



Preserving Federal Benefits for Youth Experiencing Foster Care



Children's
Advocacy
ALLIANCE

Nevada Agencies are Taking Money from Youth in Care

In Nevada, foster youth are eligible for Social Security, or other Federal benefits, if they have a deceased parent or have been deemed disabled by the Social Security Administration. In 2021, a report found that Nevada is taking Social Security funds from the foster youth beneficiaries, without their knowledge, and using that money to fund state programs. These foster youth are not being notified and are rarely made aware that they qualify for federal benefits.*

Things to Know About Federal Survivor and Disability Benefits

- In 2023, Nevada received more than \$2.5 million dollars in federal benefits intended for foster children without a state mandate to preserve the funds, nor any duty to notify the young person the monies exist.*
- On average, impacted foster youth accrue about \$16,000 each which could tremendously improve the economic opportunities for impacted beneficiaries as they exit foster care.*
- Not only are these youth paying for their own care with these benefits, but in some cases, Nevada is returning unspent funds to the federal government instead of providing them the young person with a disability or without parents.*
- Each state is handling this differently, in Alaska, 160 former foster youth beneficiaries took the grievance into their own hands by suing the state in a class action lawsuit. The courts ruled in favor of the youth.*

Youth transitioning from foster care to adulthood are at high risk for poverty and housing insecurity



Recommendation

Require Nevada to conserve the child's benefits in protected accounts that avoid asset limitations for federal and state programs.

Preserving foster youth benefits means millions of dollars per year will help seed the future of Nevada - instead of being returned to the federal government.

Important Ways to Uplift Youth Experiencing Foster Care

- Screen youth in foster care for eligibility for federal benefits upon entering care and annually thereafter
- Nevada's child welfare agencies should apply on behalf of the child for any federal and state benefits for which the child may be eligible
- Provide transparent and ongoing notification for impacted youth that they are eligible for these benefits
- Prohibit the Nevada's child welfare agency from using the funds to pay for the cost of caring for the child in foster care
- Mandate periodic accounting to the child, the child's attorney, and the child's parent or guardian regarding the conservation and use of a child's benefits and monitors third-party fiduciaries while the child is in care
- Require the state to work with the child and the appropriate federal agency to return the money to the child or another fiduciary once the child exits care
- Provide a child aging out of care with training covering financial literacy and maintaining benefit eligibility



Carissa.Pearce@caanv.org