a violation of federal asset or resource limits under the Supplemental Security Income Program, as provided in subsection c. of this section.

b. If the department has been appointed as the representative payee for the federal benefits of a child in the custody of the division, the department may utilize such benefits of a child in the custody of the division for the child's unmet needs beyond the amount that the State is obligated, required, or agrees to pay after notifying the child, the child's parent, legal guardian, counsel, and the Family Part of the Chancery Division of the Superior Court.

c. If the department has been appointed as the representative payee for the federal benefits of a child in the custody of the division, the department shall appropriately monitor any federal asset or resource limits for the benefits, establish a qualified ABLE account, or other trust account, for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating any federal asset or resource limits that would affect the child's ability to receive the benefits.

d. For any child in the custody of the division, the department shall determine whether the child is receiving or is eligible to receive federal benefits. If the department determines that a child is eligible or may be eligible for federal benefits, the department shall apply for the benefits on behalf of the child with notice to the child, the child's parent, legal guardian, counsel, and the Family Part of the Chancery Division of the Superior Court.

e. If the department has been appointed as representative payee for a child's benefits, it shall provide an annual accounting as to the use, application, or conservation of such benefits to the child, the child's parent, legal guardian, counsel, and the Family Part of the Chancery Division of the Superior Court.

f. As used in this section:

"Department" means the Department of Children and Families.

"Division" means the Division of Child Protection and Permanency in the Department of Children and Families.

"Federal benefits" means any cash payments from the federal government for which a child may be eligible, including, but not limited to, Social Security benefits pursuant to Title II of the Social Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social Security Act (42 U.S.C. s.1381 et seq.), and Veterans Administration benefits.

"Qualified ABLE account" means an account established pursuant to P.L.2015, c.185 (C.52:18A-250 et al.) or an account established pursuant to any qualified State ABLE Program established pursuant to section 529A of the federal Internal Revenue Code of 1986, 26 U.S.C. s.529A.

"Supplemental Security Income Program" has the same meaning as provided in section 1 of P.L.1973, c.256 (C.44:7-85 et seq.).

C.9:6B-8 Federal waivers to implement provisions, federal reimbursement, child welfare services.

2. The Commissioner of Children and Families shall apply for any federal waivers as may be necessary to implement the provisions of this act and ensure continued federal reimbursement for State expenditures for child welfare services under Part E of Title IV of the Social Security Act (42 U.S.C. s.670 et seq.), except that if a child is or may be eligible for federal Supplemental Security Income Program benefits, the department shall, if necessary for benefits eligibility, forego claiming that child for purposes of any federal Title IV-E maintenance payments under section 475(4) of the Social Security Act (42 U.S.C. s.675(4)).

3. The Commissioner of Children and Families, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations necessary to implement the provisions of this act.

4. This act shall take effect on the first day of the twelfth month next following enactment, except that the Commissioner of Children and Families may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act.

Approved December 19, 2025.

SENATE, No. 3153

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 6, 2024

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator JOSEPH P. CRYAN

District 20 (Union)

Co-Sponsored by:

Senator McKnight

SYNOPSIS

Prohibits DCF from using federal benefits, received by a child in out of home placement, to reimburse State for the cost of the child's maintenance.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/7/2024)

1 **AN ACT** concerning federal benefits for a child in out of home
2 placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. a. In any case of a child in the custody of the division, the
8 department is prohibited from utilizing any portion of the child's
9 property or benefits, including federal Social Security benefits, to
10 offset the State's costs for the child's maintenance.

11 b. If the department has been appointed as the representative
12 payee for the federal benefits of a child in the custody of the
13 division, the department may utilize such benefits of a child in the
14 custody of the division for the child's unmet needs beyond the
15 amount that the State is obligated, required, or agrees to pay, after
16 notifying the child, the child's parent(s) or legal guardian, counsel,
17 and the Family Part of the Chancery Division of the Superior Court.

18 c. If the department has been appointed as the representative
19 payee for the federal benefits of a child in the custody of the
20 division, the department shall establish an account at a federally
21 insured financial institution into which the child's federal benefit
22 will be deposited for conservation or use in the child's best
23 interests, consistent with federal and State asset and resource limits,
24 as applicable.

25 d. For any child in the custody of the division, the department
26 shall determine whether the child is receiving or is eligible to
27 receive federal benefits. If the department determines that a child is
28 eligible or may be eligible for federal benefits, the department shall
29 apply for the benefits on behalf of the child with notice to the child,
30 the child's parent(s) or legal guardian, counsel, and the Family Part
31 of the Chancery Division of the Superior Court.

32 e. If the department has been appointed as representative payee
33 for a child's benefits, it shall provide an annual accounting as to the
34 use, application, or conservation of such benefits to the child, the
35 child's parents(s) or legal guardian, counsel, and the Family Part of
36 the Chancery Division of the Superior Court.

37 f. As used in this section:

38 "Department" means the Department of Children and Families.

39 "Division" means the Division of Child Protection and
40 Permanency in the Department of Children and Families.

41 "Federal benefits" means any cash payments from the federal
42 government for which a child may be eligible, including but not
43 limited to, Social Security benefits pursuant to Title II of the Social
44 Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social
45 Security Act (42 U.S.C. s.1381 et seq.), and Veterans
46 Administration benefits.

1 4. Railroad Retirement Benefits.

2 These federal benefits are provided in the child's name, but are
3 intended to be used to support the costs associated with the child's
4 care. In the case of a child in an out-of-home placement, the
5 department is the child's caregiver and, under federal law, may be
6 allowed to use the child's federal benefits to offset the State's costs
7 to maintain the child in an out-of-home placement.

8 By prohibiting the department from utilizing the federal benefits
9 of a child under the division's custody to offset the State's costs to
10 care for the child, the sponsor intends to ensure that the child's
11 financial resources be preserved to either pay for the child's unmet
12 needs while in an out of home placement, or save for the child's
13 future use.

[First Reprint]

SENATE, No. 3153

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 6, 2024

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator JOSEPH P. CRYAN

District 20 (Union)

Assemblywoman SHAMA A. HAIDER

District 37 (Bergen)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Co-Sponsored by:

Senators McKnight, Bramnick, Polistina, Assemblywomen Hall, Reynolds-Jackson and Swift

SYNOPSIS

Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances.

CURRENT VERSION OF TEXT

As reported by the Senate Health, Human Services and Senior Citizens Committee on October 7, 2024, with amendments.

(Sponsorship Updated As Of: 12/8/2025)

1 AN ACT concerning federal benefits for a child in out of home
2 placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. a. In any case of a child in the custody of the division, the
8 department is prohibited from utilizing any portion of the child's
9 property or benefits ¹**【**, including federal Social Security benefits,**】**¹
10 to offset the State's costs for the child's maintenance ¹, except to
11 maintain the child's eligibility for federal Supplemental Security
12 Income Program benefits and to avoid a violation of federal asset or
13 resource limits under the Supplemental Security Income Program,
14 as provided in subsection c. of this section¹.

15 b. If the department has been appointed as the representative
16 payee for the federal benefits of a child in the custody of the
17 division, the department may utilize such benefits of a child in the
18 custody of the division for the child's unmet needs beyond the
19 amount that the State is obligated, required, or agrees to pay after
20 notifying the child, the child's ¹**【**parent(s) or**】** parent,¹ legal
21 guardian, counsel, and the Family Part of the Chancery Division of
22 the Superior Court.

23 c. If the department has been appointed as the representative
24 payee for the federal benefits of a child in the custody of the
25 division, the department shall ¹**【**establish an account at a federally
26 insured financial institution into which the child's federal benefit
27 will be deposited for conservation or use in the child's best
28 interests, consistent with federal and State asset and resource limits,
29 as applicable**】** appropriately monitor any federal asset or resource
30 limits for the benefits, establish a qualified ABLE account, or other
31 trust account, for every child who is eligible, and ensure that the
32 child's best interest is served by using the benefits for the child's
33 unmet needs or conserving the benefits in a way that avoids
34 violating any federal asset or resource limits that would affect the
35 child's ability to receive the benefits¹.

36 d. For any child in the custody of the division, the department
37 shall determine whether the child is receiving or is eligible to
38 receive federal benefits. If the department determines that a child is
39 eligible or may be eligible for federal benefits, the department shall
40 apply for the benefits on behalf of the child with notice to the child,
41 the child's ¹**【**parent(s) or**】** parent,¹ legal guardian, counsel, and the
42 Family Part of the Chancery Division of the Superior Court.

43 e. If the department has been appointed as representative payee
44 for a child's benefits, it shall provide an annual accounting as to the

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SHH committee amendments adopted October 7, 2024.

1 use, application, or conservation of such benefits to the child, the
2 child's ¹【parents(s) or】 parent,¹ legal guardian, counsel, and the
3 Family Part of the Chancery Division of the Superior Court.

4 f. As used in this section:

5 "Department" means the Department of Children and Families.

6 "Division" means the Division of Child Protection and
7 Permanency in the Department of Children and Families.

8 "Federal benefits" means any cash payments from the federal
9 government for which a child may be eligible, including but not
10 limited to, Social Security benefits pursuant to Title II of the Social
11 Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social
12 Security Act (42 U.S.C. s.1381 et seq.), and Veterans
13 Administration benefits.

14 ¹"Qualified ABLE account" means an account established
15 pursuant to P.L.2015, c.185 (C.52:18A-250 et al.) or an account
16 established pursuant to any qualified State ABLE Program
17 established pursuant to section 529A of the federal Internal
18 Revenue Code of 1986, 26 U.S.C. s.529A.

19 "Supplemental Security Income Program" has the same meaning
20 as provided in section 1 of P.L.1973, c.256 (C.44:7-85 et seq.).¹

21
22 2. The Commissioner of Children and Families shall apply for
23 any federal waivers as may be necessary to implement the
24 provisions of this act and ensure continued federal reimbursement
25 for State expenditures for child welfare services under Part E of
26 Title IV of the Social Security Act (42 U.S.C. s.670 et seq.), ¹except
27 that if a child is or may be eligible for federal Supplemental
28 Security Income Program benefits, the department shall, if
29 necessary for benefits eligibility, forego claiming that child for
30 purposes of any federal Title IV-E maintenance payments under
31 section 475(4) of the Social Security Act (42 U.S.C. s.675(4)).¹

32
33 3. The Commissioner of Children and Families, in accordance
34 with the "Administrative Procedure Act," P.L.1968, c.410
35 (C.52:14B-1 et seq.), shall adopt rules and regulations necessary to
36 implement the provisions of this act.

37
38 4. This act shall take effect on the first day of the twelfth month
39 next following enactment, except that the Commissioner of
40 Children and Families may take any anticipatory administrative
41 action in advance as shall be necessary for the implementation of
42 this act.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3153

STATE OF NEW JERSEY

DATED: MARCH 20, 2025

The Assembly Appropriations Committee reports favorably Senate Bill No. 3153 (1R).

As reported, this bill prohibits the Department of Children and Families from using the property or benefits of any child under the custody of the Division of Child Protection and Permanency to offset the State's costs for the child's maintenance, except to maintain the child's eligibility for federal Supplemental Security Income Program (SSI) benefits and to avoid a violation of federal asset or resource limits under the SSI program.

The bill also stipulates that the department must appropriately monitor any federal asset or resource limits for the child's relevant benefits, establish a qualified ABLE account or other trust account for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating federal asset or resource limits that would affect the child's ability to receive the benefits.

The bill requires the Commissioner of Children and Families to apply for any federal waivers necessary to implement the provisions of the bill and ensure continued federal reimbursement for State expenditures for child welfare services under Title IV-E of the Social Security Act. The bill stipulates that if a child is or may be eligible for SSI benefits, the department will, if necessary for the child's eligibility for such benefits, forego claiming the child for the purposes of federal reimbursement for State child welfare services.

Authorized under "The Stephen Beck, Jr., Achieving a Better Life Experience Act," Pub.L.113-295, ABLE accounts are tax-exempt savings accounts intended to help individuals with disabilities and their families to save private funds for disability-related expenses, while still maintaining eligibility for means-tested federal benefits under Medicaid and the Supplemental Security Income Program. New Jersey's qualified State ABLE program allows individuals with disabilities and their families to save up to \$18,000 annually, and a maximum of \$305,000 over a lifetime, for disability-related expenses; balances under \$100,000 are excluded from the SSI resource limit.

The federal Social Security Administration typically will appoint the department as the representative payee for a child under the

division's custody to manage any federal benefits to which the child is entitled. These federal benefits include, but are not limited to:

(1) Social Security Disability Insurance benefits, based on the work history of a disabled or deceased parent;

(2) Supplemental Security Income benefits for a child who is under the age of 18 years, has a disability, and who meets certain income and resource limits established by the Social Security Administration;

(3) Survivor benefits for children of deceased military veterans, which are provided by the Veterans Administration; and

(4) Railroad Retirement Benefits.

These federal benefits are provided in the child's name, but are intended to be used to support the costs associated with the child's care. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under federal law, may be allowed to use the child's federal benefits to offset the State's costs to maintain the child in an out-of-home placement.

As reported by the committee, Senate Bill No. 3153 (1R) is identical to Assembly Bill No. 4543 (1R), which was amended and reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.

The OLS concludes that the bill will increase annual State expenditures by about \$170,000 for the Department of Children and Families to hire additional staff to ensure that the department universally screens children entering out-of-home placement for eligibility for federal benefits, and, if appointed as representative payee for the child's federal benefits, uses or conserves a child's federal benefits in a way that serves the child's best interests while also complying with federal asset or resource limits established under the federal Supplemental Security Income program.

As of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer utilizes certain federal benefits to offset the State's costs for the child's care. Instead, the department utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care only if conserving the full amount of the child's federal benefit would raise the child's assets above the

\$2,000 threshold for continued Supplemental Security Income program eligibility.

As such, the bill's provisions will have little impact on the department's operations when compared with its current practices regarding treatment of the federal benefits of a child in an out-of-home placement.

SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO **SENATE, No. 3153**

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 7, 2024

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 3153.

As amended by the committee, this bill prohibits the Department of Children and Families from using the property or benefits of any child under the custody of the Division of Child Protection and Permanency to offset the State's costs for the child's maintenance, except to maintain the child's eligibility for federal Supplemental Security Income Program (SSI) benefits and to avoid a violation of federal asset or resource limits under the SSI program.

The bill, as amended, also stipulates that the department must appropriately monitor any federal asset or resource limits for the child's relevant benefits, establish a qualified ABLE account or other trust account for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating federal asset or resource limits that would affect the child's ability to receive the benefits.

The bill requires the Commissioner of Children and Families to apply for any federal waivers necessary to implement the provisions of the bill and ensure continued federal reimbursement for State expenditures for child welfare services under Title IV-E of the Social Security Act. The committee amendments stipulate that if a child is or may be eligible for SSI benefits, the department will, if necessary for the child's eligibility for such benefits, forego claiming the child for the purposes of federal reimbursement for State child welfare services.

Authorized under "The Stephen Beck, Jr., Achieving a Better Life Experience Act," Pub.L.113-295, ABLE accounts are tax-exempt savings accounts intended to help individuals with disabilities and their families to save private funds for disability-related expenses, while still maintaining eligibility for means-tested federal benefits under Medicaid and the Supplemental Security Income Program. New Jersey's qualified State ABLE program allows individuals with disabilities and their families to save up to \$18,000 annually, and a

maximum of \$305,000 over a lifetime, for disability-related expenses; balances under \$100,000 are excluded from the SSI resource limit.

The federal Social Security Administration typically will appoint the department as the representative payee for a child under the division's custody to manage any federal benefits to which the child is entitled. These federal benefits include, but are not limited to:

1. Social Security Disability Insurance benefits, based on the work history of a disabled or deceased parent;
2. Supplemental Security Income benefits for a child who is under the age of 18 years, has a disability, and who meets certain income and resource limits established by the Social Security Administration;
3. Survivor benefits for children of deceased military veterans, which are provided by the Veterans Administration; and
4. Railroad Retirement Benefits.

These federal benefits are provided in the child's name, but are intended to be used to support the costs associated with the child's care. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under federal law, may be allowed to use the child's federal benefits to offset the State's costs to maintain the child in an out-of-home placement.

COMMITTEE AMENDMENTS

The committee amendments add language to clarify that the department is prohibited from utilizing the property or benefits of a child under the custody of the Division of Child Protection and Permanency in the Department of Children and Families, except to maintain the child's eligibility for Supplemental Security Income (SSI) Program benefits and avoid violating federal asset or resource limits under the SSI program.

The committee amends the bill to replace language requiring the department to notify a child's parents or legal guardian, among other required parties, when the department utilizes a child's federal benefits for the child's unmet needs beyond the amount that the State is obligated to pay, with language requiring notification of the child's parent and legal guardian, among other parties, under such circumstances.

The committee amendments replace language that requires the department to establish an account at a federally insured financial institution into which the child's federal benefits will be deposited for conservation or use in the child's best interests, with language requiring the department to monitor any federal asset or resource limits for the benefits, establish a qualified ABLE account or other trust account for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating federal asset or

resource limits that would affect the child's eligibility to receive the benefits.

The committee amendments add definitions for the terms "Qualified ABLE account" and "Supplemental Security Income Program."

The committee amendments add language to section 2 of the bill to stipulate that, in the case of a child in an out-of-home placement who is eligible for federal SSI benefits, the department will, if necessary to ensure the child's eligibility for the benefits, forego claiming the child for the purposes of federal reimbursements for State child welfare payments.

The committee amendments update the synopsis to reflect these changes.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3153

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2024

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3153 (1R).

This bill prohibits the Department of Children and Families from using the property or benefits of any child under the custody of the Division of Child Protection and Permanency to offset the State's costs for the child's maintenance, except to maintain the child's eligibility for federal Supplemental Security Income Program (SSI) benefits and to avoid a violation of federal asset or resource limits under the SSI program.

The bill also stipulates that the department must appropriately monitor any federal asset or resource limits for the child's relevant benefits, establish a qualified ABLE account or other trust account for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating federal asset or resource limits that would affect the child's ability to receive the benefits.

The bill requires the Commissioner of Children and Families to apply for any federal waivers necessary to implement the provisions of the bill and ensure continued federal reimbursement for State expenditures for child welfare services under Title IV-E of the Social Security Act. The bill stipulates that if a child is or may be eligible for SSI benefits, the department will, if necessary for the child's eligibility for such benefits, forego claiming the child for the purposes of federal reimbursement for State child welfare services.

Authorized under "The Stephen Beck, Jr., Achieving a Better Life Experience Act," Pub.L.113-295, ABLE accounts are tax-exempt savings accounts intended to help individuals with disabilities and their families to save private funds for disability-related expenses, while still maintaining eligibility for means-tested federal benefits under Medicaid and the Supplemental Security Income Program. New Jersey's qualified State ABLE program allows individuals with disabilities and their families to save up to \$18,000 annually, and a maximum of \$305,000 over a lifetime, for disability-related expenses; balances under \$100,000 are excluded from the SSI resource limit.

The federal Social Security Administration typically will appoint the department as the representative payee for a child under the

division's custody to manage any federal benefits to which the child is entitled. These federal benefits include, but are not limited to:

(1) Social Security Disability Insurance benefits, based on the work history of a disabled or deceased parent;

(2) Supplemental Security Income benefits for a child who is under the age of 18 years, has a disability, and who meets certain income and resource limits established by the Social Security Administration;

(3) Survivor benefits for children of deceased military veterans, which are provided by the Veterans Administration; and

(4) Railroad Retirement Benefits.

These federal benefits are provided in the child's name, but are intended to be used to support the costs associated with the child's care. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under federal law, may be allowed to use the child's federal benefits to offset the State's costs to maintain the child in an out-of-home placement.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.

The OLS concludes that the bill will increase annual State expenditures by about \$170,000 for the Department of Children and Families to hire additional staff to ensure that the department universally screens children entering out-of-home placement for eligibility for federal benefits, and, if appointed as representative payee for the child's federal benefits, uses or conserves a child's federal benefits in a way that serves the child's best interests while also complying with federal asset or resource limits established under the federal Supplemental Security Income program.

As of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer utilizes certain federal benefits to offset the State's costs for the child's care. Instead, the department utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care only if conserving the full amount of the child's federal benefit would raise the child's assets above the \$2,000 threshold for continued Supplemental Security Income program eligibility.

As such, the bill's provisions will have little impact on the department's operations when compared with its current practices

regarding treatment of the federal benefits of a child in an out-of-home placement.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3153

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: NOVEMBER 6, 2024

SUMMARY

- Synopsis:**

Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances.
- Type of Impact:**

Annual State revenue decrease; annual State expenditure increase.
- Agencies Affected:**

Department of Children and Families.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Revenue Decrease	\$500,000
State Expenditure Increase	\$170,000

- The Office of Legislative Services (OLS) determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.
- The OLS concludes that the bill will increase annual State expenditures by about \$170,000 for the Department of Children and Families to hire additional staff to ensure that the department universally screens children entering out-of-home placement for eligibility for federal benefits, and, if appointed as representative payee for the child’s federal benefits, uses or conserves a child’s federal benefits in a way that serves the child’s best interests while also complying with federal asset or resource limits established under the federal Supplemental Security Income program.
- As of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer utilizes certain federal benefits to offset the State’s costs for the child’s care. Instead, the department

utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care only if conserving the full amount of the child's federal benefit would raise the child's assets above the \$2,000 threshold for continued Supplemental Security Income program eligibility.

- As such, the bill's provisions will have little impact on the department's operations when compared with its current practices regarding treatment of the federal benefits of a child in an out-of-home placement.

BILL DESCRIPTION

The bill prohibits the Department of Children and Families from using the property or federal benefits of a child in an out-of-home placement to offset the State's costs for the child's care, except to maintain the child's eligibility for federal Supplemental Security Income program benefits and to avoid violating federal asset or resource limits under the Supplemental Security Income program. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under current federal law, may use the child's federal benefits to offset the State's costs to care for a child in an out-of-home placement.

The bill requires the department to monitor asset or resource limits for the relevant federal benefits, establish a qualified Achieving a Better Life Experience account, or other trust account, for every eligible child, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a manner that avoids violating federal asset or resource limits.

The Department of Children and Families is directed to apply for any federal waivers necessary to implement the provisions under the bill and to ensure continued federal reimbursement for State expenditures for foster care services under Title IV-E of the federal Social Security Act. The bill, however, stipulates that if a child is or may be eligible for federal Supplemental Security Income benefits, the department will, if necessary to ensure the child's benefits eligibility, forego claiming federal Title IV-E foster care maintenance payments for the child.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received. The Department of Children and Families, however, provided information in response to OLS questions regarding the fiscal impact of the bill. According to the department, as of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer uses a child's Social Security Disability Insurance benefits to offset State costs for the child's care. Rather, it utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care if saving the full amount of the benefit would raise the child's countable assets above the federally-determined Supplemental Security Income asset and resource limit of \$2,000 and jeopardize the child's eligibility for continued benefits.

Currently, any portion of a child's federal benefits that is conserved for future use is deposited into an interest-bearing savings account in the child's name; these savings are considered countable assets for the purpose of establishing or maintaining Supplemental Security Income benefits. The department notes that it monitors these savings account balances to ensure the balances remain

below the \$2,000 threshold so that a child remains eligible for benefits. According to the department, staff are currently developing policies and procedures governing the establishment of Achieving a Better Life Experience accounts for eligible children under the department's care, and anticipates utilizing these accounts to conserve a child's Supplemental Security Income benefits in the near future.

Prior to June 1, 2024, the department stated that the department would utilize up to 100 percent of a child's federal benefits, depending upon the cost of the child's care, to offset State costs for the child's out-of-home placement.

The department also estimates that annual State revenues, in the form of federal reimbursements for State expenditures on Title IV-E Foster Care maintenance payments, will decrease by \$500,000 under a provision requiring the department, in the case of a child who is or may be eligible for Supplemental Security Income benefits, and if necessary to ensure the child's benefits eligibility, to forego claiming Title IV-E Foster Care maintenance payments for the child.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.

The bill's remaining provisions will only increase the administrative costs of the department, given that the department has already adopted policies and practices that mirror the bill's requirements regarding the use and conservation of federal benefits for a child in out-of-home placement. The department estimates that it would require two additional staff members to comply with the bill's administrative and accounting requirements, namely the universal screening of children entering out-of-home placement for eligibility for various federal benefits programs, ongoing monitoring of children's savings accounts to ensure that balances do not exceed the \$2,000 Supplemental Security Income eligibility threshold, and managing the Achieving a Better Life Experience accounts, or other trust accounts, that the department will establish to enable children in out-of-home placement, and who meet the Supplemental Security Income disability requirement for benefits receipt, to save a greater amount of resources for future use. The department will reportedly require two additional entry-level Analyst Trainee positions, at an annual salary of \$50,000 each, to comply with the bill's administrative and accounting requirements. Inclusive of fringe benefits, the OLS estimates that the department's annual personnel costs will increase by about \$170,000 for the two additional staff.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 4543

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 13, 2024

Sponsored by:

Assemblywoman SHAMA A. HAIDER

District 37 (Bergen)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblywomen Hall and Reynolds-Jackson

SYNOPSIS

Prohibits DCF from using federal benefits, received by a child in out of home placement, to reimburse State for the cost of the child's maintenance.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/23/2024)

1 AN ACT concerning federal benefits for a child in out of home
2 placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).
3

4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:
6

7 1. a. In any case of a child in the custody of the division, the
8 department is prohibited from utilizing any portion of the child's
9 property or benefits, including federal Social Security benefits, to
10 offset the State's costs for the child's maintenance.

11 b. If the department has been appointed as the representative
12 payee for the federal benefits of a child in the custody of the
13 division, the department may utilize such benefits of a child in the
14 custody of the division for the child's unmet needs beyond the
15 amount that the State is obligated, required, or agrees to pay, after
16 notifying the child, the child's parent(s) or legal guardian, counsel,
17 and the Family Part of the Chancery Division of the Superior Court.

18 c. If the department has been appointed as the representative
19 payee for the federal benefits of a child in the custody of the
20 division, the department shall establish an account at a federally
21 insured financial institution into which the child's federal benefit
22 will be deposited for conservation or use in the child's best
23 interests, consistent with federal and State asset and resource limits,
24 as applicable.

25 d. For any child in the custody of the division, the department
26 shall determine whether the child is receiving or is eligible to
27 receive federal benefits. If the department determines that a child is
28 eligible or may be eligible for federal benefits, the department shall
29 apply for the benefits on behalf of the child with notice to the child,
30 the child's parent(s) or legal guardian, counsel, and the Family Part
31 of the Chancery Division of the Superior Court.

32 e. If the department has been appointed as representative payee
33 for a child's benefits, it shall provide an annual accounting as to the
34 use, application, or conservation of such benefits to the child, the
35 child's parents(s) or legal guardian, counsel, and the Family Part of
36 the Chancery Division of the Superior Court.

37 f. As used in this section:

38 "Department" means the Department of Children and Families.

39 "Division" means the Division of Child Protection and
40 Permanency in the Department of Children and Families.

41 "Federal benefits" means any cash payments from the federal
42 government for which a child may be eligible, including but not
43 limited to, Social Security benefits pursuant to Title II of the Social
44 Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social
45 Security Act (42 U.S.C. s.1381 et seq.), and Veterans
46 Administration benefits.

1 4. Railroad Retirement Benefits.

2 These federal benefits are provided in the child's name, but are
3 intended to be used to support the costs associated with the child's
4 care. In the case of a child in an out-of-home placement, the
5 department is the child's caregiver and, under federal law, may be
6 allowed to use the child's federal benefits to offset the State's costs
7 to maintain the child in an out-of-home placement.

8 By prohibiting the department from utilizing the federal benefits
9 of a child under the division's custody to offset the State's costs to
10 care for the child, the sponsor intends to ensure that the child's
11 financial resources be preserved to either pay for the child's unmet
12 needs while in an out of home placement, or save for the child's
13 future use.

[First Reprint]

ASSEMBLY, No. 4543

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 13, 2024

Sponsored by:

Assemblywoman SHAMA A. HAIDER

District 37 (Bergen)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Co-Sponsored by:

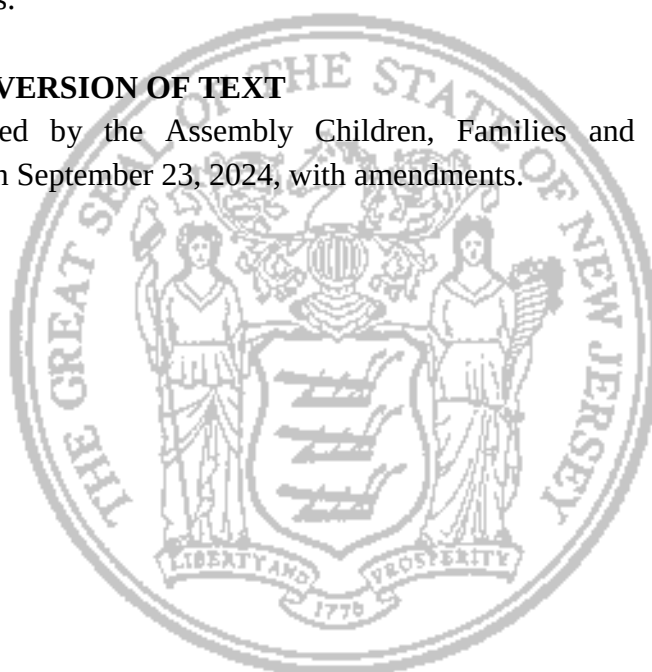
Assemblywomen Hall, Reynolds-Jackson and Swift

SYNOPSIS

Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances.

CURRENT VERSION OF TEXT

As reported by the Assembly Children, Families and Food Security Committee on September 23, 2024, with amendments.



(Sponsorship Updated As Of: 12/12/2024)

1 AN ACT concerning federal benefits for a child in out of home
2 placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. a. In any case of a child in the custody of the division, the
8 department is prohibited from utilizing any portion of the child's
9 property or benefits, including federal Social Security benefits, to
10 offset the State's costs for the child's maintenance ¹, unless necessary
11 to establish or maintain the child's eligibility for benefits or services,
12 including federal Supplemental Security Income Program benefits¹.

13 b. If the department has been appointed as the representative
14 payee for the federal benefits of a child in the custody of the division,
15 the department may utilize such benefits of a child in the custody of
16 the division for the child's unmet needs beyond the amount that the
17 State is obligated, required, or agrees to pay after notifying the child,
18 the child's ¹**parent(s)** parent¹ or legal guardian, counsel, and the
19 Family Part of the Chancery Division of the Superior Court.

20 c. If the department has been appointed as the representative
21 payee for the federal benefits of a child in the custody of the division,
22 the department shall ¹**establish an account at a federally insured**
23 **financial institution into which the child's federal benefit will be**
24 **deposited for conservation or use in the child's best interests,**
25 **consistent with federal and State asset and resource limits, as**
26 **applicable]** appropriately monitor any federal asset or resource limits
27 for the benefits and ensure that the child's best interest is served by
28 using or conserving the benefits in a way that avoids violating any
29 federal asset or resource limits that would affect the child's ability to
30 receive the benefits, including establishing a qualified ABLE account
31 for the child¹.

32 d. For any child in the custody of the division, the department
33 shall determine whether the child is receiving or is eligible to receive
34 federal benefits. If the department determines that a child is eligible or
35 may be eligible for federal benefits, the department shall apply for the
36 benefits on behalf of the child with notice to the child, the child's
37 ¹**parent(s)** parent¹ or legal guardian, counsel, and the Family Part of
38 the Chancery Division of the Superior Court.

39 e. If the department has been appointed as representative payee
40 for a child's benefits, it shall provide an annual accounting as to the
41 use, application, or conservation of such benefits to the child, the
42 child's ¹**parents(s)** parent¹ or legal guardian, counsel, and the
43 Family Part of the Chancery Division of the Superior Court.

44 f. As used in this section:

45 "Department" means the Department of Children and Families.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACF committee amendments adopted September 23, 2024.

1 “Division” means the Division of Child Protection and
2 Permanency in the Department of Children and Families.

3 “Federal benefits” means any cash payments from the federal
4 government for which a child may be eligible, including but not
5 limited to, Social Security benefits pursuant to Title II of the Social
6 Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social
7 Security Act (42 U.S.C. s.1381 et seq.), and Veterans Administration
8 benefits.

9 ¹“Qualified ABLE account” means an account established
10 pursuant to P.L.2015, c.185 (C.52:18A-250 et al.) or an account
11 established pursuant to any qualified State ABLE Program established
12 pursuant to section 529A of the federal Internal Revenue Code of
13 1986, 26 U.S.C. s.529A.

14 “Supplemental Security Income Program” has the same meaning as
15 provided in section 1 of P.L.1973, c.256 (C.44:7-85 et seq.).¹
16

17 2. The Commissioner of Children and Families shall apply for
18 any federal waivers as may be necessary to implement the
19 provisions of this act and ensure continued federal reimbursement
20 for State expenditures for child welfare services under Part E of
21 Title IV of the Social Security Act (42 U.S.C. s.670 et seq.).
22

23 3. The Commissioner of Children and Families, in accordance
24 with the "Administrative Procedure Act," P.L.1968, c.410
25 (C.52:14B-1 et seq.), shall adopt rules and regulations necessary to
26 implement the provisions of this act.
27

28 4. This act shall take effect on the first day of the twelfth month
29 next following enactment, except that the Commissioner of
30 Children and Families may take any anticipatory administrative
31 action in advance as shall be necessary for the implementation of
32 this act.

[Second Reprint]

ASSEMBLY, No. 4543

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 13, 2024

Sponsored by:

Assemblywoman SHAMA A. HAIDER

District 37 (Bergen)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblywomen Hall, Reynolds-Jackson and Swift

SYNOPSIS

Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on March 20, 2025, with amendments.



(Sponsorship Updated As Of: 12/12/2024)

1 AN ACT concerning federal benefits for a child in out of home
2 placement and supplementing P.L.1991, c.290 (C.9:6B-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. a. In any case of a child in the custody of the division, the
8 department is prohibited from utilizing any portion of the child's
9 property or benefits ²**],** including federal Social Security benefits,²
10 to offset the State's costs for the child's maintenance ¹, ²**[unless**
11 necessary to establish or maintain the child's eligibility for benefits
12 or services, including federal Supplemental Security Income
13 Program benefits¹] , except to maintain the child's eligibility for
14 federal Supplemental Security Income Program benefits and to
15 avoid a violation of federal asset or resource limits under the
16 Supplemental Security Income Program, as provided in subsection
17 c. of this section².

18 b. If the department has been appointed as the representative
19 payee for the federal benefits of a child in the custody of the
20 division, the department may utilize such benefits of a child in the
21 custody of the division for the child's unmet needs beyond the
22 amount that the State is obligated, required, or agrees to pay after
23 notifying the child, the child's ¹**[parent(s)]** parent¹ ²**[or]** ², legal
24 guardian, counsel, and the Family Part of the Chancery Division of
25 the Superior Court.

26 c. If the department has been appointed as the representative
27 payee for the federal benefits of a child in the custody of the
28 division, the department shall ¹**[establish an account at a federally**
29 insured financial institution into which the child's federal benefit
30 will be deposited for conservation or use in the child's best
31 interests, consistent with federal and State asset and resource limits,
32 as applicable] appropriately monitor any federal asset or resource
33 limits for the benefits ², establish a qualified ABLE account, or
34 other trust account, for every child who is eligible,² and ensure that
35 the child's best interest is served by using ²the benefits for the
36 child's unmet needs² or conserving the benefits in a way that avoids
37 violating any federal asset or resource limits that would affect the
38 child's ability to receive the benefits ²], including establishing a
39 qualified ABLE account for the child¹]².

40 d. For any child in the custody of the division, the department
41 shall determine whether the child is receiving or is eligible to
42 receive federal benefits. If the department determines that a child is
43 eligible or may be eligible for federal benefits, the department shall
44 apply for the benefits on behalf of the child with notice to the child,

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACF committee amendments adopted September 23, 2024.

²Assembly AAP committee amendments adopted March 20, 2025.

1 the child's ¹parent(s) parent¹ ²or ² legal guardian, counsel, and
2 the Family Part of the Chancery Division of the Superior Court.

3 e. If the department has been appointed as representative payee
4 for a child's benefits, it shall provide an annual accounting as to the
5 use, application, or conservation of such benefits to the child, the
6 child's ¹parents(s) parent¹ ²or ² legal guardian, counsel, and
7 the Family Part of the Chancery Division of the Superior Court.

8 f. As used in this section:

9 "Department" means the Department of Children and Families.

10 "Division" means the Division of Child Protection and
11 Permanency in the Department of Children and Families.

12 "Federal benefits" means any cash payments from the federal
13 government for which a child may be eligible, including but not
14 limited to, Social Security benefits pursuant to Title II of the Social
15 Security Act (42 U.S.C. s.401 et seq.) and Title XVI of the Social
16 Security Act (42 U.S.C. s.1381 et seq.), and Veterans
17 Administration benefits.

18 ¹"Qualified ABLE account" means an account established
19 pursuant to P.L.2015, c.185 (C.52:18A-250 et al.) or an account
20 established pursuant to any qualified State ABLE Program
21 established pursuant to section 529A of the federal Internal
22 Revenue Code of 1986, 26 U.S.C. s.529A.

23 "Supplemental Security Income Program" has the same meaning
24 as provided in section 1 of P.L.1973, c.256 (C.44:7-85 et seq.).¹

25
26 2. The Commissioner of Children and Families shall apply for
27 any federal waivers as may be necessary to implement the
28 provisions of this act and ensure continued federal reimbursement
29 for State expenditures for child welfare services under Part E of
30 Title IV of the Social Security Act (42 U.S.C. s.670 et seq.) ²,
31 except that if a child is or may be eligible for federal Supplemental
32 Security Income Program benefits, the department shall, if
33 necessary for benefits eligibility, forego claiming that child for
34 purposes of any federal Title IV-E maintenance payments under
35 section 475(4) of the Social Security Act (42 U.S.C. s.675(4))².

36
37 3. The Commissioner of Children and Families, in accordance
38 with the "Administrative Procedure Act," P.L.1968, c.410
39 (C.52:14B-1 et seq.), shall adopt rules and regulations necessary to
40 implement the provisions of this act.

41
42 4. This act shall take effect on the first day of the twelfth month
43 next following enactment, except that the Commissioner of
44 Children and Families may take any anticipatory administrative
45 action in advance as shall be necessary for the implementation of
46 this act.

ASSEMBLY CHILDREN, FAMILIES AND FOOD SECURITY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4543

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 23, 2024

The Assembly Children, Families and Food Security Committee reports favorably and with committee amendments Assembly Bill No. 4543.

As amended by the committee, this bill prohibits the Department of Children and Families from using the property or benefits of any child under the custody of the Division of Child Protection and Permanency to offset the State's costs for the child's maintenance, unless necessary to establish or maintain the child's eligibility for benefits or services, including federal Supplemental Security Income benefits. The bill also stipulates that the department must appropriately monitor any federal asset or resource limits for the relevant benefits, and ensure that the child's best interest is served by using or conserving the benefits in a manner that avoids violating federal asset or resource limits that would affect the child's ability to receive the benefits, including by establishing a qualified ABLE account for the child.

Authorized under "The Stephen Beck, Jr., Achieving a Better Life Experience Act," Pub.L.113-295, ABLE accounts are tax-exempt savings accounts intended to help individuals with disabilities and their families to save private funds for disability-related expenses, while still maintaining eligibility for means-tested federal benefits under Medicaid and the Supplemental Security Income Program. New Jersey's qualified State ABLE program allows individuals with disabilities and their families to save up to \$18,000 annually, and a maximum of \$305,000 over a lifetime, for disability-related expenses.

The federal Social Security Administration typically will appoint the department as the representative payee for a child under the division's custody to manage any federal benefits to which the child is entitled. These federal benefits include, but are not limited to:

1. Social Security Disability Insurance benefits, based on the work history of a disabled or deceased parent;
2. Supplemental Security Income benefits for a child who is under the age of 18 years, has a disability, and who meets certain

income and resource limits established by the Social Security Administration;

3. Survivor benefits for children of deceased military veterans, which are provided by the Veterans Administration; and

4. Railroad Retirement Benefits.

These federal benefits are provided in the child's name, but are intended to be used to support the costs associated with the child's care. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under federal law, may be allowed to use the child's federal benefits to offset the State's costs to maintain the child in an out-of-home placement.

COMMITTEE AMENDMENTS

The committee amendments add language to clarify that the department is prohibited from utilizing the property or benefits of a child under the custody of the Division of Child Protection and Permanency in the Department of Children and Families, unless necessary to establish or maintain the child's eligibility for benefits or services, including federal Supplemental Security Income Program benefits.

The committee amends the bill to replace the term "parent(s)" with "parent".

The committee amendments replace language that requires the department to establish an account at a federally insured financial institution into which the child's federal benefits will be deposited for conservation or use in the child's best interests, with language requiring the department to monitor any federal asset or resource limits for the benefits and ensure that the child's best interest is served by using or conserving the benefits in a way that avoids violating federal asset limits that would affect the child's eligibility to receive the benefits, including by establishing a qualified ABLE account for the child.

The committee amendments add definitions for the terms "Qualified ABLE account" and "Supplemental Security Income Program."

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4543

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 20, 2025

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4543 (1R).

As amended and reported, this bill prohibits the Department of Children and Families from using the property or benefits of any child under the custody of the Division of Child Protection and Permanency to offset the State's costs for the child's maintenance, except to maintain the child's eligibility for federal Supplemental Security Income Program (SSI) benefits and to avoid a violation of federal asset or resource limits under the SSI program.

The bill also stipulates that the department must appropriately monitor any federal asset or resource limits for the child's relevant benefits, establish a qualified ABLE account or other trust account for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating federal asset or resource limits that would affect the child's ability to receive the benefits.

The bill requires the Commissioner of Children and Families to apply for any federal waivers necessary to implement the provisions of the bill and ensure continued federal reimbursement for State expenditures for child welfare services under Title IV-E of the Social Security Act. The committee amendments stipulate that if a child is or may be eligible for SSI benefits, the department will, if necessary for the child's eligibility for such benefits, forego claiming the child for the purposes of federal reimbursement for State child welfare services.

Authorized under "The Stephen Beck, Jr., Achieving a Better Life Experience Act," Pub.L.113-295, ABLE accounts are tax-exempt savings accounts intended to help individuals with disabilities and their families to save private funds for disability-related expenses, while still maintaining eligibility for means-tested federal benefits under Medicaid and the Supplemental Security Income Program. New Jersey's qualified State ABLE program allows individuals with disabilities and their families to save up to \$18,000 annually, and a maximum of \$305,000 over a lifetime, for disability-related expenses; balances under \$100,000 are excluded from the SSI resource limit.

The federal Social Security Administration typically will appoint the department as the representative payee for a child under the division's custody to manage any federal benefits to which the child is entitled. These federal benefits include, but are not limited to:

(1) Social Security Disability Insurance benefits, based on the work history of a disabled or deceased parent;

(2) Supplemental Security Income benefits for a child who is under the age of 18 years, has a disability, and who meets certain income and resource limits established by the Social Security Administration;

(3) Survivor benefits for children of deceased military veterans, which are provided by the Veterans Administration; and

(4) Railroad Retirement Benefits.

These federal benefits are provided in the child's name, but are intended to be used to support the costs associated with the child's care. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under federal law, may be allowed to use the child's federal benefits to offset the State's costs to maintain the child in an out-of-home placement.

As amended and reported by the committee, Assembly Bill No. 4543 (1R) is identical to Senate Bill No. 3153 (1R) which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments add language to clarify that the department is prohibited from utilizing the property or benefits of a child under the custody of the Division of Child Protection and Permanency in the Department of Children and Families, except to maintain the child's eligibility for Supplemental Security Income (SSI) Program benefits and avoid violating federal asset or resource limits under the SSI program.

The committee amends the bill to replace language requiring the department to notify a child's parents or legal guardian, among other required parties, when the department utilizes a child's federal benefits for the child's unmet needs beyond the amount that the State is obligated to pay, with language requiring notification of the child's parent and legal guardian, among other parties, under such circumstances.

The committee amendments replace language that requires the department to establish an account at a federally insured financial institution into which the child's federal benefits will be deposited for conservation or use in the child's best interests, with language requiring the department to monitor any federal asset or resource limits for the benefits, establish a qualified ABLE account or other trust account for every child who is eligible, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a way that avoids violating federal asset or

resource limits that would affect the child's eligibility to receive the benefits.

The committee amendments add language to section 2 of the bill to stipulate that, in the case of a child in an out-of-home placement who is eligible for federal SSI benefits, the department will, if necessary to ensure the child's eligibility for the benefits, forego claiming the child for the purposes of federal reimbursements for State child welfare payments.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.

The OLS concludes that the bill will increase annual State expenditures by about \$170,000 for the Department of Children and Families to hire additional staff to ensure that the department universally screens children entering out-of-home placement for eligibility for federal benefits, and, if appointed as representative payee for the child's federal benefits, uses or conserves a child's federal benefits in a way that serves the child's best interests while also complying with federal asset or resource limits established under the federal Supplemental Security Income program.

As of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer utilizes certain federal benefits to offset the State's costs for the child's care. Instead, the department utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care only if conserving the full amount of the child's federal benefit would raise the child's assets above the \$2,000 threshold for continued Supplemental Security Income program eligibility.

As such, the bill's provisions will have little impact on the department's operations when compared with its current practices regarding treatment of the federal benefits of a child in an out-of-home placement.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4543
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: OCTOBER 16, 2024

SUMMARY

- Synopsis:** Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child’s care, except under certain circumstances.
- Type of Impact:** Annual State expenditure increase.
- Agencies Affected:** Department of Children and Families.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Increase	\$170,000

- The Office of Legislative Services (OLS) concludes that the bill will increase annual State expenditures by about \$170,000 for the Department of Children and Families to hire additional staff to ensure that the department universally screens children entering out-of-home placement for eligibility for federal benefits, and, if appointed as representative payee for the child’s federal benefits, uses or conserves a child’s federal benefits in a way that serves the child’s best interests while also complying with federal asset or resource limits established under the federal Supplemental Security Income program.
- As of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer utilizes certain federal benefits to offset the State’s costs for the child’s care. Instead, the department utilizes a child’s Supplemental Security Income benefits to offset the cost of the child’s care only if conserving the full amount of the child’s federal benefit would raise the child’s assets above the \$2,000 threshold for continued Supplemental Security Income eligibility.
- As such, the bill’s provisions will have little impact on the department’s operations when compared with its current practices regarding treatment of the federal benefits of a child in an out-of-home placement.



BILL DESCRIPTION

The bill prohibits the Department of Children and Families from using the property or federal benefits of a child in an out-of-home placement to offset the State's costs for the child's care, unless necessary to establish or maintain the child's eligibility for benefits or services, including federal Supplemental Security Income benefits. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under current federal law, may use the child's federal benefits to offset the State's costs to care for a child in an out-of-home placement.

The bill requires the department to monitor asset or resource limits for the relevant federal benefits, and ensure that the child's best interest is served by using or conserving the benefits in a manner that ensures the child's continued ability to receive the benefits, including by establishing a qualified Achieving a Better Life Experience account for the child.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received. The Department of Children and Families, however, provided information in response to OLS questions regarding the fiscal impact of the bill. According to the department, as of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer uses a child's Social Security Disability Insurance benefits to offset State costs for the child's care. Rather, it utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care if saving the full amount of the benefit would raise the child's countable assets above the federally-determined Supplemental Security Income asset and resource limit of \$2,000 and jeopardize the child's eligibility for continued benefits.

Currently, any portion of a child's federal benefits that is conserved for future use is deposited into an interest-bearing savings account in the child's name; these savings are considered countable assets for the purpose of establishing or maintaining Supplemental Security Income benefits. The department notes that it monitors these savings account balances to ensure the balances remain below the \$2,000 threshold so that child remains eligible for benefits. According to the department, staff are currently developing policies and procedures governing the establishment of Achieving a Better Life Experience accounts for eligible children under the department's care, and anticipates utilizing these accounts to conserve a child's Supplemental Security Income benefits in the near future.

Prior to June 1, 2024, the department stated that the department would utilize up to 100 percent of a child's federal benefits, depending upon the cost of the child's care, to offset State costs for the child's out-of-home placement.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill's provisions will only increase the administrative costs of the Department of Children and Families, given that the department has already adopted policies and practices that mirror the bill's requirements regarding the use and conservation of federal benefits for a child in out-of-home placement. The department estimates that it would require two additional staff members to comply with the bill's administrative and accounting requirements, namely the universal screening of children entering out-of-home placement for eligibility for various federal benefits programs, ongoing monitoring of children's savings accounts to ensure

that balances do not exceed the \$2,000 Supplemental Security Income eligibility threshold, and managing the Achieving a Better Life Experience accounts that the department will establish to enable children in out-of-home placement, and who meet Supplemental Security Income disability requirement for benefits receipt, to save a greater amount of resources for future use. The department will reportedly require two additional entry-level Analyst Trainee positions, at an annual salary of \$50,000 each, to comply with the bill's administrative and accounting requirements. Inclusive of fringe benefits, the OLS estimates that the department's annual personnel costs will increase by about \$170,000 for the two additional staff.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 4543

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: MARCH 26, 2025

SUMMARY

- Synopsis:** Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances.
- Type of Impact:** Annual State revenue decrease; annual State expenditure increase.
- Agencies Affected:** Department of Children and Families.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Revenue Decrease	\$500,000
State Expenditure Increase	\$170,000

- The Office of Legislative Services (OLS) determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.
- The OLS concludes that the bill will increase annual State expenditures by about \$170,000 for the Department of Children and Families to hire additional staff to ensure that the department universally screens children entering out-of-home placement for eligibility for federal benefits, and, if appointed as representative payee for the child’s federal benefits, uses or conserves a child’s federal benefits in a way that serves the child’s best interests while also complying with federal asset or resource limits established under the federal Supplemental Security Income program.
- As of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer utilizes certain federal benefits to offset the State’s costs for the child’s care. Instead, the department

utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care only if conserving the full amount of the child's federal benefit would raise the child's assets above the \$2,000 threshold for continued Supplemental Security Income program eligibility.

- As such, the bill's provisions will have little impact on the department's operations when compared with its current practices regarding treatment of the federal benefits of a child in an out-of-home placement.

BILL DESCRIPTION

The bill prohibits the Department of Children and Families from using the property or federal benefits of a child in an out-of-home placement to offset the State's costs for the child's care, except to maintain the child's eligibility for federal Supplemental Security Income program benefits and to avoid violating federal asset or resource limits under the Supplemental Security Income program. In the case of a child in an out-of-home placement, the department is the child's caregiver and, under current federal law, may use the child's federal benefits to offset the State's costs to care for a child in an out-of-home placement.

The bill requires the department to monitor asset or resource limits for the relevant federal benefits, establish a qualified Achieving a Better Life Experience account, or other trust account, for every eligible child, and ensure that the child's best interest is served by using the benefits for the child's unmet needs or conserving the benefits in a manner that avoids violating federal asset or resource limits.

The Department of Children and Families is directed to apply for any federal waivers necessary to implement the provisions under the bill and to ensure continued federal reimbursement for State expenditures for foster care services under Title IV-E of the federal Social Security Act. The bill, however, stipulates that if a child is or may be eligible for federal Supplemental Security Income benefits, the department will, if necessary to ensure the child's benefits eligibility, forego claiming federal Title IV-E foster care maintenance payments for the child.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received. The Department of Children and Families, however, provided information in response to OLS questions regarding the fiscal impact of the bill. According to the department, as of June 1, 2024, in cases in which the department is appointed as representative payee for the federal benefits of a child in an out-of-home placement, the department no longer uses a child's Social Security Disability Insurance benefits to offset State costs for the child's care. Rather, it utilizes a child's Supplemental Security Income benefits to offset the cost of the child's care if saving the full amount of the benefit would raise the child's countable assets above the federally-determined Supplemental Security Income asset and resource limit of \$2,000 and jeopardize the child's eligibility for continued benefits.

Currently, any portion of a child's federal benefits that is conserved for future use is deposited into an interest-bearing savings account in the child's name; these savings are considered countable assets for the purpose of establishing or maintaining Supplemental Security Income benefits. The department notes that it monitors these savings account balances to ensure the balances remain

below the \$2,000 threshold so that a child remains eligible for benefits. According to the department, staff are currently developing policies and procedures governing the establishment of Achieving a Better Life Experience accounts for eligible children under the department's care, and anticipates utilizing these accounts to conserve a child's Supplemental Security Income benefits in the near future.

Prior to June 1, 2024, the department stated that the department would utilize up to 100 percent of a child's federal benefits, depending upon the cost of the child's care, to offset State costs for the child's out-of-home placement.

The department also estimates that annual State revenues, in the form of federal reimbursements for State expenditures on Title IV-E Foster Care maintenance payments, will decrease by \$500,000 under a provision requiring the department, in the case of a child who is or may be eligible for Supplemental Security Income benefits, and if necessary to ensure the child's benefits eligibility, to forego claiming Title IV-E Foster Care maintenance payments for the child.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that annual State revenues will decline by about \$500,000 attributable to a decrease in federal revenues received by the State for foster care maintenance payments made pursuant to Title IV-E of the federal Social Security Act. The bill directs the Department of Children and Families, if necessary to ensure benefits eligibility for a child who is or may be eligible for federal Supplemental Security Income benefits, to forego claiming federal Title IV-E foster care maintenance payments for the child.

The bill's remaining provisions will only increase the administrative costs of the department, given that the department has already adopted policies and practices that mirror the bill's requirements regarding the use and conservation of federal benefits for a child in out-of-home placement. The department estimates that it would require two additional staff members to comply with the bill's administrative and accounting requirements, namely the universal screening of children entering out-of-home placement for eligibility for various federal benefits programs, ongoing monitoring of children's savings accounts to ensure that balances do not exceed the \$2,000 Supplemental Security Income eligibility threshold, and managing the Achieving a Better Life Experience accounts, or other trust accounts, that the department will establish to enable children in out-of-home placement, and who meet the Supplemental Security Income disability requirement for benefits receipt, to save a greater amount of resources for future use. The department will reportedly require two additional entry-level Analyst Trainee positions, at an annual salary of \$50,000 each, to comply with the bill's administrative and accounting requirements. Inclusive of fringe benefits, the OLS estimates that the department's annual personnel costs will increase by about \$170,000 for the two additional staff.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

Posted on - 12/19/2025

TRENTON – Today, Governor Murphy signed the following bills into law, with the Governor's recommendation following concurrences by the legislature:

S-1447/A-4053 (Singleton/Lopez, Speight) - Transfers New Jersey Historic Trust from Department of State to DCA and makes certain changes related to trustees and powers

S-2038/A-3581 (Gopal, Cryan/Carter, Quijano) - Requires public institution of higher education to post certain information on institution's website

S-3153/A-4543 (Ruiz, Cryan/Haider, Speight, Sumter) - Prohibits DCF from using federal benefits received by a child in out of home placement to reimburse State for cost of child's care, except under certain circumstances

S-4400/A-5547 (Johnson, Turner/Verrelli) - Extends hours that minor employed by national sports association, league, or team may work under certain circumstances

S-4472/A-5859 (Lagana, Wimberly/Abdelaziz, Tully, Collazos-Gill) - Eliminates five percent down payment requirement for local bond ordinances involving hazard mitigation and resilience projects

S-4524/A-5862 (Turner, Testa/Bailey, Miller, Freiman) - Appropriates \$34 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for county planning incentive grants for farmland preservation purposes

S-4531/A-5861 (Burzichelli, Testa/Egan, Katz, Donlon) - Appropriates \$52,798,268 from constitutionally dedicated CBT revenues and other farmland preservation funds to State Agriculture Development Committee for farmland preservation purposes

S-4551/A-5865 (Beach, Space/Bagolie, Calabrese, Spearman) - Appropriates \$3,750,990 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for grants to certain nonprofit organizations for farmland preservation purposes

S-4566/A-5863 (Cruz-Perez/Hutchison, Park, Bailey) - Appropriates \$500,000 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for municipal planning incentive grants for farmland preservation purposes

S-4569/A-5864 (Smith, Singleton/Drulis, Reynolds-Jackson, Moen) - Appropriates \$13,640,000 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities for open space acquisition, park development, and planning projects, and for certain administrative expenses

SJR-100/AJR-150 (Singleton/Venezia, Sumter) - Designates July of each year as "Cleft and Craniofacial Awareness and Prevention Month" in NJ

A-3802wGR/S-3061 (Reynolds-Jackson, Wimberly, Freiman/Burgess, Pennacchio) - Differentiates certain legal services from traditional insurance products

A-4331wGR/S-3227 (Speight, Atkins, Bagolie/McKnight, Turner) - Establishes licensure for cosmetic retail services

A-4712wGR/S-3504 (Tucker, Marengo/Cryan, Vitale, Johnson) - Establishes Office of Veteran Advocate and ombudsman for DMVA; appropriates funds

A-5130wGR/S-4128 (Schnall, Karabinchak, Calabrese/Moriarty, Wimberly) - Requires enforcing agency to conduct inspection of construction in specified time window

A-5264wGR/S-4100 (Karabinchak, Haider, Spearman/McKeon, Greenstein) - Requires establishment of automated platform to expedite construction code approval of applications to install residential solar energy systems

A-5309wGR/S-4147 (Simmons, Freiman, Donlon/Burzichelli, McKnight) - Permits up to three credits of continuing medical education on menopause to be used by nurses and physicians for license renewal

A-5854wGR/S-4614 (Azzariti/Schepisi, Sarlo) - Allows certain motor vehicle franchisors to sell, lease, or assign vehicles to employees

Governor Murphy Signs Legislation Formally Ending Utilization of Federal Benefits for Children in Foster Care

Posted on - 12/19/2025

New Policy Keeps Funds with Child Beneficiaries

TRENTON – Governor Phil Murphy today signed legislation formally requiring the State to conserve the federal benefits that youth receive while in out-of-home placement through the Division of Child Protection and Permanency (CP&P). The new law also codifies the Department of Children and Families (DCF) policy to cease the use of a child's federal benefits to cover the cost of their care, except to maintain the child's benefit eligibility.

"With today's bill signing, we are codifying our state's policy of ensuring federal benefits remain in the hands of the children they belong to," **said Governor Murphy**. "This measure helps ensure that children are treated fairly when they exit the child welfare system."

"Beginning in 2022, DCF proactively began exploring how these federal regulations were impacting youth and families. Many families become involved with our child welfare system due to issues related to or compounded by poverty," **said DCF Commissioner Christine Norbut Beyer**. "Our goal at DCF is to build strong families, and we do that through the provision of services and supports, setting up youth to succeed upon exiting care with a stronger financial foundation. We are thankful for the partnership of Senate Majority Leader Ruiz and Assemblywoman Haider to ensure that this practice continues."

"Protecting children is the core mission of child welfare, and that extends to protecting the financial well-being of children in the foster care system," **said Alex J. Adams, Assistant Secretary for the Administration for Children and Families at the U.S. Department of Health and Human Services**. "We are grateful for the leadership of Governor Murphy in resolving the issue of state's intercepting federal benefits from foster children, which will improve the lives of many children and ensure they have an opportunity to succeed. New Jersey is setting the standard that we hope the 38 other states still diverting benefits will follow."

Federal law requires that when a child enters the foster care system, child protective services agencies apply to become the representative payee of a youth's Social Security or other federal benefits. Those benefits were also permitted by the federal government to be used by child welfare agencies to cover the child's care while in the foster care system.

Beginning in 2022, DCF proactively began exploring how these federal regulations were affecting the State's youth and families, including the impact on their ability to meet reunification requirements, keep a job, or simply get ahead in life, a sentiment shared by current and formerly involved CP&P families and youth with lived experience during the department's annual listening tours and conversations around the use of federal benefits.

As a result, efforts began to shift away from the practice of utilizing benefits to cover the costs of a child's care and to reduce or eliminate the use of these payments. DCF also conducted extensive research, including meeting with other states' child welfare agencies, to identify and determine best practices.

In June 2024, to the extent allowed by the Social Security Act to maintain their eligibility for benefits, the department discontinued using youth's federal benefits for care and, as of March 2025, the Department has been enrolling eligible youth in [Achieving a Better Life Experience](#) (ABLE) accounts, allowing them to conserve a greater amount of funds without being counted as income.

The results of this initiative have already yielded positive results for DCF youth. As an example, in April, DCF was able to release funds for an 18-year-old foster youth to purchase a used car. The individual informed their caseworker that they did not have a vehicle to get to school or work, a situation made more critical by the fact that they were attending school in a district outside of their resource home. The youth was able to pick out their own car, provide the Department with an invoice from the car dealership, and purchase a reliable car immediately.

New Jersey is now the 12th State to pass such legislation. Pursuant to the law, DCF will continue to explore ways to conserve additional federal benefits that do not affect the child's eligibility for services or their benefits.

Prime sponsors of the legislation, [S3153/A4543](#), include Senate Majority Leader M. Teresa Ruiz and Senator Joe Cryan, along with Assemblywomen Shama Haider, Shanique Speight, and Shavonda Sumter.

"Last year, a grandmother shared with me how her grandchild was financially harmed by a State policy that used the child's federal benefits for the cost of their care," **said Senate Majority Leader M. Teresa Ruiz**. "That conversation stayed with me and made painfully clear how this policy puts up barriers at the very moment young people need support the most. When we protect a child's benefits, we're not just changing a rule – we're giving them a real chance to find stable housing, continue their education, and cover basic needs as they transition out of care. Passing S-3153 is about giving young people who have already faced far too much adversity a fair and dignified start."

"Many exit the foster care system into homelessness with only a duffel bag to their name. Dedicating these benefits for future use can mean the difference between life on the street and life with stability, security, and opportunity," **said Senator Joe Cryan**. "This law will help ensure former foster kids receive the benefits that are rightfully theirs so they can begin their adult lives with confidence."

"This law puts children first by ensuring that federal benefits intended to support them are used for their well-being, not to offset State costs," **said Assemblywoman Shama Haider**. "When a child is placed outside their home, every available resource should go toward their stability, care, and future."

"Children in out-of-home placement already face enormous disruption and uncertainty," **said Assemblywoman Shanique Speight**. "Protecting their federal benefits helps ensure those funds remain a lifeline for their needs today and a foundation for their independence tomorrow."

"This legislation affirms fairness and dignity for children in foster care," **said Assemblywoman Shavonda Sumter**. "By safeguarding their benefits, we are ensuring these resources remain with the young people they were intended to support, giving them a real opportunity to succeed as they move into adulthood."

"Today's bill signing affirms a simple but critical principle: federal benefits intended for children should be used to support those children and not to reimburse the State for the cost of their care. S3153/A4543 protects vulnerable children in out-of-home placements and preserves the resources that promote stability, education, and long-term opportunity by limiting when these funds may be used for reimbursement," **said Public Defender Jennifer Sellitti**. "Thank you to Governor Murphy, Senator Ruiz, and the Legislature for advancing this important, child-focused reform. I also want to specifically thank our Office of the Law Guardian, led by Traci Telemaque, and her dedicated team for their tireless advocacy on behalf of children across our State."

"The New Jersey State Bar Association is grateful for the Governor's signing of A4543 (Haider)/S3153 (Ruiz) as an important measure to protect the assets of children in the care and custody of the Division of Child Protection and Permanency (CP&P) who receive federal benefits," **said New Jersey State Bar Association President Christine A. Amalfe**. "The bill would prohibit CP&P from using the property or benefits of any child under its care and custody to offset the State's costs for the child's maintenance, unless necessary to establish or maintain the child's eligibility for benefits or services, including federal Supplemental Security Income Program benefits. This bill is an important part of a national effort to ensure youth receive monies owed to them while they are in out-of-home placement, such as disability, death benefits, or other benefits. This bill ensures that these monies are not utilized by the state agency, but protected for youth while they are in state care."

"This legislation has the potential to dramatically improve the lives of children removed from their homes due to abuse or neglect, helping to put them on a path toward a more stable and secure future. We commend the bill's sponsors for addressing the critical need to ensure that the State preserves federal benefits for eligible children and youth placed in its care, and we applaud the Legislature for its strong bipartisan support," **said Liza M. Kirschenbaum, Associate Director, Court Appointed Special Advocates of New Jersey, Inc.** "Despite the dedication of many professionals, young people too often exit foster care with limited resources and little support. This legislation helps ensure that eligible youth do not face that reality and, instead, have access to the financial benefits they are entitled to. Across the state, Court Appointed Special Advocates (CASA) volunteers provide these children and youth with one-on-one advocacy and support. However, we see firsthand the urgent need for stronger economic support, particularly as these young people transition out of the child welfare system. We are deeply grateful that Governor Murphy is signing this bill into law, taking an important step to help ensure greater stability and opportunity for vulnerable young people."

"Advocates for Children of New Jersey applauds Governor Murphy for signing S-3153/A-4543 and thanks the bill's prime sponsors and co-sponsors, Senator Ruiz, Senator Cryan, and Assemblymembers Haider, Speight, and Sumter, for their leadership and steadfast advocacy on behalf of New Jersey's children and families," **said Mary Coogan, President and CEO of Advocates for Children of New Jersey**. "This legislation ensures that critical benefits remain available to support a young person's needs and can follow them into adulthood. Its impact will be especially meaningful for youth aging out of foster care, who too often face housing instability, financial insecurity, and limited support systems. By protecting these benefits, New Jersey is taking an important step toward promoting dignity and long-term stability for some of our most vulnerable young people."