

441 G St. N.W.  
Washington, DC 20548

## **Accessible Version**

June 3, 2021

The Honorable Ron Wyden  
Chairman  
The Honorable Michael Crapo  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Richard E. Neal  
Chairman  
The Honorable Kevin Brady  
Republican Leader  
Committee on Ways and Means  
House of Representatives

## **Social Security Administration: New Data Exchanges with Some States Provide Limited Information on Foster Care Beneficiaries**

Certain children in foster care are eligible to receive funds from the Social Security Administration (SSA). Specifically, qualifying low-income children with a disability may be eligible to receive funds through the Supplemental Security Income (SSI) program, and certain children, such as those who are eligible survivors, may receive funds through the Old-Age, Survivors, and Disability Insurance (OASDI) program.<sup>1</sup> SSA typically selects and appoints a representative payee—an individual or organization—to manage Social Security funds for minor beneficiaries, including children in foster care. Children entitled to Social Security funds and whose benefits are certified for payment to a representative payee are referred to as “represented minor beneficiaries.”<sup>2</sup>

The Strengthening Protections for Social Security Beneficiaries Act of 2018 (the Act) included provisions for, among other things, stronger monitoring of representative payees and additional information sharing between SSA and state agencies. Section 103(a) of the Act requires SSA to (1) enter into agreements with states to share and match child welfare and SSA data on a monthly basis, and (2) for any represented minor beneficiary in foster care whose foster care arrangements have changed, redetermine the appropriate representative payee. Additionally, the Act included a provision for GAO to evaluate the number of represented minor beneficiaries

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<sup>1</sup>The Old-Age, Survivors, and Disability Insurance (OASDI) program is authorized under Title II of the Social Security Act and the Supplemental Security Income (SSI) program is authorized under Title XVI of the Social Security Act. In this report, we use the term “Social Security funds” to refer to benefits and payments provided under these two titles collectively, unless otherwise indicated.

<sup>2</sup>In this report, our analyses and findings presented include only represented minor beneficiaries in foster care. We use the terms “represented minor beneficiary” and “minor beneficiary” interchangeably.

in foster care under the responsibility of a state, and for those beneficiaries, the type of representative payee and how the Social Security funds were used.<sup>3</sup>

This report describes (1) the status of the Section 103(a) data exchanges between SSA and state child welfare agencies, and (2) the available data on the number of represented minor beneficiaries in foster care and, for those beneficiaries, the type of representative payee and the use of Social Security funds.

To describe the status of the data exchanges, we obtained and summarized information on state participation in the Section 103(a) data exchanges from SSA and reviewed related SSA documentation. We interviewed and obtained written responses from SSA staff about the agency's policies, procedures, and outreach activities to state child welfare agencies, as well as potential challenges for SSA and state agencies in implementing the exchanges. Additionally, we surveyed state child welfare agencies from all 50 states, the District of Columbia, Puerto Rico, and the United States Virgin Islands, asking about their participation in the Section 103(a) data exchanges and challenges regarding those exchanges. We conducted the survey between December 2020 and February 2021; we received 52 responses for a response rate of 98 percent.<sup>4</sup> We also reviewed relevant laws and regulations.

To describe what the available data show, we analyzed data from three separate SSA databases and information gathered through our survey of state child welfare agencies. To describe the number of represented minor beneficiaries in foster care and their payees, we analyzed available monthly data reported by the 11 states actively participating in the Section 103(a) data exchanges from the month the state first submitted data through November 2020, the most current data available when we conducted our analyses.<sup>5</sup> To supplement these data, we also analyzed available nationwide SSA data on the number of minor beneficiaries in foster care and their representative payees as of November 30, 2020. The nationwide data were obtained from SSA's electronic Representative Payee System (eRPS), which is an

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<sup>3</sup>Pub. L. No. 115-165, § 103(a)(3), 132 Stat. 1257, 1262 (2018). For the purposes of this provision of the Act, "state" has the same meaning as it does for purposes of Title IV-E of the Social Security Act, which authorizes federal funding to support state foster care programs and is administered by the Department of Health and Human Services (HHS). HHS regulations define "state" for purposes of Title IV-E as the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa. 45 C.F.R. § 1355.20. In this report, we use the term "state child welfare agency" instead of "state foster care agency," which is used by SSA.

<sup>4</sup>Oklahoma did not respond to our survey. Guam and American Samoa are considered states for purposes of Title IV-E of the Social Security Act, but were excluded from the survey. See enclosure I for additional details on our survey methodology.

<sup>5</sup>For reporting purposes, we are counting the District of Columbia as a state, and it was among the 11 states actively exchanging data with SSA as of November 2020. We analyzed monthly data from these states, available at the end of November 2020. As of April 2021, three additional states (Alabama, Indiana, and South Dakota) began exchanging data with SSA. However, we refer throughout the report to 11 states because that was the data available at the time of our analysis.

administrative application used to manage the agency's representative payee program.<sup>6</sup> To describe the use of Social Security funds on behalf of represented minor beneficiaries in foster care, we analyzed SSA data from the agency's Representative Payee Accounting database and eRPS on the 11 states with active data exchanges as of November 2020. We reviewed data for accounting periods ending in calendar year 2020.<sup>7</sup> We also collected information on the use of Social Security funds for represented minor beneficiaries whose payees are a child welfare agency through our national survey to state child welfare agencies.

To assess the reliability of the data provided by SSA on represented minor beneficiaries in foster care and their representative payees, we reviewed SSA documentation about the data, analyzed the data for missing values and internal inconsistencies, and interviewed and obtained written responses from SSA staff knowledgeable about the data to resolve identified issues. We determined that SSA's data from the Section 103(a) data exchange on the number of minor beneficiaries in foster care and their representative payees were sufficiently reliable for the purpose of providing monthly counts of beneficiaries and their representative payees based on available data for the states participating in the exchange. We determined that SSA's data from eRPS on the number of minor beneficiaries and their representative payees were sufficiently reliable for the purposes of providing a minimum number of beneficiaries nationally, and their type of representative payee, as of November 30, 2020.

To assess the reliability of data on the use of Social Security funds on behalf of represented minor beneficiaries in foster care for the 11 states participating in the data exchanges, we took similar steps as noted above. We determined that some data on the use of Social Security funds were sufficiently reliable to report, while other data were not. Specifically, we determined that data on seven of the 11 states in instances in which the child welfare agency was the representative payee were sufficiently reliable to provide estimated percentages of how Social Security funds were used based on general categories. For these seven states, we determined that data on the other types of representative payees and dollar amounts of funds were not sufficiently reliable for reporting purposes, due to a substantial number of missing values. Similarly, we determined that all data from four states were not sufficiently reliable for reporting purposes due to the prevalence of missing values. We also report caveats describing the limitations of the data, as appropriate.<sup>8</sup>

While we generally did not validate specific information state officials reported through our survey, we reviewed their responses and conducted follow-up, as necessary, to determine that their responses were complete, reasonable, and sufficiently reliable for presenting information

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<sup>6</sup>According to SSA, the agency added questions to eRPS in June 2019 asking whether a beneficiary age 21 or younger was in foster care and, if so, whether the payee was a state, local, or government agency. Therefore, eRPS data capture some information nationally on represented minor beneficiaries in foster care, but it may undercount those in states that do not participate in the data exchanges. Until all states participate in the Section 103(a) exchanges, the agency would not have complete data in eRPS on the number of represented minor beneficiaries in foster care, according to SSA.

<sup>7</sup>In general, representative payees report accounting information at least annually to SSA on the use of funds they receive on behalf of an individual. These records may cover one full year or a partial year of data. The partial year data generally occur when a representative payee provides a final accounting because they no longer manage a beneficiary's funds. Partial year accountings can occur when SSA investigates potential misuse of benefits or payments by a representative payee or for other reasons at SSA's discretion.

<sup>8</sup>See enclosure I for additional details on our data reliability assessment.

on challenges to participating in the data exchanges and the use of Social Security funds. See enclosure I for additional details on our methodology.

We conducted this performance audit from October 2020 to June 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Background

SSA appoints representative payees to receive and manage the OASDI benefits and SSI payments on behalf of certain individuals who are unable to manage benefits for themselves.<sup>9</sup> Generally, children under age 18 who receive these benefits or payments are appointed a representative payee.<sup>10</sup> SSA follows an order of priority to determine the individual best suited to serve a beneficiary's interests. As a result, SSA typically appoints a parent or other close relative to be the payee for a minor beneficiary, but may appoint another individual, an authorized social services agency, or custodial institution, depending on the beneficiary's circumstances. The Social Security Act and SSA's regulations require representative payees to use the beneficiary's payments for the use and benefit of the beneficiary. The representative payee is also responsible for reporting changes that could affect the beneficiary's payments and for submitting annual accounting reports on the use of benefits.

SSA took a number of steps to implement section 103(a) of the Act. For instance, the agency:

- designed and developed an internal data system to allow SSA to receive representative payee data from state child welfare agencies;
- developed a model data exchange agreement for state agencies to enter into that outlines the terms and conditions of the exchanges and safeguards for information disclosure and records maintenance;
- produced a "starter kit" for states that includes information on business and technical requirements to assist states with development and testing procedures, and that specifies the information states must provide, such as whether the beneficiary entered or exited foster care or changed placement; and
- held a webinar for state child welfare agency officials to introduce the data exchanges and other provisions of the Act.

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<sup>9</sup>See 42 U.S.C. §§ 405(j) (OASDI) and 1383(a)(2)(A)(ii) (SSI). SSA's regulations governing representative payees may be found at 20 C.F.R § 404.2001 *et seq.* (OASDI) and 20 C.F.R § 416.601 *et seq.* (SSI).

<sup>10</sup>In certain situations, SSA will make direct payments to a beneficiary age 15 or over but under age 18 who shows the ability to manage their benefits. However, under SSA policy, children under age 15 must have a payee unless they have been emancipated under state law. Other beneficiaries with representative payees include adults who are legally incompetent or incapable of managing or directing the management of their benefit payments. SSA determines whether a beneficiary needs a representative payee by interacting directly with the individual to assess their capability to manage or direct the management of their benefits, and by reviewing court determinations of legal incompetency, medical evidence, or statements of relatives, friends, or others who know and observe the beneficiary concerning the beneficiary's ability to manage or direct the management of their benefits.

SSA's regional data exchange coordinators are the primary contacts for data sharing between SSA and state agencies, including the Section 103(a) data exchanges. Data exchange coordinators help prepare and present agreements to state agencies based on pre-approved model agreements, answer or coordinate responses to questions from state agencies, and assist state agencies throughout the process.

### As of April 2021, 14 States Are Actively Exchanging Data with SSA

Since 2019, more than one-half of states (31) have entered into a Section 103(a) data exchange agreement with SSA. Of these states, 14 were actively exchanging data with SSA as of April 2021. Seven states were actively testing their data exchanges and 10 states have entered into agreements, but taken no further steps. (See table 1.) According to SSA, the Act does not explicitly state that states have an obligation to enter into data exchange agreements with SSA; nor does the Act provide SSA with a mechanism to compel states to enter into data exchange agreements or act within a certain time frame. The data sharing provisions of the 2018 Act went into effect about one year after enactment. SSA's first Section 103(a) data exchange (with Iowa) was active in April 2019.

**Table 1: Status of SSA's Section 103(a) Data Exchanges with State Child Welfare Agencies as of April 2021**

Status of Data Exchange	States (including the District of Columbia and territories)
Exchanging data	Alabama, Delaware, District of Columbia, Illinois, Indiana, Iowa, Kentucky, Maine, Nebraska, Nevada, Ohio, South Dakota, Vermont, Virginia (14)
Actively testing	Arizona, California, Massachusetts, Montana, Tennessee, Texas, Utah (7)
Entered into a data exchange agreement, but no additional steps	Alaska, Florida, Hawaii, Kansas, Louisiana, Maryland, Missouri, Oregon, Rhode Island, West Virginia (10)
Not entered into a data exchange agreement	American Samoa, Arkansas, Colorado, Connecticut, Georgia, Guam, Idaho, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, Commonwealth of Puerto Rico, South Carolina, United States Virgin Islands, Washington, Wisconsin, Wyoming (24)

Source: GAO summary of Social Security Administration (SSA) data. | GAO-21-441R

Note: Section 103(a) data exchanges were established to implement section 103(a) of the Strengthening Protections for Social Security Beneficiaries Act of 2018.

### Reported Challenges

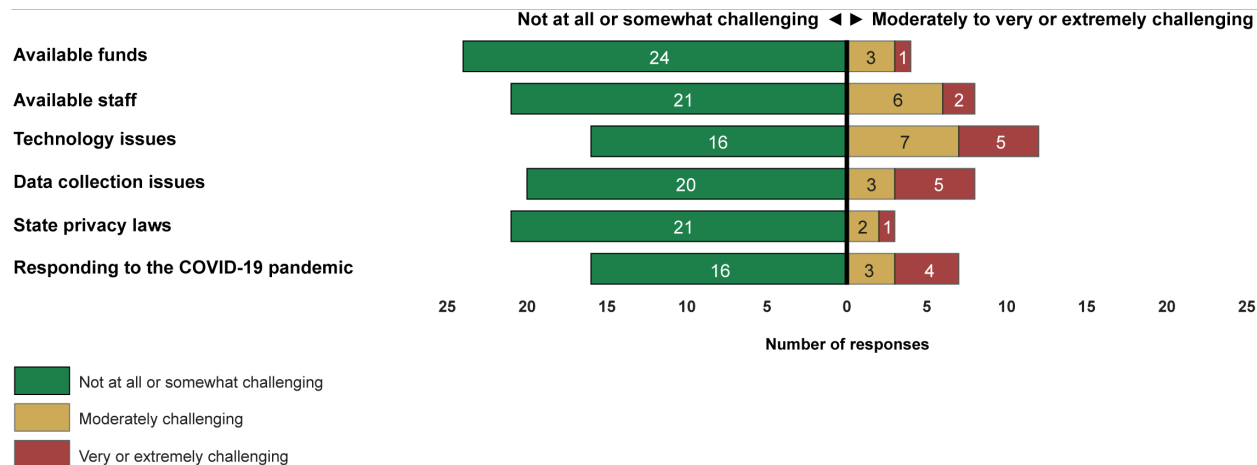
SSA staff and some state child welfare agency officials we surveyed reported challenges entering into Section 103(a) data exchange agreements as well as implementing or maintaining the data exchanges.

#### **Challenges entering into agreements.**

SSA staff noted that several factors may hinder a state's ability to enter into a Section 103(a) data exchange agreement. Specifically, staff said many states could not participate in the exchanges due to factors such as a lack of sufficient funding or technical resources and issues with state privacy laws. More recently, SSA staff said that efforts to respond to the Coronavirus Disease 2019 (COVID-19) pandemic or manage other higher priority projects could also be creating barriers. However, the majority of the 34 state child welfare agencies responding to this survey question reported that the factors identified by SSA were somewhat or not at all

challenging.<sup>11</sup> State agencies generally did not identify other issues as creating challenges to entering into agreements. (See fig. 1.)

**Figure 1: Challenges Related to Entering into a Section 103(a) Data Exchange Agreement with SSA as Reported by State Child Welfare Agencies**



Source: GAO survey of state child welfare agencies. | GAO-21-441R

**Data table for Figure 1: Challenges Related to Entering into a Section 103(a) Data Exchange Agreement with SSA as Reported by State Child Welfare Agencies**

	Number of responses		
	Not at all or somewhat challenging	Moderately challenging	Very or extremely challenging
Available funds	24	3	1
Available staff	21	6	2
Technology issues	16	7	5
Data collection issues	20	3	5
State privacy laws	21	2	1
Responding to the COVID-19 pandemic	16	3	4

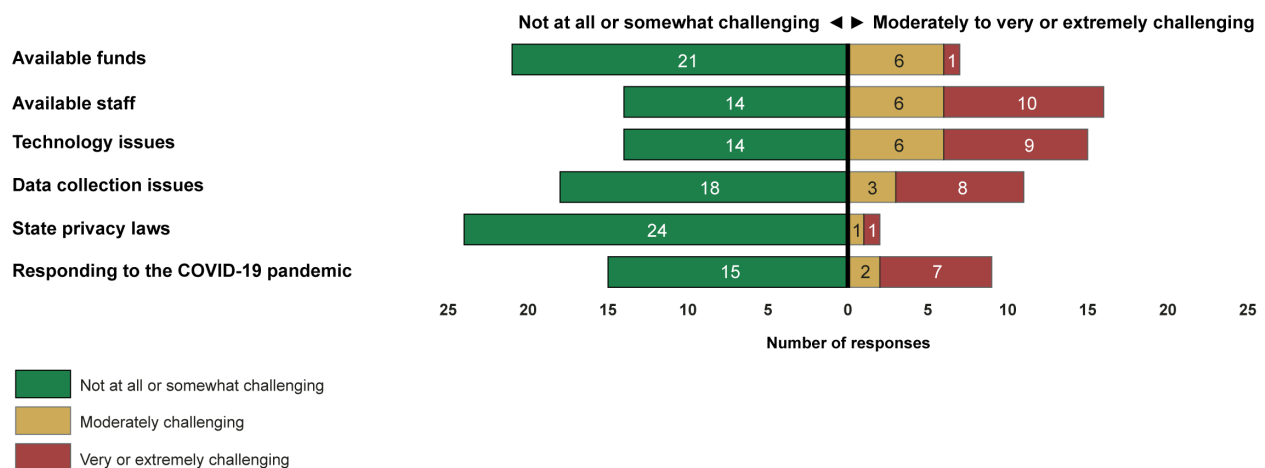
Notes: State child welfare agencies that reported they did not have a data exchange agreement and also did not have any specific plans to enter into one were asked to skip this survey question. States that reported they did not know whether they had a data exchange agreement also were asked to skip this question. In total, 34 states responded to this survey question; “not applicable” and “don’t know” responses are not shown in this figure. Section 103(a) data exchange agreements were established to implement section 103(a) of the Strengthening Protections for Social Security Beneficiaries Act of 2018.

<sup>11</sup>State child welfare agencies that reported they did not have a data exchange agreement were asked to respond to this survey question. However states that reported they did not have an agreement and also did not have any specific plans to enter into one were asked to skip this survey question. States that reported they did not know whether they had a data exchange agreement also were asked to skip this question.

### Challenges implementing or maintaining data exchanges.

SSA and some state child welfare agency officials we surveyed said there have been challenges to implementing the data exchanges after an agreement is signed. SSA staff said that a number of challenges occurred when testing Section 103(a) data exchanges with states, such as states sending files that included missing or duplicate data or data that had not been properly updated. SSA staff noted that these same issues sometimes occurred after testing was completed and once a state was regularly exchanging data. Among the 31 state child welfare agencies responding to this survey question, about one-half reported that available staff (16 states) and technology issues (15 states) were at least moderately challenging to implementing or maintaining a data exchange.<sup>12</sup> Eleven states also reported that data collection issues were at least moderately challenging. For example, child welfare agency officials in one state commented that the ability to identify and validate representative payee information was a challenge because there was overlap in categorizing some payees and payee information was not collected through their child welfare data system. Fewer states reported that available funds and state privacy laws were major challenges. (See fig. 2.)

**Figure 2: Challenges Related to Implementing or Maintaining a Section 103(a) Data Exchange with SSA as Reported by State Child Welfare Agencies**



Source: GAO survey of state child welfare agencies. | GAO-21-441R

Notes: State child welfare agencies that reported they did not have a data exchange agreement and also did not have any specific plans to enter into one were asked to skip this survey question. States that reported they did not know whether they had a data exchange agreement also were asked to skip this question. In total, 31 states responded to this survey question; “not applicable” and “don’t know” responses are excluded from this figure. Section 103(a) data exchanges were established to implement section 103(a) of the Strengthening Protections for Social Security Beneficiaries Act of 2018.

<sup>12</sup>State child welfare agencies that reported they did not have a data exchange agreement and did not have any specific plans to enter into one were asked to skip this survey question. States that reported they did not know whether they had a data exchange agreement also were asked to skip this question.

**Data table for Figure 2: Challenges Related to Implementing or Maintaining a Section 103(a) Data Exchange with SSA as Reported by State Child Welfare Agencies**

	Number of responses		
	Not at all or somewhat challenging	Moderately challenging	Very or extremely challenging
Available funds	21	6	1
Available staff	14	6	10
Technology issues	14	6	9
Data collection issues	18	3	8
State privacy laws	24	1	1
Responding to the COVID-19 pandemic	15	2	7

#### SSA Outreach to State Agencies

SSA has recently bolstered its outreach to states to encourage greater participation in the data exchanges. SSA staff said that, since 2019, the regional data exchange coordinators had been focusing their outreach on states that had expressed an early interest in participating in the data exchange. SSA recently renewed its outreach efforts to include a larger group of states. Specifically, in late January 2021, SSA instructed its regional data exchange coordinators to reintroduce the data exchange starter kits to all states and territories that did not have Section 103(a) data exchange agreements or active data exchanges.<sup>13</sup>

#### **Limited SSA Data Show State Agencies Are Often Representative Payees for These Beneficiaries and Most Funds Are Used for Direct Expenses**

##### Minor Beneficiaries in Foster Care and Their Representative Payees

##### ***National data from eRPS.***

SSA data from eRPS show that there were approximately 25,400 represented minor beneficiaries in foster care receiving Social Security funds, as of November 30, 2020. SSA staff said currently eRPS data do not fully capture the number of represented minor beneficiaries in foster care nationally, and most likely reflect an undercount except for the

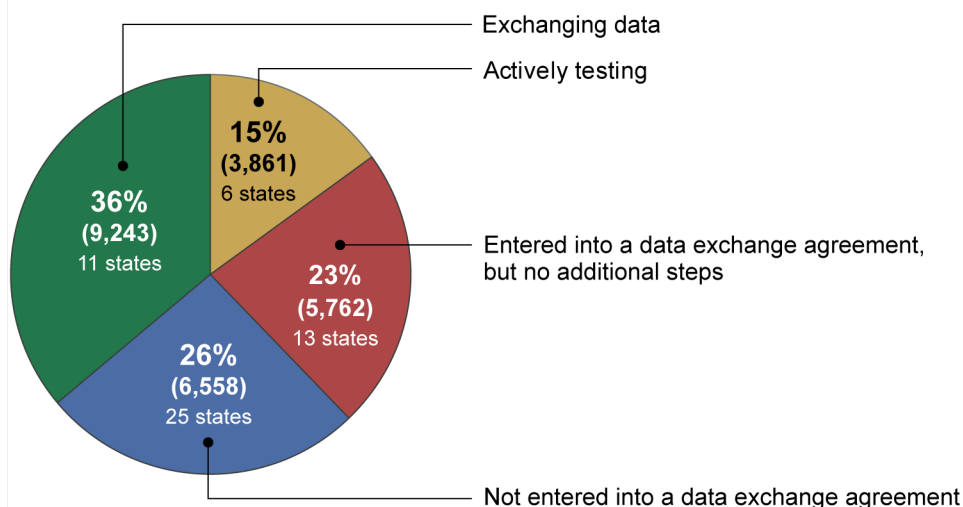
<sup>13</sup>The Strengthening Protections for Social Security Beneficiaries Act of 2018 did not require SSA to enter into Section 103(a) agreements with tribal child welfare agencies. SSA did not have any Section 103(a) agreements with tribal child welfare agencies as of March 2021. However, SSA instructed regional data exchange coordinators to begin outreach to tribal child welfare agency partners as part of their renewed efforts beginning in late January 2021.



11 states participating in the Section 103(a) data exchanges.<sup>14</sup> According to eRPS data, these 11 states represented about one-third (36 percent) of the total number of minor beneficiaries in foster care reported as of the end of November 2020. (See fig. 3.) According to SSA staff, until all states are participating in the Section 103(a) exchanges, the agency would not have complete data in eRPS on the number of represented minor beneficiaries in foster care.

**Figure 3: State Participation in Section 103(a) Data Exchanges and Percentage of Represented Minor Beneficiaries in Foster Care as of November 30, 2020**

Percentage of total beneficiaries (number of beneficiaries) and number of states



Total number of represented minor beneficiaries as of November 30, 2020: **25,424**

Total number of states, territories, and the District of Columbia: **55**

Source: GAO analysis of data from Social Security Administration's (SSA) electronic Representative Payee system. | GAO-21-441R

**Data table for Figure 3: State Participation in Section 103(a) Data Exchanges and Percentage of Represented Minor Beneficiaries in Foster Care as of November 30, 2020**

	Percentage of total beneficiaries	Number of beneficiaries	Number of states
Exchanging data	36%	9,243	11
Actively testing	15%	3,861	6
Entered into a data exchange agreement, but no additional steps	23%	5,762	13
Not entered into a data exchange agreement	26%	6,558	25

- Total number of represented minor beneficiaries as of November 30, 2020: 25,424
- Total number of states, territories, and the District of Columbia: 55

Source: GAO analysis of data from Social Security Administration's (SSA) electronic Representative Payee system. | GAO-21-441R

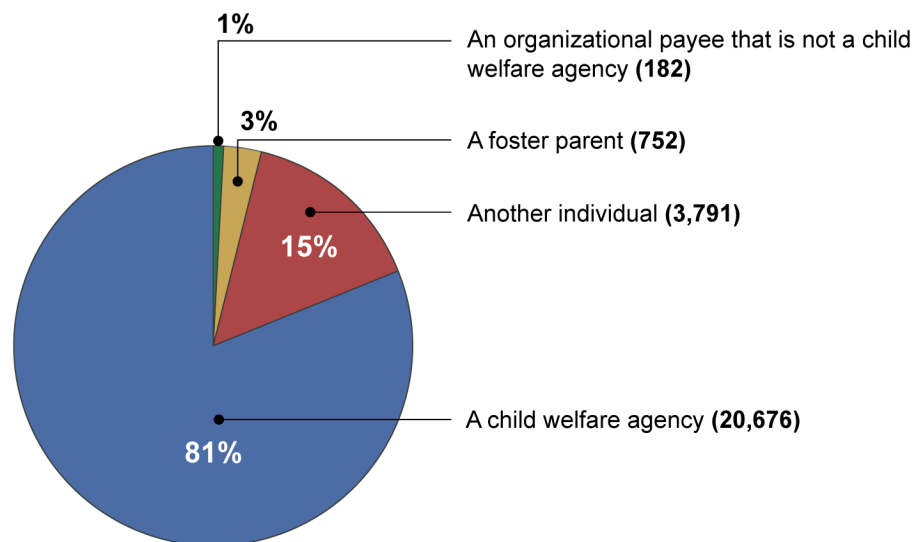
<sup>14</sup>As described earlier, SSA stated that the agency added questions to eRPS in June 2019 asking whether a beneficiary age 21 or younger was in foster care and, if so, whether the payee was a state, local, or government agency. Therefore eRPS data capture some information nationally on represented minor beneficiaries in foster care, but it may be an undercount for states not participating in the data exchanges.

Notes: Section 103(a) data exchanges were established to implement section 103(a) of the Strengthening Protections for Social Security Beneficiaries Act of 2018. The figure reflects the number of represented minor beneficiaries in foster care and the status of state participation in the data exchanges as of November 30, 2020, the most current data available when we conducted our analysis. This figure includes both beneficiaries receiving funds under Title II (the Old-Age, Survivors, and Disability Insurance program) and Title XVI (the Supplemental Security Income program) of the Social Security Act. SSA staff stated that eRPS data may undercount the number of represented minor beneficiaries in foster care, except for the 11 states actively exchanging data with SSA. As of April 2021, three additional states began exchanging data with SSA and three additional states began actively testing their exchanges.

Additionally, the eRPS data show that a child welfare agency was the representative payee for about 81 percent of minor beneficiaries in foster care as of the end of November 2020. An individual payee other than a foster parent was the representative payee for approximately 15 percent, and a foster parent was the payee for 3 percent. Other organizational payees represented approximately 1 percent of minor beneficiaries in foster care.<sup>15</sup> (See fig. 4.)

**Figure 4: Number and Percentage of Represented Minor Beneficiaries in Foster Care by Payee Type as of November 30, 2020**

Percentage of total beneficiaries (number of beneficiaries) by payee type



Total number of represented minor beneficiaries as of November 30, 2020: 25,424

Source: GAO analysis of data from Social Security Administration's (SSA) electronic Representative Payee system. | GAO-21-441R

**Data table for Figure 4: Number and Percentage of Represented Minor Beneficiaries in Foster Care by Payee Type as of November 30, 2020**

Payee type	Percentage of total beneficiaries	Number of beneficiaries
An organizational payee that is not a child welfare agency	1%	182
A foster parent	3%	752
Another individual	15%	3,791
A child welfare agency	81%	20,676

- Total number of represented minor beneficiaries as of November 30, 2020: 25,424

Source: GAO analysis of data from Social Security Administration's (SSA) electronic Representative Payee system. | GAO-21-441R

Notes: This figure includes both beneficiaries receiving funds under Title II (the Old-Age, Survivors, and Disability Insurance program) and Title XVI (the Supplemental Security Income program) of the Social Security Act. The category "child welfare agency" includes state, county, or local government agencies, as well as social agencies, which can include government agencies and nongovernmental organizations. The category "organizational payee that is not a child welfare agency" includes financial

<sup>15</sup>The category "child welfare agency" includes state, county, or local government agencies, as well as social agencies, which can include government agencies and nongovernmental organizations. The category "organizational payee that is not a child welfare agency" includes financial organizations, public officials, mental institutions, and non-mental institutions, among others. The category "individual other than a foster parent" includes relatives, room and board providers, and friends, among others.

organizations, public officials, mental institutions, and non-mental institutions, among others. The category “individual other than a foster parent” includes relatives, room and board providers, and friends, among others. Additionally, of the 25,424 represented minor beneficiaries in foster care as of November 30, 2020, 23 (0.1%) had a representative payee listed as “other,” which is not shown in the figure.

### ***Section 103(a) data from participating states.***

Among the states participating in the data exchanges, nine states with Section 103(a) data exchange data for November 2020—the most recent available at the time of our analysis—together reported over 5,900 represented minor beneficiaries in foster care. Two states participating in the exchange, Illinois and Ohio, did not submit data for November 2020, but based on data submitted for earlier months, together accounted for another 4,250 minor beneficiaries in foster care.<sup>16</sup> The number of beneficiaries reported by all 11 states ranged widely, from about 150 each month (Delaware) to around 2,200 each month (Kentucky). (See enclosure II for available monthly data reported by each participating state.)

Data reported by the 11 participating states show that the most common type of representative payee varied.<sup>17</sup> For eight states (Delaware, District of Columbia, Illinois, Kentucky, Maine, Nebraska, Ohio, and Vermont), child welfare agencies were the representative payees for more than one-half of minor beneficiaries in foster care.<sup>18</sup> In one of the 11 states (Virginia), child welfare agencies and individuals were about equally split as the representative payees. For the remaining two states (Iowa and Nevada), individuals other than foster parents constituted the largest percentage of payees for represented minor beneficiaries in foster care. SSA staff stated that information submitted through the Section 103(a) data exchanges has helped the agency identify over 5,500 instances in which it determined it should appoint a new representative payee for a minor beneficiary in foster care.

Not all participating states consistently reported data to SSA through the data exchanges. One state (Illinois) began exchanging data in November 2019, but only reported two months of data over the course of 13 months. Three other states (Nevada, Ohio, and Vermont) had at least one month of missing data. SSA staff told us that two states (Nevada and Vermont) provided updated data through the data exchanges in the subsequent month without additional outreach. SSA staff also said the agency recently followed up with two other states (Illinois and Ohio), and found that the missing data were due to technical problems with the state agencies’ systems. According to SSA, these technical issues have been resolved, and, moving forward, these states will submit data on a regular basis.<sup>19</sup>

### **Use of Social Security Funds**

SSA regulations require that all representative payees, including state agencies, use Social Security funds for the use and benefit of the beneficiary, such as for food, clothing, shelter, and

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<sup>16</sup>Specifically, Illinois reported 1,845 beneficiaries in January 2020 and Ohio reported 2,409 beneficiaries in August 2020.

<sup>17</sup>Though Illinois and Ohio did not submit data through the Section 103(a) data exchanges in November 2020, SSA had November 2020 data on the representative payees in these states through eRPS.

<sup>18</sup>For two of these states (District of Columbia and Nebraska) a child welfare agency was the representative payee for more than 85 percent of the minor beneficiaries in foster care.

<sup>19</sup>SSA staff said that, as of March 2021, they had received data from Illinois and were awaiting data from Ohio.

medical care.<sup>20</sup> Any funds that are not used must be conserved or invested on behalf of the beneficiary.<sup>21</sup> Most representative payees are required to account for their use of funds annually.<sup>22</sup>

Based on our analysis of available accounting data for calendar year 2020 from seven states participating in the data exchanges, representative payees that were child welfare agencies reported spending almost all Social Security funds received on behalf of represented minor

beneficiaries for food, housing, and other expenses of the beneficiary.<sup>23</sup> (See table 2.) For five of the seven states for which we had data, these payees spent between 67 percent and 91 percent of the Social Security funds on food and housing expenses for the beneficiary. For the remaining two states, these representative payees reported spending the majority of funds on other expenses for the beneficiary, such as medical, dental, or educational costs, clothing, or other personal items. Among the seven states for which we had data, these payees conserved 15 percent or less of the Social Security funds on behalf of the beneficiary. (See enclosure II for additional analysis of available accounting data on the use of funds.)

**Table 2: Estimated Use of Social Security Funds by Child Welfare Agencies for Represented Minor Beneficiaries in Foster Care for States with Available Data**

State	Used for food and housing expenses of the beneficiary (%)	Used for other expenses of the beneficiary (%)	Conserved on behalf of the beneficiary (%)
Delaware	5%	92%	3%
District of Columbia	67%	28%	4%
Iowa	91%	6%	2%
Kentucky	29%	71%	0%
Maine	75%	25%	0%
Nebraska	78%	7%	15%
Virginia	75%	16%	7%

Source: GAO analysis of Social Security Administration (SSA) accounting data. | GAO-21-441R

Notes: "Social Security funds" refers to benefits and payments provided under Title II (the Old-Age, Survivors, and Disability Insurance program) and Title XVI (the Supplemental Security Income program) of the Social Security Act. The data in this table do not reflect all funds provided on behalf of represented minor beneficiaries in these states for this time frame. To compile these data, SSA identified accounting records for represented minor beneficiaries in the initial files submitted through the Section 103(a) data

<sup>20</sup>See 20 C.F.R. §§ 404.2035-404.2040 (OASDI) and §§ 416.635-416.640 (SSI). Other allowable uses may include education and recreational items like toys, movies, cameras, radios, candy, stationary, grooming aids, etc.

<sup>21</sup>20 C.F.R. §§ 404.2045 (OASDI) and 416.645 (SSI).

<sup>22</sup>20 C.F.R. §§ 404.2065 (OASDI) and 416.665 (SSI). Representative payees submit this information using Form 6234, *Social Security Administration Representative Payee Report*. According to SSA staff, as a result of the Strengthening Protections for Social Security Beneficiaries Act of 2018, certain individual representative payees, such as parents or legal guardians of minor beneficiaries who reside in the same household, are exempted from having to complete this annual accounting form. See Pub. L. No. 115-165, § 102, 132 Stat. 1257, 1260-61.

<sup>23</sup>To compile the funding data we included in this report, SSA identified accounting records for represented minor beneficiaries in the initial files submitted to SSA through the Section 103(a) data exchanges by the 11 states with active exchanges as of November 2020 and for accounting periods that ended in calendar year 2020 (which often began in 2019). These data do not reflect all Social Security funds provided on behalf of represented minor beneficiaries in these states for this time frame. To ensure greater reliability of data, we only included in our analysis accounting form records that had been approved by SSA and excluded records that had been submitted by payees but were not yet SSA approved. Additionally, we excluded approved records in which the difference between the amount to be accounted for and the reported use of funds was greater than 10 percent, primarily due to missing values. We did not report data for four states in which we had to remove at least 20 percent of the records: Illinois, Nevada, Ohio, and Vermont. See enclosure I for additional details on our methodology.

exchanges by the 11 states with active exchanges as of November 2020 and for accounting periods ending in calendar year 2020 (which often began in 2019). For our analysis and information presented in this table, we only included accounting records that were approved by SSA and excluded records that were submitted to, but not approved, by SSA. Additionally, we excluded approved records in which the difference between the amount to be accounted for and the reported use of funds was greater than 10 percent, primarily due to missing values. We did not report data for the states in which we had to remove at least 20 percent of the records: Illinois, Nevada, Ohio, and Vermont. The percentages for each state reflect the total amount used in each expense category divided by the total amount of Social Security funds to be accounted for in the records included in the analysis. "Other expenses" can include clothing, education, medical and dental expenses, recreation, or personal items for the beneficiary.

In our national survey to state child welfare agencies, we asked about the use of Social Security funds, including as it relates to foster care maintenance payments, in instances in which their agency served as the representative payee for a minor beneficiary in foster care.<sup>24</sup> For fiscal year 2020, 42 of 50 state child welfare agencies answering this question reported using these funds to reduce the costs the state would have paid in foster care maintenance payments for the direct expenses of the minor beneficiary (e.g., food, housing, clothes).<sup>25</sup> Twenty-nine of these states also reported using funds for additional direct expenses for the minor beneficiaries that the state would not otherwise have covered (e.g., as a supplement to foster care maintenance payments). In comments on the survey, state child welfare agency officials shared examples of how they used the Social Security funds, such as for educational needs (e.g., technology for educational purposes), medical needs, and personal items (e.g., a high school senior class ring). Additionally, 37 of 50 state agencies also reported that they conserved a portion of Social Security funds on behalf of represented minor beneficiaries in foster care.

### Agency Comments

We provided a draft of this report to SSA and HHS for review and comment. We received written comments from SSA, which are reproduced in Enclosure III. In its comments, SSA stated that it was continuing to work with states with whom it does not have data exchange agreements and to assist states that have agreements but are not actively exchanging data. SSA also provided technical comments, which we incorporated as appropriate. HHS did not have comments on the draft.

We are sending copies of this report to the appropriate congressional committees and the Commissioner of the Social Security Administration and the Secretary of Health and Human Services. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>

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<sup>24</sup>Children in foster care can potentially be eligible for Social Security benefits and/or payments from SSA as well as foster care maintenance payments from the state. Under Title IV-E of the Social Security Act, administered by HHS, state child welfare agencies receive federal funding toward a portion of these monthly payments made on behalf of children in foster care. Foster care maintenance payments are intended to help cover costs such as food, clothing, shelter, daily supervision, school supplies, and a child's personal incidentals. A child who receives both SSI and Title IV-E benefits may have their SSI payment reduced by the amount of Title IV-E funds. State child welfare agencies that serve as representative payees may use Social Security funds received on behalf of minor children in foster care to reimburse the state for certain foster care costs. See *Wash. State Dep't of Soc. & Health Servs. v. Guardianship Estate of Keffeler*, 537 U.S. 371 (2003).

<sup>25</sup>Fifty of the 52 state child welfare agencies that completed the survey responded to this question.

If you or your staff have any questions about this report, please contact Kathryn Larin at (202) 512-7215 or [larink@gao.gov](mailto:larink@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Theresa Lo (Assistant Director) and Swati Deo (Analyst-in-Charge). Jessica Ard, Ted Burik, Sarah Cornetto, Caroline DeCelles, Lauren Gomez, Joyce Harvey, Linda Keefer, Jean McSween, Mimi Nguyen, Joy Solmonson, and Walter Vance also contributed to this report.

A handwritten signature in black ink, reading "Kathryn Larin". The signature is fluid and cursive, with the first name "Kathryn" and last name "Larin" clearly distinguishable.

Kathryn Larin  
Director, Education, Workforce, and Income Security

Enclosures - 3



## Enclosure I: Additional Methodological Details

This enclosure describes additional details on the methodologies for our survey of state child welfare agencies and our analysis of data from the Social Security Administration (SSA), including data submitted by states through the Section 103(a) data exchanges.

### Survey of State Child Welfare Agencies

We administered a web-based survey of state child welfare agency officials from all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands from December 2020 to February 2021 to obtain information for both of our research questions.<sup>26</sup>

Because we surveyed all relevant child welfare agencies, there was no sampling error. Furthermore, we took steps to minimize any non-sampling errors. In particular, we reached out to state child welfare agencies before sending the survey to ensure we had the appropriate agency contacts for our survey. We also conducted pretests by phone in November 2020 with child welfare agency officials in California, Florida, Idaho, and Pennsylvania, which were chosen for a variety in state program size and program administration (whether programs are administered at the state or county level).<sup>27</sup> We conducted the pretests to check for the clarity of the questions and terminology. We made changes to the questionnaire, as appropriate, based on feedback from the pretests.

Additionally, when developing our questionnaire, we obtained input from internal experts and SSA staff and made changes as appropriate. We used information from SSA to develop the list of potential challenges state agencies could face when entering into agreements and implementing or maintaining Section 103(a) data exchanges. We also incorporated feedback from SSA staff on the potential uses of Social Security funds to ensure we accurately captured the types of allowable expenses.

Of the 53 agencies in our survey, 52 agencies completed our survey for a response rate of 98 percent.<sup>28</sup> We did not validate information reported through our survey. We reviewed the responses and followed up with state child welfare agency officials, as needed, to ensure their responses were complete, reasonable, and sufficiently reliable for the purposes of this report.

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<sup>26</sup>Guam and American Samoa are considered states for the purposes of Title IV-E of the Social Security Act, but were excluded from the survey. This survey was conducted in collaboration with teams working on three other GAO reports, and Guam and American Samoa were excluded based on the scope of the other reports.

<sup>27</sup>The survey of state child welfare agencies was conducted for four GAO reports, including this report. Decisions about the selection of states for pretests were made in conjunction with the teams working on the other three GAO reports.

<sup>28</sup>Oklahoma did not respond to our survey.

## Analysis of SSA Data

Section 103 of the Strengthening Protections for Social Security Beneficiaries Act of 2018 included a provision for GAO to evaluate the number of represented minor beneficiaries in foster care under the responsibility of a state, and for those beneficiaries, the type of representative payee and how the Social Security funds were used. We analyzed and assessed the reliability of data provided by SSA on the number of represented minor beneficiaries in foster care, their representative payee types, and the use of Social Security funds on behalf of beneficiaries. We reported on data we determined to be sufficiently reliable for our audit purposes. We describe below the steps we took to analyze and assess the reliability of all data provided by SSA.

### **Number of Minor Beneficiaries in Foster Care and Their Representative Payees**

We analyzed SSA data on the number of represented minor beneficiaries in foster care and their representative payees using data from the Section 103(a) data exchanges and the electronic Representative Payee System (eRPS) database.<sup>29</sup> For the Section 103(a) data exchanges, we analyzed the data for the 11 states participating in the exchanges as of November 2020: Delaware, District of Columbia, Illinois, Iowa, Kentucky, Maine, Nebraska, Nevada, Ohio, Vermont, and Virginia.<sup>30</sup> SSA provided monthly data for each state from the month the state first submitted data through November 2020. To ensure consistency, we obtained the unique count of beneficiaries and their representative payees as of the end of each month. For the national eRPS data, we obtained the number of represented minor beneficiaries in foster care and their representative payees as of November 30, 2020.<sup>31</sup> In addition to our analysis of the total number of represented minor beneficiaries and their payees, we also analyzed the number of minor beneficiaries and their representative payees based on the type of Social Security benefits received: Old-Age, Survivors, and Disability Insurance, Supplemental Security Income, or both.

We took similar steps to combine SSA's representative payee types in the Section 103(a) data exchange and the national eRPS data in order to report on four categories of representative payees: (1) child welfare agency, (2) organizational payee that is not a child welfare agency, (3) foster parent, and (4) another individual.<sup>32</sup> First, we grouped the representative payee types in

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<sup>29</sup>As described earlier, SSA staff stated that the agency added questions to eRPS in June 2019 asking whether a beneficiary age 21 or younger was in foster care and, if so, whether the payee was a state, local, or government agency. Therefore eRPS data capture some information nationally on represented minor beneficiaries in foster care, but it may undercount those in states that do not participate in the data exchanges. Until all states participate in the Section 103(a) exchanges, the agency would not have complete data in eRPS on the number of represented minor beneficiaries in foster care, according to SSA.

<sup>30</sup>As of April 2021, three additional states (Alabama, Indiana, and South Dakota) began exchanging data with SSA. However, we refer throughout the report to 11 states because those were the data available at the time of our analysis.

<sup>31</sup>Minor beneficiaries can enter or exit foster care or change representative payees in the course of a month. The Section 103(a) data exchange and national eRPS data represent a count of beneficiaries and representative payees as of the end of the month.

<sup>32</sup>The category "child welfare agency" includes state, county, or local government agencies, as well as social agencies. We could not report data solely on governmental child welfare agencies because, according to SSA guidance, social agencies can include government agencies and nongovernmental organizations. However, the majority of payees in the "child welfare agency" category were state, county, or local government agencies rather than social agencies in both the eRPS and Section 103(a) data exchange data. The category "organizational payee that is not a child welfare agency" includes financial organizations, public officials, mental institutions, and non-mental institutions, among others. The category "individual other than a foster parent" includes relatives, room and board

the data with exact or similar names as the reporting categories. Second, for those payee types without exact or similar names, we used the Section 103(a) data exchange agreement, technical requirements (for the data exchange data), and SSA staff guidance explaining representative payee types in eRPS (for the national data). Finally, we reported as “other” the few types of representative payees that we could not classify as falling into one of the four categories above. We obtained and incorporated SSA feedback, as appropriate, on how we combined the representative payee types.<sup>33</sup>

We took several steps to assess the reliability of the data on represented minor beneficiaries in foster care and their representative payees obtained from the Section 103(a) data exchange and eRPS. We reviewed SSA documentation provided to state officials for the Section 103(a) data exchanges, including the data exchange technical specifications and business requirements. We reviewed SSA guidance to its staff on eRPS. We tested the data SSA provided from both databases to determine consistency in the total count of beneficiaries and their representative payees. We also obtained written responses from and interviewed knowledgeable SSA staff about how the data were compiled and limitations with the data. We identified several limitations to the Section 103(a) data that we described in the report. First, the data are limited to the 11 states participating as of November 2020. Also, the available data for each participating state varied between 2 and 20 months based on when the state first submitted data and whether there were any gaps in reporting. Additionally, according to SSA, human error entering information into the system could also affect the accuracy of the Section 103(a) data exchange and eRPS data. However, SSA staff stated that they manually reviewed the Section 103(a) data and conducted independent validation of the Section 103(a) data exchange and eRPS data before providing it to us. Although we identified some data limitations, we determined that the Section 103(a) data exchange data were sufficiently reliable for the purpose of reporting the monthly number of minor beneficiaries in foster care and their representative payees for the 11 participating states. We determined that the national eRPS data were sufficiently reliable for the purpose of reporting the minimum number of represented minor beneficiaries in foster care and their representative payees as of November 30, 2020.

### Use of Social Security Funds

We analyzed accounting data from SSA’s Representative Payee Accounting (RPA) database to provide estimates on the use of Social Security funds for represented minor beneficiaries in foster care in states for which there were available data. To compile these data, SSA first identified represented minor beneficiaries in the initial files submitted to SSA through the Section 103(a) data exchanges by the 11 states with active exchanges as of November 2020. SSA staff then matched the data with eRPS and RPA data for accounting periods that ended in calendar year 2020 (which often began in 2019). The SSA data identified the representative payees as being in one of three categories: a state child welfare agency, an organization other than a child welfare agency, or an individual. SSA staff noted two caveats to the accounting data. First, the data do not reflect all funds for represented minor beneficiaries in these 11 states

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providers, and friends, among others. Additionally, SSA data cannot identify specifically whether the representative payee is a child-care institution, as defined for purposes of Title IV-E, therefore we could not report data on this type of representative payee.

<sup>33</sup>SSA staff stated that some representative payee types could fit under multiple categories. However, to avoid double counting, we included each representative payee type in only one of the four categories.

for this time frame because SSA had not approved all of the forms. Second, some payees who are required to submit forms do not always do so, according to SSA staff.<sup>34</sup>

To assess the reliability of the accounting data on how Social Security funds were used, we obtained written responses from and interviewed knowledgeable SSA staff and reviewed SSA documentation, including SSA instructions to representative payees and agency guidance to its staff. Based on the written responses and discussions with staff, and review of documentation and the data, we developed two criteria to determine which records to include in our analysis and reporting on the use of Social Security funds. First, we only included accounting form records that were approved by SSA and excluded records that were submitted by payees but were not SSA approved. Second, we removed records of approved forms that had a greater than 10 percent difference between the sum of reported expenses and conserved funds, and the total amount for which the payee had to account.<sup>35</sup> We used the 10 percent threshold because SSA policy allows staff to approve forms where the sum of reported expenses is within 10 percent of the total accountable amount of funds. We did not report data on individual or other organizational payees because of the small number of records that met our two criteria.<sup>36</sup> We also determined that data on the dollar amounts of funds were not sufficiently reliable for reporting purposes due to the large number of missing values. Because we needed to remove more than 20 percent of the records for four states, primarily due to the prevalence of missing values, we determined that all data from these four states were not sufficiently reliable for reporting purposes.

Accordingly, we reported data on the use of Social Security funds for seven of the 11 states participating in the data exchanges as of November 2020 in instances where a state child welfare agency was the representative payee: Delaware, District of Columbia, Iowa, Kentucky, Maine, Nebraska, and Virginia. For these seven states, we determined that the accounting data were sufficiently reliable for the purpose of providing estimated percentages of how Social Security funds were used based on general categories. We provided caveats describing the limitations of the data, as appropriate.

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<sup>34</sup>According to SSA staff, agency policy requires staff to follow up when SSA does not receive the required accounting forms.

<sup>35</sup>In many cases, these records had missing values for reported expenses or conserved funds.

<sup>36</sup>Overall, there were many fewer records in which individuals and other organizations were the representative payees compared to records in which child welfare agencies were the payee.

## Enclosure II: Additional Data on the Number of Represented Minor Beneficiaries in Foster Care, Representative Payee Types, and the Use of Social Security Funds

Tables 3 through 13 below are based on data the Social Security Administration (SSA) provided from the Section 103(a) data exchanges. These tables provide data on the number of represented minor beneficiaries and types of representative payees for the 11 states with active data exchanges as of November 2020.<sup>37</sup> Variation in available data by month and year are based on when each state began submitting data through the Section 103(a) data exchange and the consistency with which states submitted data over time. Additionally, representative payee categories shown in the tables below are based on combining existing representative payee types used by SSA:

- the category “child welfare agency” includes state, county, or local government agencies as well as social agencies, which can include government agencies and nongovernmental organizations;
- the category “organizational payee that is not a child welfare agency” includes financial organizations, public officials, mental institutions, and non-mental institutions, among others;
- the category “individual other than a foster parent” includes relatives, room and board providers, and friends, among others.

An asterisk (\*) indicates a month in which a state did not submit updated data through the Section 103(a) data exchange.

**Table 3: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Delaware, May through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
May-20	147	119	18	1	9	0
Jun-20	153	126	19	1	7	0
Jul-20	150	120	21	1	8	0
Aug-20	152	117	22	1	12	0
Sep-20	152	112	22	1	16	1
Oct-20	149	109	21	2	16	1
Nov-20	150	108	22	2	17	1

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

<sup>37</sup>As of April 2021, three additional states (Alabama, Indiana, and South Dakota) began exchanging data with SSA.

**Table 4: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, District of Columbia, July through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Jul-20	150	132	0	0	15	3
Aug-20	151	131	0	0	17	3
Sep-20	151	129	0	0	19	3
Oct-20	153	136	0	0	14	3
Nov-20	155	137	0	0	16	2

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

**Table 5: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Illinois, November 2019 through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Nov-19	1843	1729	6	0	88	20
Dec-19	*	1708	6	2	107	20
Jan-20	1845	1692	6	3	123	21
Feb-20	*	1675	8	3	138	21
Mar-20	*	1658	10	4	152	21
Apr-20	*	1635	12	3	174	21
May-20	*	1628	13	4	179	21
Jun-20	*	1615	15	4	190	21
Jul-20	*	1601	16	4	203	21
Aug-20	*	1581	16	4	223	21
Sep-20	*	1556	17	4	247	21
Oct-20	*	1536	21	4	263	21
Nov-20	*	1526	22	4	271	22

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

Note: An asterisk (\*) indicates a month in which a state did not submit updated data through the Section 103(a) data exchange.

**Table 6: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Iowa, April 2019 through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Apr-19	974	437	25	8	445	59
May-19	963	441	24	8	434	56
Jun-19	959	479	24	7	395	54
Jul-19	959	479	24	7	397	52
Aug-19	951	463	25	7	404	52
Sep-19	955	464	27	7	405	52
Oct-19	958	458	27	8	413	52
Nov-19	966	462	32	9	410	53
Dec-19	964	460	37	13	398	56
Jan-20	946	454	31	13	393	55
Feb-20	951	445	32	13	407	54
Mar-20	946	442	34	11	405	54
Apr-20	951	432	36	11	418	54
May-20	962	425	37	12	433	55
Jun-20	968	421	35	11	446	55
Jul-20	960	413	34	11	447	55
Aug-20	963	397	36	11	462	57
Sep-20	958	378	37	10	477	56
Oct-20	956	382	39	9	471	55
Nov-20	954	380	39	8	470	57

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

**Table 7: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Kentucky, May 2019 through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
May-19	2195	1541	5	7	515	127
Jun-19	2215	1577	5	7	501	125
Jul-19	2210	1620	5	8	452	125
Aug-19	2199	1643	4	7	418	127
Sep-19	2213	1643	7	7	429	127
Oct-19	2225	1647	8	7	437	126
Nov-19	2246	1694	6	5	413	128
Dec-19	2229	1736	7	3	360	123
Jan-20	2233	1753	7	5	347	121
Feb-20	2227	1756	9	6	332	124
Mar-20	2272	1790	9	7	340	126
Apr-20	2288	1803	11	8	337	129
May-20	2316	1826	14	10	336	130
Jun-20	2333	1835	14	10	343	131
Jul-20	2307	1812	13	10	346	126
Aug-20	2252	1776	14	12	324	126
Sep-20	2234	1741	15	12	338	128
Oct-20	2212	1730	15	9	329	129
Nov-20	2197	1695	15	9	348	130

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R



**Table 8: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Maine, September 2019 through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Sep-19	383	337	0	1	22	23
Oct-19	385	331	0	1	31	22
Nov-19	391	337	0	1	31	22
Dec-19	390	335	0	1	32	22
Jan-20	405	335	0	1	47	22
Feb-20	412	342	0	2	46	22
Mar-20	412	349	0	2	39	22
Apr-20	427	358	0	2	45	22
May-20	421	358	0	2	39	22
Jun-20	429	362	0	2	44	21
Jul-20	431	360	0	2	50	19
Aug-20	441	356	1	2	63	19
Sep-20	443	351	1	2	70	19
Oct-20	450	357	0	2	72	19
Nov-20	455	359	0	2	75	19

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

**Table 9: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Nebraska, September through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Sep-20	386	322	1	0	48	15
Oct-20	367	316	1	0	35	15
Nov-20	368	315	1	0	37	15

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

**Table 10: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Nevada, August 2019 through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Aug-19	564	368	2	12	165	17
Sep-19	476	264	8	11	178	15
Oct-19	*	263	9	11	178	15
Nov-19	*	264	11	11	174	16
Dec-19	*	267	12	10	171	16
Jan-20	509	267	21	11	194	16
Feb-20	527	274	20	8	209	16
Mar-20	560	282	23	9	232	14
Apr-20	574	282	25	9	244	14
May-20	585	272	24	11	264	14
Jun-20	582	264	27	11	266	14
Jul-20	582	261	27	10	270	14
Aug-20	590	263	29	9	274	15
Sep-20	589	255	29	9	282	14
Oct-20	600	248	27	7	302	16
Nov-20	606	265	26	7	291	17

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

Note: An asterisk (\*) indicates a month in which a state did not submit updated data through the Section 103(a) data exchange.

**Table 11: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Ohio, February through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Feb-20	2174	965	38	14	1023	134
Mar-20	2300	1015	38	15	1087	145
Apr-20	2386	1074	42	15	1103	152
May-20	*	1095	44	16	1079	152
Jun-20	2398	1135	45	19	1053	146
Jul-20	2409	1171	45	19	1025	149
Aug-20	2409	1193	44	20	1003	149
Sep-20	*	1185	45	19	1012	148
Oct-20	*	1170	47	21	1023	148
Nov-20	*	1166	46	19	1030	148

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

Note: An asterisk (\*) indicates a month in which a state did not submit updated data through the Section 103(a) data exchange.

**Table 12: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Vermont, April through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Apr-20	195	125	0	0	58	12
May-20	201	125	0	0	64	12
Jun-20	206	130	0	0	64	12
Jul-20	209	131	0	0	66	12
Aug-20	216	133	0	0	70	13
Sep-20	*	131	0	0	72	13
Oct-20	220	131	0	0	76	13
Nov-20	231	133	0	0	83	15

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

Note: An asterisk (\*) indicates a month in which a state did not submit updated data through the Section 103(a) data exchange.

**Table 13: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types, Virginia, October 2019 through November 2020**

Month and Year	Total number of beneficiaries	Representative Payee Type				
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other
Oct-19	797	408	7	0	320	62
Nov-19	809	417	7	0	325	60
Dec-19	812	416	7	1	326	62
Jan-20	827	413	7	2	343	62
Feb-20	822	413	9	2	337	61
Mar-20	835	422	9	2	340	62
Apr-20	847	425	9	2	349	62
May-20	853	420	9	2	361	61
Jun-20	849	414	9	2	362	62
Jul-20	844	410	9	2	364	59
Aug-20	850	407	9	2	374	58
Sep-20	852	403	9	2	379	59
Oct-20	845	400	7	2	378	58
Nov-20	845	392	7	2	386	58

Source: GAO analysis of the Section 103(a) data exchange (total number of beneficiaries) and Electronic Representative Payee System (representative payee types) data provided by the Social Security Administration. | GAO-21-441R

Tables 14 and 15 below are based on data SSA provided from the electronic Representative Payee System. These tables provide data on the number of minor beneficiaries and types of representative payees by type of Social Security benefit, nationwide and for the 11 states with active Section 103(a) data exchanges as of November 30, 2020.<sup>38</sup> Additionally, representative payee categories shown in the tables below are based on combining existing representative payee types used by SSA:

- the category “child welfare agency” includes state, county, or local government agencies as well as social agencies, which can include government agencies and nongovernmental organizations;
- the category “organizational payee that is not a child welfare agency” includes financial organizations, public officials, mental institutions, and non-mental institutions, among others;
- the category “individual other than a foster parent” includes relatives, room and board providers, and friends, among others.

**Table 14: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types by Type of Social Security Benefit Received, Nationwide as of November 30, 2020**

Type of Social Security Benefit	Representative Payee Type					Total (all payee types)
	Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other	
Old-Age, Survivors, and Disability Insurance	8,374	50	328	2,011	1	<b>10,764</b>
Supplemental Security Income	10,838	109	369	1,618	20	<b>12,954</b>
Concurrent (beneficiary receives benefits from both programs)	1,464	23	55	162	2	<b>1,706</b>
<b>Total</b>	<b>20,676</b>	<b>182</b>	<b>752</b>	<b>3,791</b>	<b>23</b>	<b>25,424</b>

Source: GAO analysis of Electronic Representative Payee System data provided by the Social Security Administration. | GAO-21-441R

<sup>38</sup>As of April 2021, three additional states (Alabama, Indiana, and South Dakota) began exchanging data with SSA.

**Table 15: Number of Represented Minor Beneficiaries in Foster Care and Their Payee Types by Type of Social Security Benefit Received, 11 States with Active Section 103(a) Data Exchanges as of November 30, 2020**

	Type of Social Security Benefit	Representative Payee Type					Total (all payee types)
		Child welfare agency	Organizational payee that is not a child welfare agency	Foster parent	Another individual	Other	
<b>DELAWARE</b>	Old-Age, Survivors, and Disability Insurance (OASDI)	39	5	1	4	0	<b>49</b>
	Supplemental Security Income (SSI)	59	9	0	6	0	<b>74</b>
	Concurrent (beneficiary receives benefits from both programs)	7	0	0	0	0	<b>7</b>
	<b>Total</b>	<b>105</b>	<b>14</b>	<b>1</b>	<b>10</b>	<b>0</b>	<b>130</b>
<b>DISTRICT OF COLUMBIA</b>	OASDI	22	0	1	5	0	<b>28</b>
	SSI	109	0	0	9	0	<b>118</b>
	Concurrent	20	0	0	0	0	<b>20</b>
	<b>Total</b>	<b>151</b>	<b>0</b>	<b>1</b>	<b>14</b>	<b>0</b>	<b>166</b>
<b>ILLINOIS</b>	OASDI	708	0	3	43	0	<b>754</b>
	SSI	1415	0	2	48	0	<b>1465</b>
	Concurrent	188	1	2	6	0	<b>197</b>
	<b>Total</b>	<b>2311</b>	<b>1</b>	<b>7</b>	<b>97</b>	<b>0</b>	<b>2416</b>
<b>IOWA</b>	OASDI	135	4	3	132	0	<b>274</b>
	SSI	283	5	6	110	0	<b>404</b>
	Concurrent	31	4	0	8	0	<b>43</b>
	<b>Total</b>	<b>449</b>	<b>13</b>	<b>9</b>	<b>250</b>	<b>0</b>	<b>721</b>
<b>KENTUCKY</b>	OASDI	484	0	5	85	0	<b>574</b>
	SSI	1100	1	5	76	1	<b>1183</b>
	Concurrent	137	0	0	10	0	<b>147</b>
	<b>Total</b>	<b>1721</b>	<b>1</b>	<b>10</b>	<b>171</b>	<b>1</b>	<b>1904</b>
<b>MAINE</b>	OASDI	195	0	1	6	0	<b>202</b>
	SSI	105	0	0	7	0	<b>112</b>
	Concurrent	26	0	0	0	0	<b>26</b>
	<b>Total</b>	<b>326</b>	<b>0</b>	<b>1</b>	<b>13</b>	<b>0</b>	<b>340</b>
<b>NEBRASKA</b>	OASDI	219	0	0	36	0	<b>255</b>
	SSI	144	1	2	16	0	<b>163</b>
	Concurrent	21	0	0	3	0	<b>24</b>
	<b>Total</b>	<b>384</b>	<b>1</b>	<b>2</b>	<b>55</b>	<b>0</b>	<b>442</b>
<b>NEVADA</b>	OASDI	115	0	2	44	0	<b>161</b>

	SSI	358	0	5	40	0	<b>403</b>
	Concurrent	31	0	1	0	0	<b>32</b>
	<b>Total</b>	<b>504</b>	<b>0</b>	<b>8</b>	<b>84</b>	<b>0</b>	<b>596</b>
<b>OHIO</b>	OASDI	643	4	15	297	0	<b>959</b>
	SSI	336	19	12	269	4	<b>640</b>
	Concurrent	65	3	2	26	0	<b>96</b>
	<b>Total</b>	<b>1044</b>	<b>26</b>	<b>29</b>	<b>592</b>	<b>4</b>	<b>1695</b>
<b>VERMONT</b>	OASDI	85	0	0	26	0	<b>111</b>
	SSI	28	0	0	8	0	<b>36</b>
	Concurrent	12	0	0	5	0	<b>17</b>
	<b>Total</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>0</b>	<b>164</b>
<b>VIRGINIA</b>	OASDI	230	1	2	121	0	<b>354</b>
	SSI	172	5	6	84	0	<b>267</b>
	Concurrent	36	1	0	11	0	<b>48</b>
	<b>Total</b>	<b>438</b>	<b>7</b>	<b>8</b>	<b>216</b>	<b>0</b>	<b>669</b>

Source: GAO analysis of Electronic Representative Payee System data provided by the Social Security Administration. | GAO-21-441R

Table 16 is based on available data SSA provided from the Representative Payee Accounting database for the 11 states with active Section 103(a) data exchanges as of November 2020. The table summarizes data for seven states. We did not report data for four states in which we had to remove at least 20 percent of the records: Illinois, Nevada, Ohio, and Vermont.

**Table 16: Estimated Use of Social Security Funds By State Child Welfare Agency Payees on Behalf of Represented Minor Beneficiaries in Foster Care for Accounting Periods ending Calendar Year 2020**

	Type of Social Security Benefit	Estimated Use of Social Security Funds on Behalf of Minor Beneficiary		
		Food and housing expenses (%)	Other expenses (%)	Amount conserved (%)
<b>DELAWARE</b>	Old-Age, Survivors, and Disability Insurance (OASDI)	7	87	6
	Supplemental Security Income (SSI)	4	94	2
	<b>Total</b>	<b>5</b>	<b>92</b>	<b>3</b>
<b>DISTRICT OF COLUMBIA</b>	OASDI	59	41	0
	SSI	68	26	5
	<b>Total</b>	<b>67</b>	<b>28</b>	<b>4</b>
<b>IOWA</b>	OASDI	87	8	4
	SSI	94	5	1
	<b>Total</b>	<b>91</b>	<b>6</b>	<b>2</b>
<b>KENTUCKY</b>	OASDI	30	70	0
	SSI	28	72	0
	<b>Total</b>	<b>29</b>	<b>71</b>	<b>0</b>
<b>MAINE</b>	OASDI	75	25	0
	SSI	75	25	0
	<b>Total</b>	<b>75</b>	<b>25</b>	<b>0</b>
<b>NEBRASKA</b>	OASDI	69	8	25
	SSI	83	6	9
	<b>Total</b>	<b>78</b>	<b>7</b>	<b>15</b>
<b>VIRGINIA</b>	OASDI	72	16	11
	SSI	80	16	2
	<b>Total</b>	<b>75</b>	<b>16</b>	<b>7</b>

Source: GAO analysis of accounting data provided by the Social Security Administration. | GAO-21-441R

Notes: These data represent how representative payees reported using the total amount of Social Security funds they had to account for in accounting periods ending in calendar year 2020. These data do not reflect all funds for represented minor beneficiaries in these states for this time frame. To compile these data, SSA identified accounting records for represented minor beneficiaries in the initial files submitted through the Section 103(a) data exchanges by the 11 states with active exchanges as of November 2020 and for accounting periods ending in calendar year 2020 (which often began in 2019). For our analysis and information presented in this table, we only included accounting form records that had been approved by SSA and excluded records that had been submitted to, but not approved by, SSA. Additionally, we excluded approved records in which the difference between the amount to be accounted for and the reported use of funds was greater than 10 percent, primarily due to missing values. We did not report data for states in which we had to remove at least 20 percent of the records: Illinois, Nevada, Ohio, and Vermont. The percentages for each state reflect the total amount used in each expense category divided by the total amount of Social Security funds to be accounted, for the records included in the analysis.



### Enclosure III: Comments from the Social Security Administration



**SOCIAL SECURITY**  
Office of the Commissioner

May 14, 2021

Ms. Kathryn Larin  
Director, Education, Workforce, and Income Security Issues  
United States Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Director Larin,

Thank you for the opportunity to review the draft report "SOCIAL SECURITY ADMINISTRATION: New Data Exchanges with Some States Provide Limited Information on Foster Care Beneficiaries" (GAO-21-441R). We are working with the States who do not currently have agreements to establish data exchange agreements as required by section 103(a) of *The Strengthening Protections for Social Security Beneficiaries Act of 2018*. We are actively engaged in ongoing efforts to assist the States that have agreements, but are not currently sharing their data.

Please contact me at (410) 965-2611 if I can be of further assistance. Your staff may contact Trae Sommer, Director of the Audit Liaison Staff, at (410) 965-9102.

Sincerely,

Scott Frey  
Chief of Staff

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001

Text of Enclosure III: Comments from the Social Security Administration

May 14, 2021

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Scott Frey Chief of Staff

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