

THE DONALDSON ADOPTION INSTITUTE

April 9, 2013

Dear Honorable Members of the Senate Finance Committee:

The Donaldson Adoption Institute is an independent, nonpartisan, nonprofit research, policy and education think tank. We conduct research and analysis in order to improve adoption-related laws, policies and practices in order to better the lives of the affected children and families.

This correspondence regarding Northstar Care for Children's proposal to create more equitable out-of-home care placement subsidies (SF1159 and HF1233/SF 1034) explains why raising adoption subsidies could increase adoptions from foster care and improve families' abilities to meet their children's basic needs. As the legislation's statement of public policy provides, "Northstar Care for Children focuses on the child's needs and strengths, and the actual level of care provided by the caregiver, without consideration for the type of placement setting. In this way caregivers are not faced with the burden of making specific long-term decisions based upon competing financial incentives."

The Adoption Institute – in partnership with the North American Council on Adoptable Children – recently published an [Issue Brief](#) (attached) illustrating that state funding for adoption subsidies is an essential tool for enabling the over 1,000 children and youth waiting in foster care in Minnesota to move into permanent, loving, successful families. As the Issue Brief demonstrates:

- 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 that 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." While Minnesota has one of the highest rates of foster care payments, it has one of the lowest for adoption assistance; a state pilot project equalizing the payments, however, resulted in a 20 percent rise in adoption rates, according to a March 12 *Minnesota Public Radio* article, "[Minn. adoption bill up for Senate hearing.](#)"
- Adoption and subsidies are cost-effective: Adoption yields cost savings versus foster care; one economist found that every dollar invested in the adoption of a child from care returns about three dollars in public and private benefits.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Pertman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Adam Pertman
Executive Director