

Voice for Adoption

SPEAKING OUT FOR OUR NATION'S WAITING CHILDREN

ADOPTION INCENTIVES FUNDS ARE FALLING SHORT

The Adoption and Legal Guardianship Incentive Payments program recognizes and rewards states for improved performance in ensuring children and youth leave foster care to permanent adoptive and guardianship families. Each year, the federal government pays a financial award to states that increase adoptions and guardianships during the previous fiscal year. The program was created by the Adoption and Safe Families Act of 1997, and has been reauthorized and enhanced regularly since then. A recent change was the addition of guardianship and the transition to rewarding states for increasing the *rate* of adoption or guardianship, rather than for an increase in numbers.

Many states use the incentive payments to support adoptive and guardianship families, including funding post-adoption/guardianship programs and adoption or guardianship assistance benefits. The program is a critical piece of the federal government's effort to encourage and support permanency for children and teens.

The Current Funding Shortfall

Until the sequestration law took effect in 2011, if states earned more than had been appropriated, appropriators made up the shortfall by increasing funding. Since 2011, however, appropriators haven't made up the shortfall. Instead, the Department of Health and Human Services (HHS) has used funds from the current year's appropriations to make the past year's incentive payments. Over time, the incentive fund has fallen short by larger amounts. Last year, states earned about \$55 million for adoptions and guardianship in fiscal year 2016, but HHS had only \$5 million to award, using funds that would normally have been for 2017 placements. The expected appropriation for 2018 is \$38 million, which would not allow full payments for 2016 and leaves no funds to reward increases in adoptions and guardianship in 2017.

Background

The incentives award states for increased rates of permanency in four categories:

- Adoptions of children from foster care (\$5,000 per adoption above the prior rate)
- Legal guardianship placements of children in foster care (\$4,000)
- Adoptions of children in care aged 9 to 13 (\$7,500)
- Adoptions of children 14 and older from foster care (\$10,000)

Title IV-E agencies can earn additional incentive payments for timely adoptions.