

THE DONALDSON ADOPTION INSTITUTE

January 27, 2014

The Honorable Luke Kenley
Chair, Appropriations Committee
Indiana Senate
200 W. Washington Street
Indianapolis, IN 46204

Dear Chair Kenley:

This correspondence is in regard to [SB268](#) that is before the Appropriations Committee and would require adoption subsidy payments for parents of eligible children with “special needs.”

The Donaldson Adoption Institute is an independent research, policy and education nonprofit that conducts research and analysis in order to improve adoption-related laws, policies and practices.

According to a recent column in the *South Bend Tribune*, “1,400 Hoosier children who meet the eligibility requirements and whose adoptions had been finalized were on the waiting list for subsidies as of July 2013, double the number waiting just two years earlier.” The below research, along with this [Issue Brief](#) (also attached), explain that state funding for adoption subsidies is an essential tool for supporting families who have adopted and enabling Indiana’s 2,845 children and youth waiting in foster care to move into permanent, loving, successful families:

- Subsidies reduce financial barriers for families adopting children from foster care: Subsidies were developed to remove disincentives to adopt and ideally provide support at the level of foster care rates. Adoption assistance helps families – many of whom are foster parents or relatives and who have very low incomes – meet the basic needs of children they adopt from the child welfare system. *Many parents report they could not have afforded to adopt without a subsidy.*
- Subsidies increase adoptions from the child welfare system: According to economic analyses, subsidies “have a positive and statistically significant effect on adoption rates” and “subsidy policy is the most important determinant of adoptions from foster care that is under the direct control of policymakers.” *A federal evaluation found that “adoption subsidies are perhaps the single most powerful tool by which the child welfare system can encourage adoption and support adoptive families.”*
- Adoption and subsidies are cost-effective: Adoption yields cost savings versus foster care; one economist found that every dollar invested in adoption of a child from care returns about three dollars in public and private benefits.

Nearly two-thirds (62%) of Indiana children adopted from foster care in 2011 were receiving federal Title IV-E adoption assistance. Many children who are not eligible for federal assistance do not qualify due to their birth parents’ income and some of these children receive no adoption assistance. As a result of the 2008 Fostering Connections to Success and Increasing Adoptions

Act (P.L. 110-351), however, many more Indiana children will receive federal assistance over the next few years, with federal support by 2018 for all adopted children who meet other eligibility criteria.

I hope this information is useful, and I hope you'll agree that providing adoption subsidies is in the best interests of children, families and the state of Indiana. Please feel free to contact me at apertman@adoptioninstitute.org or 617-332-8944 if you have questions. Thank you for your attention and your important work.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Pertman', written in a cursive style.

Adam Pertman
President

cc: Appropriations Committee Members
Senator John Broden

Attachment