



Accessing Federal Funding for Post Adoption Services

Adoption Support and Preservation National Conference

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What we do?

- Founded in 1974 by adoptive parents, the North American Council on Adoptable Children is committed to meeting the needs of waiting children and the families who adopt them.
- NACAC promotes and supports permanent families for children and youth in the U.S. and Canada—especially children and youth who are or have been in foster care and those with special needs.
- NACAC hosts an annual conference, ongoing free trainings and webinars, develops resources and an informative Adoptalk publication for its members and the field.

Workshop Overview



- Accessing Adoption Incentive Funds
- Federal laws governing the Title IV-E Adoption Assistance “de-link” savings
 - Fostering Connections to Success and Increasing Adoptions Act of 2008
 - Child and Family Services Improvement and Innovation Act of 2011
 - Preventing Sex Trafficking and Strengthening Families Act of 2014
- Review of estimated savings by state
- State advocacy & implementation



Improving Adoption Incentives

- The Adoption Incentive Program was extended for three years to September 30, 2016 and authorized \$43 million per year
- Changes include:
 - Inclusion of a **guardianship** benefit incentive
 - Gradual transition to an incentive based on a **state's rate of adoptions** (the number of adoptions divided by the number of children in foster care at the end of the previous fiscal year), rather than a flat numerical increase over a numerical baseline
 - Allows states up to **three years** to spend incentive payments and requires states not to use incentive payments to replace any existing child welfare funding



Explaining the Numbers

- Existing system: if baseline total adoption baseline is 1,000, and the next year 1,000 children are adopted there is no increase
- New system: if there are 1,000 adoptions and 5,000 children in foster care in the base year, the adoption rate is 20%. In the next year if there are 1,000 adoptions and 4,000 children in foster care, the adoption rate is 25%. The bonus would be \$5,000/child times the increased number of children -- 200 for a total of \$1 million dollars.
- Ohio has not received an Adoption Incentive Payment since 2003



Adoption and Legal Guardianship Incentive Calculations

- Beginning in fiscal year 2016 (2015 adoptions), the bonus payments will be calculated as follows:
 - \$5,000 per placement for increases in the adoption rate
 - \$4,000 per placement for increases in the guardianship rate
 - \$7,500 per placement for increases in the rate of adoption or guardianship for children 9 to 13
 - \$10,000 per placement for increases in the rate of adoption or guardianship for children 14 and older



Phasing in the New Calculations 2014

- The baseline rate will be the previous year's adoption rate or an average of the last three years' rates, whichever is lower
- If all of the funds appropriated are not earned, the law enables HHS to award states for timely adoptions. Those states that have an average length of stay in care before finalization of less than 24 months would equally split any remaining funds
- 2014 (2013 adoptions) remained the same, with bonus for overall increases in adoption, increases in adoptions of children nine and older, and increases in special needs adoption



2014 Adoption Incentive Awards

- States earned \$46 million but were only paid \$27 million, with an anticipation that a second payment will occur in 2015.
- Select states with no incentive CA, IL, NC, OH, OR, PA, TN,
- 10 states earned Incentive Awards (reported in \$1,000s)

State	Earned	Paid	State	Earned	Paid
•AL	\$984	\$561	MO	\$1,393	\$793
•AR	\$2,280	\$1,300	SC	\$844	\$481
•FL	\$6,132	\$ 3,497	TX	\$12,548	\$7,156
•KY	\$1,114	\$652	VA	\$568	\$324
•LA	\$2,456	\$ 1,400	WA	\$500	\$285
•MS	\$608	\$346	WI	\$420	\$239



Phasing in the New Calculations 2015-16

- 2015 (2014 adoptions) will be a hybrid, with the bonus earned being half of what the state would have earned under the old system and half of its earnings under the new system.
- 2016 (2015 adoptions) will be based on the previous year's adoption rate or an average of the last three years' rates, whichever is lower



Accessing Adoption Incentive Funds

- Awards are unpredictable and time limited.
- Advocates should anticipate potential awards based on knowledge of previous years adoption. For examples, awards announced in September 2015 are based on adoptions between October 1, 2013 and September 30, 2014.
- If advocates anticipate an increase in adoptions, they should initiate discussions with state administrators prior to the award letters. Are there 2-3 year pilot programs that could be tested with these funds.



Legislative Mandated Use Adoption Incentive Funds

- Advocates can work with the legislature to mandate use of funds for post-adoption services. In 2009 Minnesota advocates worked with a key Senator to insert the following language in the Department of Human Services budget.

345.1 Adoption Assistance Incentive Grants.

345.2 Federal funds available during fiscal year

345.3 2010 and fiscal year 2011 for the adoption

345.4 incentive grants are appropriated to the

345.5 commissioner for these purposes.

345.5 commissioner for **post-adoption services including the parent to parent support network.**



History of Title IV-E Adoption Assistance “De-link”

- Over several years parents and advocates were building a case for increased investments into post-permanency services.
- A child’s eligibility for Title IV-E foster care and adoption assistance has historically been linked to eligibility for the Aid to Families with Dependent Children (AFDC) program; a program that is no longer in existence today.
- Meaning to receive federal foster care or adoption assistance, the foster child’s birth parents had to be eligible for the AFDC program (*income levels tied to the 1996 outdated program*).
- In 2008 – Fostering Connections Act “De-linked” this eligibility – over a 10 year phase in period (through FY2018).



History of Title IV-E Adoption Assistance “De-link”

- Essentially, the federal investment increased, saving states money over time. As a result, states stand to accrue a significant savings over time.
- Office [\(CBO\) projected](#) that states would be saving \$500million (\$1.4 billion over the ten year period).
- The Fostering Connections Act required that any state savings as a result of this new investment be reinvested into child welfare services to ensure that increased federal support is recognized within child welfare programs.
- The recently signed law, Preventing Sex Trafficking and Strengthening Families Act (public law 113-183) includes a new provision to strengthen existing law and points to specific designations for reinvestments into post-placement services.

History of Title IV-E Adoption Assistance “De-link”

Importance of implementation of this provision:

- New funding source for post-adoption services
- Congressional intent and the advocacy community *did not* promote the 2008 law leading to additional federal funding for Adoption Assistance through the elimination of the AFDC eligibility income standard so that federal funds would replace state and local spending on child welfare systems.
- Based on the desire that the single biggest federal funding increase found in the Fostering Connections Act would result in greater investments into other child welfare services.
- Failure to enforce this reinvestment provision lends credence to the argument that a full de-link for eligibility of Title IV-E foster care maintenance payments (still linked to AFDC)



Fostering Connections to Success Act 2008 PL 110-351

- Removed the link between a child's birth parents' income and eligibility for federal adoption assistance payments
- Required states to reinvest any state funds saved as a result of the de-link provision in child welfare services

July 2009 HHS guidance

- HHS offered **NO** guidance to states on calculating saving
- HHS offered **NO** reporting requirements on savings



The Child and family Services Improvement and Innovation Act (2011) PL 112-34

- A state shall spend an amount equal to the amount of savings as a result of the De-Link provision of Foster Connections.
- A state shall provide to children or families any service (including post adoption services) that may be provided under Title IV-B or IV-E
- A state shall document how such amounts are spent, including post adoption services.

History of Title IV-E Adoption Assistance “De-link”

- In May 2014, a U.S. Government Accountability Office ([GAO](#)) [report](#) found that, “Although states are required to spend any resulting savings on child welfare services, only 21 states reported calculating these savings for fiscal year 2012, and 20 states reported difficulties performing the calculations.”
- GAO recommended that HHS provide guidance to states on how to calculate savings resulting from the change (or de-link) in federal Title IV-E Adoption Assistance eligibility criteria.
- The recently signed law, Preventing Sex Trafficking and Strengthening Families Act (public law 113-183) includes a new provision to strengthen existing law and points to specific designations for reinvestments into post-placement services.



Preventing Sex Trafficking and Strengthening Families Act (Public Law 113-183)

Title II — Improving Adoption Incentives and Extending Family Connection Grants

- Adoption Incentive Program expanded to including Guardianship and changes in Calculation
- Emphasis on reinvestment requirements of Foster Connections De-link provision

History of Title IV-E Adoption Assistance “De-link”

- Sec. 206 - State report on calculation and use of savings resulting from the phase-out of eligibility requirements for adoption assistance; requirement to spend 30 percent of savings on certain services.
- “Using a methodology specified by the Secretary or an alternate methodology proposed by the State and approved by the Secretary”
- At least 2/3 of the spending by the State to comply with such 30 percent requirement being spent on post-adoption and post-guardianship services.
(Meaning, at least 20 percent of the savings is required for investment into post-adoption and post-guardianship services)
- The Secretary shall make these reports available on the HHS website “in a location easily accessible to the public.”



Preventing Sex Trafficking and Strengthening Families Act Impact on Maintenance of Efforts Provision

- Requires states to spend 30 percent of the funds they save as a result of the Fostering Connections Act's expansion of federal adoption assistance eligibility on post-adoption, post-guardianship, and services to prevent foster placement; at least 20% of the total must be spent on post-adoption and post-guardianship.
- In 2013 Minnesota advocates worked with the chair of the Senate Human Services Appropriations Committee to mandate that 100% of savings must be reinvested in post adoption services including peer to peer support.



Proposal to Calculate De-link Savings

- States document the following:
 - Foster child's date of birth
 - Foster child's Title IV-E eligibility status.
 - Yes Title IV-E eligible
 - Not Title IV-E eligible and reason
 - Birth family income too high based on 1996 AFDC rate
 - Court did not determine that child cannot and should not return home
 - No documentation that child could not be adopted without AAP
- State Adoption Assistance savings calculations
 - Identify cases now Title IV-E eligible children who were not previously Title IV-E eligible in foster care.
 - Identify AAP payments on behalf of these children
 - Calculate savings based on total payments times FMAP rate



MOE National Estimated Savings

- The Congressional Budget Office estimated that states would save the following amounts:
 - 2015 \$ 158 million
 - 2016 \$ 237 million
 - 2017 \$ 354 million
 - 2018 \$ 505 million
- Individual state's estimated savings are based on Title IV-E penetration rate and their monthly basic subsidy rate. If a state has a low Title IV-E penetration rate and a high monthly basic subsidy rate, will benefit most from an increase in the number of Title-IVE children.



MOE State Estimated Savings (In Thousands)

• State	2014	2015	2016	State	2014	2015	2016
• AL	\$164	\$275	\$549	NC	\$910	\$1,447	\$2,353
• CA	\$1,679	\$2,864	\$4,991	NY	\$825	\$1,547	\$2,425
• DC	\$224	\$420	\$724	OH	\$101	\$179	\$302
• FL	\$758	\$1,340	\$2,335	PA	\$566	\$952	\$1,648
• GA	\$563	\$944	\$1,534	SC	\$337	\$584	\$1,037
• IL	\$787	\$1,313	\$2,403	TN	\$998	\$1,780	\$2,778
• KY	\$104	\$185	\$295	TX	\$926	\$1,735	\$2,873
• LA	\$183	\$298	\$562	WV	\$451	\$763	\$1,452
• MI	\$2,092	\$3,530	\$5,986	VA	\$541	\$894	\$1,417
• MN	\$316	\$557	\$930	WA	\$256	\$437	\$707
• MO	\$330	\$614	\$1,080	WI	\$184	\$316	\$547



Texas Adoption Success Story

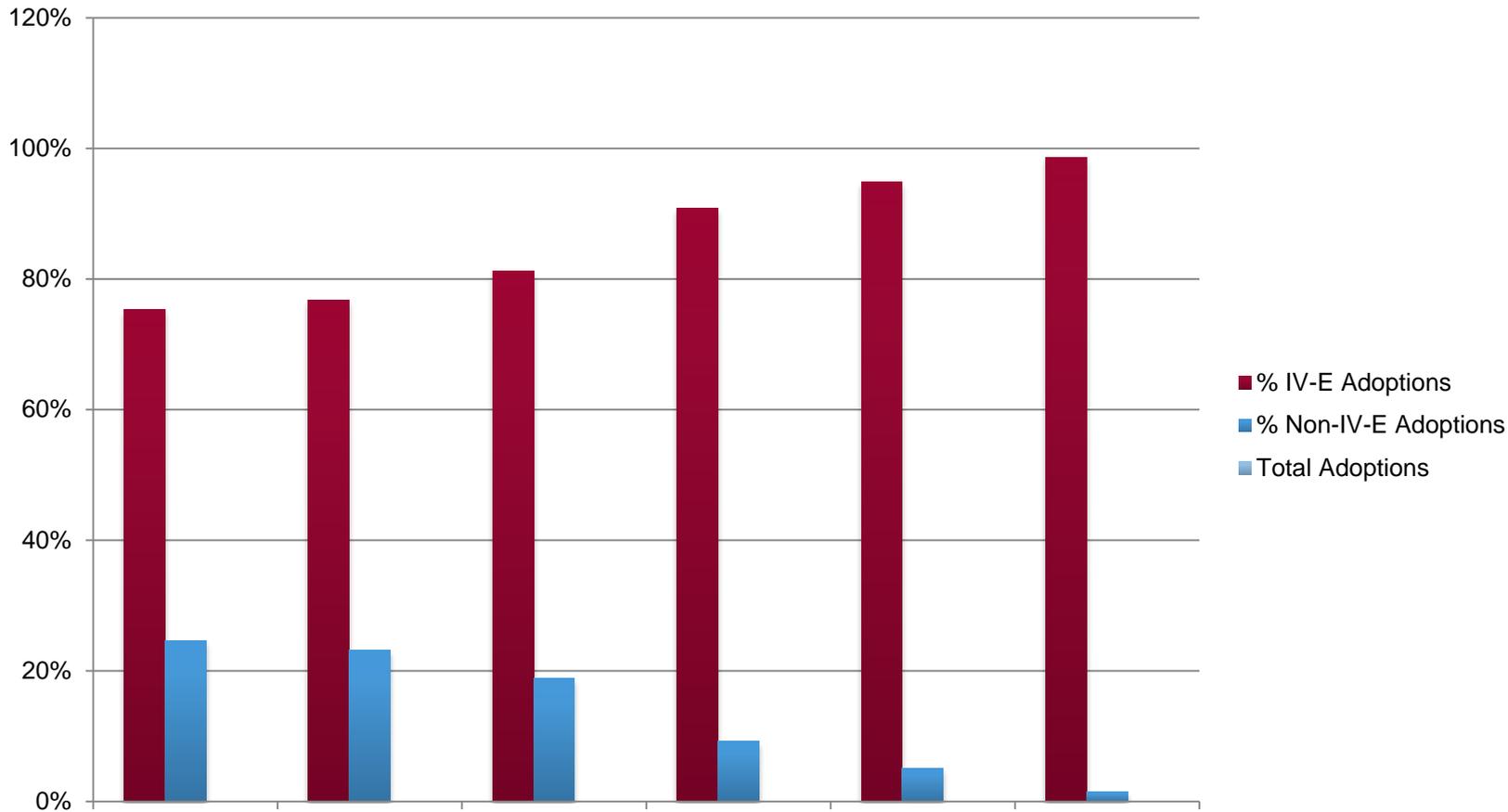
- Between 2008-2013 adoptions increased by 19 % from 4,524 to 5,364
- Adoptions of older children increased most

• Age	adoptions in 2008	in 2013	% increase
• 15 years old	69	92	33%
• 16 year olds	52	101	94%
• 17 year olds	30	86	187%

- 29,000 new adoptions in six years
- \$30 million in Adoption Incentive Payments



2008-2012 Texas Adoption by % Title IV-E Eligibility (10 years old and older)





Legislative Mandated Use of Funds

- In 2115 Minnesota advocates worked with key Senators (D) and Representatives (R) to insert the following language in the Department of Human Services budget.
- Title IV-E Adoption Assistance Additional federal reimbursement to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for title IV-E adoption assistance are appropriated to the commissioner for post adoption services, including a parent-to-parent support network.
- Adoption Assistance Incentive Grants Federal funds available during fiscal years 2016-17 for adoption incentive grants are appropriated to the commissioner for post-adoption services, including a parent-to-parent support network.

History of Title IV-E Adoption Assistance “De-link”

What Can State Advocates Do?

1. Become familiar with the history of this provision.
 2. Understand the new law requirements.
 3. Ask questions and begin a local dialogue to ensure that these savings are being reinvested for children and families.
- State advocates can begin requesting information from local officials about the amount of savings their state is generating, and how these dollars are being reinvested, as a result of the 2008 increased federal investment to make all children eligible for Title IV-E Adoption Assistance by fiscal year 2018.



Who do you know in your state that can help calculate state savings and has the authority to reinvest the savings

1. State adoption manager
2. Department financial manager
3. Commissioner, deputy commissioners
4. State legislators with adoption in family background, or who you have a relationship with
5. Chairs and ranking members of legislative human services appropriation committees.
6. Governor



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