

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 \(https://www.nj.gov/humanservices/dds/programs/njable/\)](https://www.nj.gov/humanservices/dds/programs/njable/) (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 \(https://pub.njleg.state.nj.us/Bills/2024/S3500/3153_R1.PDF\)](https://pub.njleg.state.nj.us/Bills/2024/S3500/3153_R1.PDF), 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.”

Governor Phil Murphy

Statewide

[Home \(/governor/\)](/governor/)

[Key Initiatives](#)

[Social](#)

[NJ Home \(//www.nj.gov\)](http://www.nj.gov)

[Services A to Z](#)

[Administration](#)

[Economy & Jobs](#)

[Facebook](#)

[\(/www.nj.gov/nj/gov/njgov/alphaserv](http://www.nj.gov/nj/gov/njgov/alphaserv)

[Governor Phil Murphy](#)

[\(/governor/initiatives/#Economy](/governor/initiatives/#Economy)

[\(https://www.facebook.com/governorphilmurphy/\)](https://www.facebook.com/governorphilmurphy/)

[Departments/Agencies](#)

[\(/governor/admin/about\)](/governor/admin/about)

[Education](#)

[Twitter](#)

[\(/www.nj.gov/nj/gov/deptserv/\)](http://www.nj.gov/nj/gov/deptserv/)

[Lt. Governor Tahesha](#)

[\(/governor/initiatives/#Education](/governor/initiatives/#Education)

[\(/https://twitter.com/GovMurphy\)](https://twitter.com/GovMurphy)

[FAQs](#)

[Way](#)

[Environment](#)

[Instagram](#)

[\(/www.nj.gov/faqs/\)](http://www.nj.gov/faqs/)

[\(/governor/admin/lt\)](/governor/admin/lt)

[\(/governor/initiatives/#Environment](/governor/initiatives/#Environment)

[\(https://www.instagram.com/govmurphy/\)](https://www.instagram.com/govmurphy/)

[Contact Us](#)

[In memoriam of Lt.](#)

[Health](#)

[Snapchat](#)

[\(/www.nj.gov/nj/feedback.html\)](http://www.nj.gov/nj/feedback.html)

[Governor Sheila Y. Oliver](#)

[\(/governor/initiatives/#Health](/governor/initiatives/#Health)

[\(/https://www.snapchat.com/add/philmurphy\)](https://www.snapchat.com/add/philmurphy)

[Privacy Notice](#)

[\(/governor/admin/lt-sheila-y-oliver\)](/governor/admin/lt-sheila-y-oliver)

[Law & Justice](#)

[YouTube](#)

[\(/www.nj.gov/nj/privacy.html\)](http://www.nj.gov/nj/privacy.html)

[Senior Staff](#)

[\(/governor/initiatives/#Justice](/governor/initiatives/#Justice)

[\(/https://www.youtube.com/njgovernorsevice\)](https://www.youtube.com/njgovernorsevice)

[Legal Statement &](#)

[\(/governor/admin/staff\)](/governor/admin/staff)

[Transportation](#)

[Bluesky](#)

[Disclaimers](#)

[Cabinet](#)

[\(/governor/initiatives/#Transportation](/governor/initiatives/#Transportation)

[\(/https://bsky.app/profile/govmurphy.bsky.social\)](https://bsky.app/profile/govmurphy.bsky.social)

[\(/www.nj.gov/nj/legal.html\)](http://www.nj.gov/nj/legal.html)

[Accessibility Statement](#)

[\(/governor/admin/cabinet\)](/governor/admin/cabinet)

[News & Events](#)

[Contact Us](#)

[\(/www.nj.gov/nj/accessibility.html\)](http://www.nj.gov/nj/accessibility.html)

[Press Releases](#)

[Scheduling Requests](#)

[\(/governor/news/news/562024/governor-covert-schedule.html\)](/governor/news/news/562024/governor-covert-schedule.html)

Office of Climate Action and the Green Economy (/governor/climateaction/)	Photos (https://www.flickr.com/photos/governorphoto/contact/all/)	Contact Us (/governor/contact/all/)
Office of Equity (/governor/admin/equity/)	Public Addresses (/governor/news/addresses)	
Office of Health Care Affordability and Transparency (/governor/admin/affordablehealthcare/)	Executive Orders (/infobank/eo/056murphy/approved/eo_archive.html)	
Boards, Commissions & Authorities (/governor/admin/bca)	Administrative Orders (/governor/news/ao/approved/ao_archive.shtml)	
New Jersey Puerto Rico Commission (https://www.nj.gov/puertoricolegislation/)	Direct Appointments (/governor/news/appointments)	
Internship Opportunities (/governor/admin/internship.shtml)	Advice and Consent Appointments (/governor/news/acappointments)	
Governor's Fellows Program (/governor/admin/fellows)	Statements on Legislation (/governor/news/statements/approved/statements_archive.shtml)	
Governor's Residence - Drumthwacket (http://drumthwacket.org/)	Administration Reports (/governor/news/adminreports/approved/archive.shtml)	
	Transition Reports (/governor/news/reports/approved/reports_archive.shtml)	
	Press Kits (/governor/news/press)	

(/nj.gov/opra/)

(https://my.nj.gov/)

Copyright © State of New Jersey, 1996-2025
Office of Governor PO Box 001
Trenton, NJ 08625
609-292-6000

(https://tech.nj.gov/)