

Background and Summary on the “Promoting Adoption and Legal Guardianship for Children in Foster Care Act”

September 2013

Background

The Adoption Incentives program was created by the *Adoption and Safe Families Act of 1997* (P.L. 105-89) to provide financial incentives to States to increase adoptions from foster care. All 50 states, DC, and Puerto Rico have earned part of a total of \$375 million awarded since the program began. The program is currently authorized through FY 2013 at \$43 million per year, and appropriators have provided \$39 million for the program each year since FY 2010.

Overview

The *Promoting Adoption and Legal Guardianship for Children in Foster Care Act* would:

- reauthorize the program for three years (i.e. through FY 2016);
- revise awards over that three-year period to focus on increasing adoption *rates* instead of the raw *number* of adoptions (ensuring States have an incentive to improve adoption placements even as foster care caseloads continue to decline nationwide);
- focus more resources on increasing adoptions of older children;
- create a new award category for placements in legal guardianship; and
- allow States to spend incentive funds over three years instead of two.

Outline of Adoption Incentive Awards and Award Criteria under the Bill

Category	Award Criteria	Award Amount*
<i>Adoption Rate</i>	Increasing the percentage of foster children adopted in a year	\$2,000 for each additional child adopted beyond the number that would have been adopted if the State rate had not increased
<i>Pre-adolescent Adoption Rate</i>	Increasing the percentage of foster children age 9-13 adopted in a year	\$4,000 for each additional pre-adolescent child adopted beyond the number that would have been adopted if the State rate had not increased
<i>Older Child Adoption Rate</i>	Increasing the percentage of foster children age 14+ adopted in a year	\$8,000 for each additional older child adopted beyond the number that would have been adopted if the State rate had not increased
<i>Guardianship Rate</i>	Increasing the percentage of foster children placed with a legal guardian in a year	\$1,000 for each additional foster child placed with a legal guardian beyond the number that would have been placed with a legal guardian if the State rate had not increased

**Awards would be per placement in each category above the State’s base rate (defined as either the State’s rate in the immediately prior year or in FY 2007, whichever is lower).*

Extending Family Connection Grants, with Offset

This bill would also extend for three years the \$15 million per year Family Connection Grants program that is focused on helping children in foster care reconnect with family members. To offset the cost of this extension, the bill requires States to offset Federal income tax refunds to recover Unemployment Insurance overpayments that are the fault of the claimant. The combination of these provisions means that the legislation is expected to reduce the deficit over 10 years by \$24 million.

Adoption Assistance “De-link” Savings and Reinvestment Provision

The *Fostering Connections to Success and Increasing Adoptions Act of 2008* (P.L. 110-351) increased the overall amount of Federal spending on adoption assistance payments to adoptive families by phasing out the income eligibility requirements for those payments over time (i.e. “de-linking” eligibility from income). As Federal spending on these payments rises, State spending will decline, so Congress required States to reinvest any State savings from this change in child welfare programs. However, little information is currently available on how much States are saving as a result of this change, and it is unclear how States are reinvesting this money into child welfare programs. For this reason, the *Promoting Adoption and Legal Guardianship for Children in Foster Care Act* would require States to:

- Report State savings resulting from the “de-link;”
- Report how these savings are being reinvested in child welfare programs; and
- Spend at least 20 percent of these savings on post-adoption services for children adopted from foster care.

Clarifying Treatment of Successor Guardians

The bill clarifies the treatment of successor guardians under the new Guardianship Assistance Program, ensuring children can continue to be cared for by another legal guardian if a relative guardian passes away or is incapacitated.