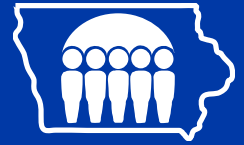


Adoption and Adoption Subsidy



Purpose

Adoption subsidy is a financial support provided to families who adopt special needs children. The funds assist families with the cost of raising a child, and costs associated with the needs of the child.

Who Is Helped

When courts terminate the parental rights of children who have been abused or neglected, the DHS strives to find permanent adoptive families as quickly as possible.

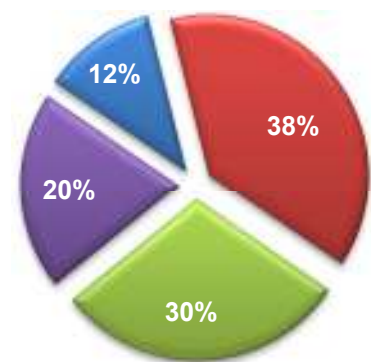
- Subsidies are paid until the child reaches age 18, or until age 21 if there is a disability.
- Subsidies are available if:
 - The child has a special need (including a diagnosed physical, mental or emotional disability), is older, is a member of a sibling group of three or more children, or is at risk of developing a diagnosed condition; and
 - The state is unable to place the child for adoption without the subsidy; and
 - The child was in the guardianship of DHS or a licensed child-placing agency prior to adoption.

The majority of children adopted through DHS are under age 6 and Caucasian.

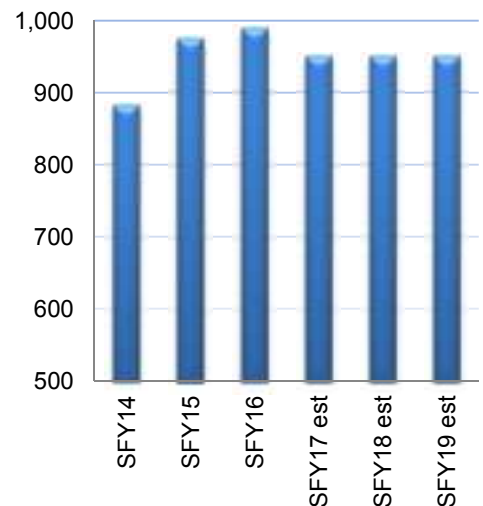
- On July 1, 2016, 10,518 children were eligible for adoption subsidy.
 - The adoptive parents of 9,464 children received an adoption subsidy payment.
 - 1,054 children have subsidy agreements in which no payments were made in that month, but may be made in the future.

Children Eligible for Subsidy in SFY16 by Age

- 0-5 (12%) ■ 6 to 11 (38%)
- 12 to 15 (30%) ■ 16 to 21 (20%)



Number of Adoptions per Year



- ✓ *The adoptive family's income cannot be considered when negotiating subsidy supports.*
- ✓ *Citizenship or qualified non-citizen status is an eligibility requirement to claim federal funds.*
- ✓ *Of all children placed for adoption through DHS, about 95 percent either receive adoption subsidy or are eligible for subsidy.*

Services

Adoption subsidy provides a monthly payment to parents of eligible children. Families may also receive:

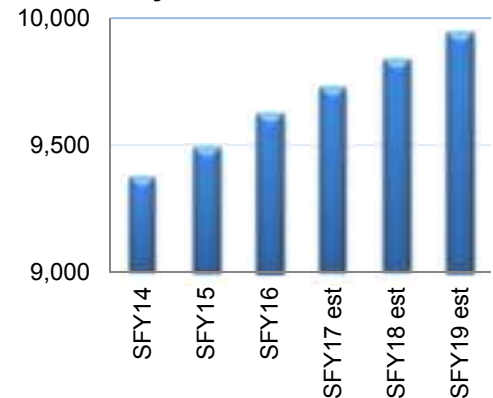
- Up to \$500 per child to pay legal fees to finalize the adoption.
- Supplies and equipment to meet a child's needs.
- Outpatient therapy for providers not paid through Medicaid.
- Additional insurance premium costs when adding a child to private insurance.
- Up to \$500 per child when adopting a sibling group of three or more.

Families who receive adoption subsidy are eligible for post-adoption support services provided through a contract.

Subsidy rates:

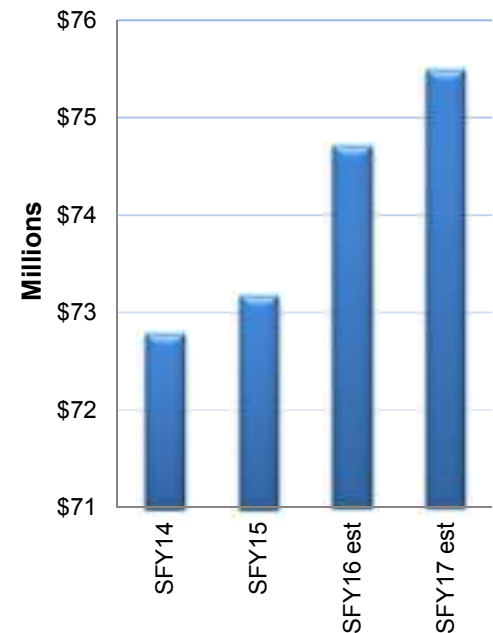
- Rates have not increased since SFY14.
- SFY16 average per diem subsidy was \$21.08.

Monthly Average Number of Children for Whom Adoption Payments Are Made*



*Numbers are rising because new cases exceed the number of cases in which subsidies end.

Total Adoption Subsidy & Related Expenditures

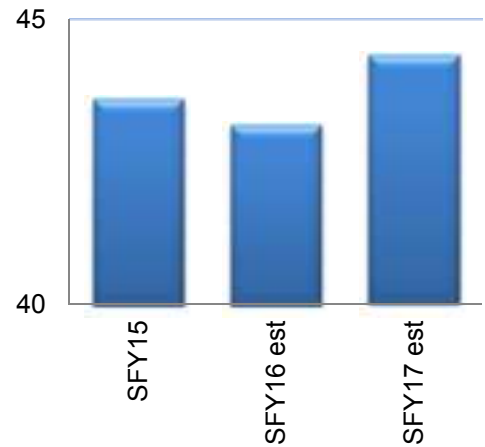


- ✓ *Children who are eligible for adoption subsidy are categorically eligible for Medicaid.*
- ✓ *Adoption subsidy rates are negotiated with families, but the rate cannot exceed the rate the child received or would have received in foster care.*
- ✓ *Adoption subsidy rates and foster care rates are designed to be nearly the same, thus eliminating a disincentive by foster parents to adopt.*

<p>Goals & Strategies</p>	<p>Goal: Children in foster care will achieve permanency</p> <p>Strategies:</p> <ul style="list-style-type: none"> Children will have timely adoptions. Iowa's performance on adoptions is measured not on the number of children adopted, but on timeliness. If a child cannot be safely returned to the family, the goal is to find a permanent adoptive family within 24 months of removal. <ul style="list-style-type: none"> States are no longer ranked nationally on timeliness of adoptions. However, DHS finalizes over 50 percent of adoptions within 24 months of a child's removal from the home, which exceeds federal expectations for timeliness. 	<p>Percentage of Timely Adoption of Children</p> <table border="1"> <caption>Percentage of Timely Adoption of Children</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FFY14</td> <td>59</td> </tr> <tr> <td>FFY15</td> <td>57.5</td> </tr> <tr> <td>FFY16</td> <td>56.9</td> </tr> </tbody> </table> <p>*The goal for timely adoptions is 36.6 percent.</p>	Year	Percentage	FFY14	59	FFY15	57.5	FFY16	56.9
Year	Percentage									
FFY14	59									
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<p>✓ <i>In SFY16, 56.9 percent of children were adopted timely in Iowa.</i></p>										
<p>Cost of Services</p>	<ul style="list-style-type: none"> The average annual cost of providing adoption subsidy is \$7,714 per child. The average annual program support cost is \$51 per child. 									
<p>Funding Sources</p>	<p>The Adoption program is funded by state general funds and federal Title IV-E funds.</p> <p>The total budget for SFY17 is \$75,494,039:</p> <ul style="list-style-type: none"> \$41,740,513 (55.3 percent) is state general funds \$33,753,526 (44.7 percent) is federal funding <p>Adoption subsidy expenditures on behalf of children who meet IV-E eligibility criteria are eligible for federal funding.</p> <p>The federal Title IV-E share of the adoption budget is based on the FMAP rate. After decreasing for several years due at least in part to how Iowa's economy started to improve relative to other states, the federal share has started to increase as follows:</p> <ul style="list-style-type: none"> SFY15 – 43.59 percent SFY16 – 43.14 percent (estimated) SFY17 – 44.37 percent (estimated) <p>Federal legislation enacted in 2008, changed the way IV-E eligibility was determined.</p> <ul style="list-style-type: none"> Previous to this legislation, IV-E eligibility was linked to meeting certain criteria under the Aid to Families with Dependent Children (AFDC) program. 	<p>SFY17 Funding</p> <ul style="list-style-type: none"> State General Fund (55%) Federal (45%) <table border="1"> <caption>SFY17 Funding</caption> <thead> <tr> <th>Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>State General Fund</td> <td>55%</td> </tr> <tr> <td>Federal</td> <td>45%</td> </tr> </tbody> </table>	Source	Percentage	State General Fund	55%	Federal	45%		
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State General Fund	55%									
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- This link was maintained until after the Temporary Assistance for Needy families (TANF) block grant replaced the AFDC entitlement program.
- The Fostering Connections to Success and Increasing Adoptions Act of 2008 provides for de-linking IV-E eligibility from the old AFDC criteria over time. Starting in FFY10, for new adoptions of children aged 16 years and older, IV-E eligibility for purposes of adoption was delinked from AFSC criteria. De-linking is expanded each year to include additional children by dropping the age criteria two years, to be fully implemented by FFY2018.
- Increasing the number of adopted children who are IV-E eligible increases federal funding for States' adoption programs. The federal legislation de-linking IV-E eligibility also requires states to calculate the amount of adoption savings resulting from increased IV-E eligibility and to reinvest the state savings for other qualified expenditures under Title IV-B or IV-E.

**Subsidized Adoption
Percent of Federal Share**



✓ *78 percent of children whose families receive adoption subsidy were eligible for federal Title IV-E funds in SFY16.*

Legal Basis

Federal:

- Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980
- Public Law 100-294, the Child Abuse Prevention, Adoption, and Family Services Act of 1988
- Public Law 105-89, the Adoption and Safe Families Act of 1997 (ASFA)
- Public Law 109-239, the Safe and Timely Interstate Placement of Foster Children Act of 2006
- Public law 110-351, the Fostering Connections for Success and Increasing Adoptions Act of 2008.
- Public Law 113-183, the Preventing Sex Trafficking and Strengthening Families Act of 2014.

State:

- Iowa Code, Chapter 600.17-600.21
- Iowa Administrative Code, 441 IAC 201