

ASSEMBLY THIRD READING

AB 1080 (Bryan)

As Amended January 22, 2026

Majority vote

SUMMARY

Prohibits counties serving as the representative payee for a foster youth receiving federal Social Security Administration (SSA) Title II benefits based on the work record of a parent who is retired, has a disability, or is deceased, from using those funds to offset the cost of foster care placement.

Major Provisions

- 1) Clarifies that the county, in its capacity as representative payee, is required to use Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits only for the use and benefit of the child or nonminor dependent (NMD) and/or for the purposes determined by the county, with input from the youth's Child and Family Team, to be in their best interests; and, broadens the requirement to ensure the child or NMD's federal benefits are used for the youth, consistent with existing law, to include SSA benefits under Title II (Retirement, Survivors, Disability Insurance), not just survivors' benefits.
- 2) Expands requirements placed on counties to ensure federal survivors' benefits are not used to pay for, or to reimburse the placing agency for, any costs of the foster youth's care and supervision, by including all federal SSA benefits provided under Title II.
- 3) Requires the county placing agency to also provide information and documentation, upon request, to the child, the child's attorney, and the child's parents or guardians regarding whether the child is currently receiving, entitled to receive, or has established eligibility for, any federal SSA benefits.
- 4) Clarifies that county placing agencies are required to file requests for reconsideration for foster youth for whom eligibility for federal SSA benefits has been terminated.
- 5) Makes technical and conforming changes.

COMMENTS

Background: Previous Efforts. This bill is similar to AB 1512 (Bryan) of 2023, which was vetoed by Governor Newsom. The Governor's veto message stated:

This bill would require counties to take additional actions relating to foster youth eligibility for all federal Social Security Administration (SSA) benefits and would prohibit using a child's benefits to pay for any costs of the child's care.

I share the author's commitment to ensure that foster youth receive the benefits and support services they need. However, this bill creates implementation challenges that should be considered as part of the annual budget process. Both Supplemental Security Income (SSI) and foster care benefits are intended to provide for the daily care and supervision of youth, including costs for housing and food. If counties are not permitted to use SSI to cover the

cost of providing care to foster youth, the General Fund will need to offset those costs. This was not contemplated as part of the budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

In order to address Governor Newsom's concerns stated above, the author of *this bill* introduced a subsequent bill that was signed into law, AB 2906 (Bryan), Chapter 623, Statutes of 2024, that narrowed the provisions of AB 1512 to only pertain to restricting counties from using federal SSA survivors' benefits, and submitted a budget request to supplement county foster care costs to account for counties no longer collecting and redeeming SSA survivor benefits on behalf of foster youth in their care.

Under current law, counties are still able to use Social Security SSI benefits to recoup the costs of a child's foster care. *This bill* would require counties to ensure that no federal SSA benefits under Title II are being used to pay for, or to reimburse the placing agency for, any costs of the foster youth's care and supervision.

Federal Social Security benefits under Title II of the SSA Act are insurance programs funded by payroll taxes. These are benefits that are earned based on a worker's employment history and are not means-tested.

Federal Social Security Administration Benefits and Foster Youth. Foster youth can be eligible for different types of federal benefits under the SSA, which administers different benefit programs that include survivor benefits, SSI benefits, and social security disability benefits (SSDI). Foster youth can become eligible for SSA benefits because of the disability, retirement, or death of a parent, and can become eligible for SSI because of their own disability.

- 1) **Survivor Benefits:** If a foster youth in care has a biological parent who has died, then they may be eligible to receive survivors' benefits, which are based on the work history of their deceased parent.
- 2) **SSI Benefits:** Some youth with disabilities nearing their transition out of foster care are eligible for SSI, which is a needs-based program administered by the SSA. SSI provides payments to people with low-income who are 65 years of age or older, blind, or disabled and who meet strict eligibility rules.
- 3) **SSDI:** This program is for individuals who have worked in jobs covered by Social Security and have earned enough "work credits" through their working life.

Typically, foster youth under 18 years of age who receive federal SSA benefits do not receive their benefits check directly. Instead, a person called a "representative payee,"—which can be a relative, adult friend, or the county—receives the check. Existing law states that the county should be the payee of last resort, applying only when no other appropriate party is available to serve.

As the representative payee, the county may use the child's SSA benefit to offset the cost of the care it provides to the child in foster care. In fact, in 2003 the Supreme Court unanimously upheld the right of the states to offset the costs of foster care with its ruling in *Washington State Department of Social and Health Services v. Guardianship Estate of Danny Keffeler*, 537 U.S. 371. The Court noted in its ruling that prohibiting a state from doing so could disadvantage children in foster care because the state would not maintain the child's SSI eligibility.

County Requirements to Establish and Maintain Accounts. Current law requires counties to monitor any applicable federal asset, resource, or income limits for the foster youth's benefits and ensure that their best interests are served by conserving the benefits in a way that avoids termination of those benefits as a result of exceeding the federal asset, resource, or income limits, including establishing and maintaining a dedicated account on behalf of the foster youth to preserve eligibility for other benefits to which the child may be entitled.

In its capacity as a representative payee, the county has a list of requirements to follow that include establishing a no-cost, interest-bearing maintenance account for each foster youth. Interest earned is required to be credited to the account and the county must keep an itemized current account, in the manner required by federal law, of all income and expense items for each foster youth's maintenance account.

This bill clarifies the county must establish and maintain an individual maintenance account, or any other appropriate account type, on behalf of the child and preserving eligibility for other benefits to which the child may be entitled.

According to the Author

"[This bill] continues years of progress away from the archaic practice of recouping the costs of a child's time in foster care through collecting their federal Social Security Administration benefits. Federal law explicitly places the financial responsibility of care on foster care agencies, but for decades agencies have used survivors benefits and disability benefits to reimburse themselves. California stopped this practice for survivors benefits, but agencies can continue to use a child's disability benefits as a way to backfill their costs. [This bill] will end this practice completely and ensure that all federal Social Security Administration benefits are used in the best interest of a foster youth, or conserved for the youth to access once they have exited the system."

Arguments in Support

According to co-sponsor, the Children's Law Center of California, "Currently, many youth in foster care who qualify for federal Supplemental Security Income (SSI) or Retirement, Survivors, Disability Insurance (RSDI) benefits have these funds managed by county placing agencies acting as their representative payee. However, these funds are too often used to offset foster care system costs rather than conserved for the youth's personal needs and future financial security. Additionally, many county placing agencies allow SSA benefits eligibility to lapse while a child is in foster care. These practices undermine the intended purpose of these benefits, leaving many youth in foster care without financial resources when they age out of care or exit foster care to permanency.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee on January 22, 2025:

- 1) Estimated ongoing General Fund (GF) costs to the California Department of Social Services (CDSS) of an unknown amount annually to offset the loss of SSA Title II benefit reimbursement to counties, and approximately \$700,000 annually for increased county social worker duties, including applying for reconsideration when SSA benefits are terminated, providing an accounting of resources upon request, and documenting and providing information on whether the child is currently receiving, entitled to receive, or has established eligibility for SSA benefits.

Although these county costs are mandated by the state, they are not reimbursable but instead must be paid by the state pursuant to Proposition 30 of 2012. Proposition 30 requires legislation enacted after September 30, 2012, that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by realignment (including child welfare services and foster care) applies to local agencies only to the extent the state provides annual funding for the cost increase.

- 2) One-time costs to CDSS of approximately \$1.6 million (GF) in fiscal year 2027-28 for automation updates to the Child Welfare Services California Automated Response and Engagement System (CWS-CARES), and for an intergovernmental MOU with tribal governments to establish tribal participation.

VOTES**ASM HUMAN SERVICES: 7-0-0**

YES: Lee, Castillo, Calderon, Elhawary, Jackson, Celeste Rodriguez, Tangipa

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Stefani, Calderon, Caloza, Fong, Mark González, Krell, Bauer-Kahan, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

UPDATED

VERSION: January 22,2026

CONSULTANT: Jessica Langtry / HUM. S. / (916) 319-2089

FN: 0002267