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FISCAL IMPACT STATEMENT

LS 6726

BILL NUMBER: SB 359

NOTE PREPARED: Dec 27, 2010

BILL AMENDED:

SUBJECT: Use of a Federal Adoption Incentive Payment.

FIRST AUTHOR: Sen. Broden

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill requires that an adoption incentive payment that has been paid or is paid to Indiana after July 1, 2010, under the federal Adoption and Safe Families Act be used to make adoption subsidy payments for the benefit of a child with special needs under the State Adoption Subsidy Program. The bill provides that an adoption incentive payment is not required to be used to make adoption subsidy payments for the benefit of a child with special needs if there is no child with special needs eligible for an adoption subsidy under the State Adoption Subsidy Program.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: Currently, the State Adoption Subsidy Program (SAS) adoption assistance account is not funded and has approximately 450 adoptees on the SAS waiting list.

This bill specifies that funds that have been appropriated, allocated, contributed, or paid to the adoption assistance account are designated for making an adoption subsidy payment in the SAS. Under the bill, any funds that were designated for a child (1) with special needs, (2) who becomes eligible for the federal IV-E special needs adoption subsidy, and (3) was on the state waiting list for the SAS, are required to be reallocated to another adoptee on the SAS waiting list.

Children can only be considered eligible for the federal IV-E adoption subsidy payment before they are adopted. After an adoption has been finalized, a child who otherwise would have been IV-E eligible cannot be considered IV-E eligible.

Since there are no funds budgeted for the SAS adoption assistance account, and adopted children cannot become IV-E eligible after they have been adopted, this bill currently has no fiscal impact.

Background Information: The SAS provides adoption subsidies from state funds to parents who adopt special needs children. This program is separate from the federal IV-E special needs adoption subsidy program and not substitutable. Families can be considered eligible and receive payments from both the federal IV-E special needs adoption subsidy program and the SAS.

State adoption subsidy agreements are negotiated between parents and DCS to provide a daily per diem amount that is based on the needs of the child. The maximum daily per diem amount is \$25.

The federal Adoption and Safe Families Act (ASFA) was passed in 1997 as an amendment to the federal IV-E program (of the Social Security Act) and targets problems that existed at the time regarding special needs adoptions. Of the notable changes, the ASFA delinked special needs adoption eligibility requirements previously tied to the Aid to Families with Dependent Children (AFDC) program and linked the IV-E program to the Temporary Aid to Needy Families (TANF) program. Before this change, the foster child's birth parents had to be eligible for the AFDC program which was eliminated in 1996 and replaced by TANF. Despite this programming change, IV-E child welfare eligibility was still tied to AFDC. Because the link was tied to 1996 AFDC levels, fewer and fewer children were eligible for federal foster care and adoption assistance over time. This change allowed more children to be eligible for the federal IV-E adoption subsidies.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Brady Brookes, DCS.

Fiscal Analyst: Bill Brumbach, 232-9559.