

**Encouraging Adoption
of Children in Foster Care:
Trends in Washington's
Financial Assistance Program**

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and
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February 2001



*Washington State
Institute for
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Document No. 01-02-3903

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The authors wish to thank Lois Chowen, Cindy Ellingson, and Lonnie Locke from DSHS for their help. David Fine provided skillful data analysis, and Debra Fabritius contributed by editing and formatting the document.

EXECUTIVE SUMMARY

Washington State's Adoption Support Program encourages families to adopt children from the child welfare system who, because of age, race, physical condition, or emotional health, are considered difficult to place. The program was established by the 1971 Legislature and is intended to remove financial barriers to adoption. Adoption assistance includes help with legal costs, fees for adoption, ongoing monthly maintenance for adopted children with special needs, medical coverage, counseling reimbursements, and training opportunities for adoptive parents. The program is administered through the Department of Social and Health Services (DSHS).

The 2000 Legislature directed the Washington State Institute for Public Policy (Institute) to review the Adoption Support Program. Through a proviso to the state budget, the Institute was directed to "examine adoption support program criteria, service level decisions, and funding methodologies" (EHB 2487 §607 (5)).

Key Findings

- Children being adopted from Washington's foster care population are the same children entering the state's Adoption Support Program.
- The dramatic growth in foster care adoption is driving the dramatic growth in the Adoption Support caseload.
- Federal and state law require the program to individually tailor a child's needs with the adopting family's resources so this match works for the family.
- Unlike foster care, Adoption Support eligibility is long-term, continuing for 15 or more years for approximately half the children.
- Over time, many adoptive families are likely to need more services and financial support, not less.

The majority of families who adopt children from foster care have been enrolling in the Adoption Support Program, thus explaining the program growth. The legislature has the option to adjust the program's criteria and payments within certain parameters. In setting policy regarding this program, the significant advantages of securing permanent homes for these children need to be considered.

I. INTRODUCTION

The 1971 Washington State Legislature created the Adoption Support Program to encourage the adoption of “hard-to-place” children and reduce the total cost of foster and institutional care.

It is the policy of this state to encourage, within the limits of available funds, the adoption of certain hard to place children in order to make it possible for children living in, or likely to be placed in, foster homes or institutions to benefit from the stability and security of permanent homes in which such children can receive continuous parental care, guidance, protection, and love and to reduce the number of such children who must be placed or remain in foster homes or institutions until they become adults (RCW 74.13.100).

The Department of Social and Health Services (DSHS) administers the Adoption Support Program. Federal authority for the program is derived from P.L. 96-272 (as amended by the Adoption and Safe Families Act).

The 2000 Washington State Legislature directed the Washington State Institute for Public Policy (Institute) to conduct a study of the program. The Institute joined with researchers from Harborview Center for Sexual Assault and Traumatic Stress to “examine adoption support program criteria, service level decisions, and funding methodologies.”¹

This report reviews the basis for the Adoption Support Program in federal and state law.

- Section II reviews the program’s *eligibility criteria*.
- Section III describes the *subsidy types*, *subsidy level decision-making rules*, *Adoption Support agreement review requirements*, *regional administration*, and *program trends*.
- Section IV provides the *caseload characteristics of all children currently in the program* as well as a comparison between their current subsidy level and their program entry subsidy level.
- Section V presents the characteristics and subsidy levels of *children entering the program during 1999* to illustrate recent Adoption Support practices.

In the spring, an analysis of individual cases will be added to this report.

¹ EHB 2487 §607(5)

II. ELIGIBILITY

Washington State provides adoption support to children who qualify under either state or federal eligibility criteria. If a child meets federal criteria, he or she must be offered an Adoption Support agreement. In 1997, 79 percent of adoptions in Washington met federal requirements, and 21 percent met both federal and state requirements. The benefits are identical regardless of the source of funds.

Eligibility Criteria

Federal Requirements. The federal Title IV-E² program is limited to adoptive children who meet the criteria for the Federal Aid to Families with Dependent Children (AFDC) program³ or the Supplemental Security Income (SSI) program. Children who meet federal eligibility criteria must be offered an adoption support agreement. In addition to the financial test, children are eligible for federally funded adoption assistance when they meet the following criteria:

- Have one or more special needs;⁴
- Cannot or should not be returned to the parent's home; and
- Reasonable effort has been made to place the child without adoption assistance.⁵

State Requirements. Children are eligible for state-funded adoption support when adoption is the most appropriate plan and they:

- Reside in, or are eligible for and likely to be placed in, a foster home or institution;
- Are legally free for adoption;
- Are 17 years of age or younger at the time of the adoption support agreement;
- Have one or more special needs; and
- Are considered hard to place for adoption.

² This title funds public social services directed toward: (1) protecting and promoting the welfare of all children, including the handicapped, homeless, dependent, or neglected; (2) preventing, remedying, or assisting in the solution of problems which may result in the neglect, abuse, exploitation, or delinquency of children; (3) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (4) restoring to their families children who have been removed by providing services to the child and family; (5) placing children in suitable adoptive homes in cases where restoration to the biological family is not possible or appropriate; and (6) assuring adequate care of children away from their homes in cases where the child cannot be returned home or cannot be placed for adoption.

³ Eligibility for Title IV-E is determined based on AFDC eligibility standards as of July 16, 1996. AFDC was replaced by Temporary Assistance for Needy Families (TANF) in April 1997.

⁴ Federal criteria are defined in Section 473 [42 U.S.C. 673] [c] [2] of the federal Social Security Act.

⁵ See federal PIQ 92-02 for the federal interpretation of this requirement.

Special Needs and Hard-to-Place Criteria. The criteria for *special needs* identify children with conditions which may prevent placement with an adoptive parent. The state’s criteria were established as part of the original program and apply to both federal and state eligibility requirements. *Hard-to-place criteria* apply only to eligibility for state-funded adoption assistance. Children are considered hard to place when they have been registered for three months with the Washington Adoption Resource Exchange (WARE) or the Northwest Adoption Exchange (NWAEE) without identifying a family willing to adopt without an adoption subsidy.

Exhibit 1 compares state and federal eligibility criteria.

Exhibit 1
State and Federal Adoption Support Eligibility Criteria

Federal Eligibility	State Eligibility
<ul style="list-style-type: none"> • Cannot be returned home • Reasonable efforts have been made • SSI or AFDC⁶ eligibility • One or more <i>special needs</i>: <ul style="list-style-type: none"> ▪ Ethnic background ▪ 6 years of age and older ▪ Sibling group ▪ Emotional problems ▪ Physical/medical problems ▪ Significant developmental delays 	<ul style="list-style-type: none"> • Placed or eligible to be placed in foster care • One or more <i>special needs</i> • <i>Hard to place</i> for adoption: <ul style="list-style-type: none"> ▪ Registered with adoption exchange without a successful match; OR ▪ Child in home more than 6 months before legally free; ▪ Child has close emotional ties with current family; AND ▪ Current family is family of choice

Declaration of Eligibility. Children continue to be eligible for adoption support until they reach age 18. Eligibility ends if the child ceases to be the adoptive family’s legal responsibility or stops receiving financial support from the family. A child can continue on the program until 21 years of age if he or she has not completed high school or its equivalent and is a full-time student.

⁶ SSI is the Supplemental Security Income available for eligible youth, disabled, and elderly persons. AFDC is the federal aid to low-income families with children program which was replaced by TANF in April 1997.

III. PAYMENT LEVELS AND PURPOSES

State Policy Encourages Flexibility in Adoption Support Subsidies

Decisions about the types and level of adoption support payments are designed by law and policy to be negotiated, individualized, and adjustable over time. WAC 388-70-510 states:

Interpretation of the statute and the philosophy of the adoption support program shall emphasize a flexible approach to subsidized adoption, focusing on the welfare of the child; rules shall not be adversely applied to the child's welfare.

Consistent with federal rules, state law explicitly acknowledges that adoption support payments may vary from family to family and from year to year and identifies a variety of child and family factors to be considered when setting or adjusting the amount of payments:⁷

- Family size;
- Usual family living expenses and special needs of family members;
- Family income and other resources;
- Medical and hospitalization needs;
- Family's means of purchasing or otherwise obtaining medical care/hospitalization; and
- Any other expenses likely to be needed by the adopted child.

The 1995 Legislature enacted policies to support adoption, including ensuring that adoptive parents receive necessary financial support.⁸ Payments are to be sufficient to remove any "reasonable financial barrier to adoption, if necessary to facilitate or support the adoption of a special needs child."

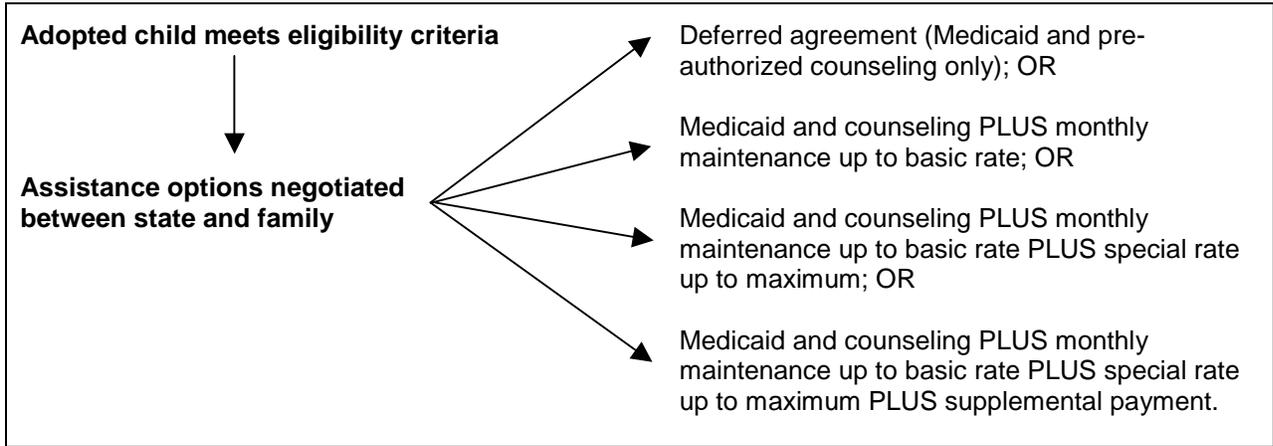
Adoption Assistance Options

At a minimum, all children on Adoption Support can receive Medicaid and pre-authorized counseling services. Children who do not have current service needs but have documented "risk conditions" (for example, mental illness of a parent or pre-natal drug-exposure) may only be given Medicaid and pre-authorized counseling benefits in their adoption support agreement. This is referred to as a "deferred agreement." Monthly maintenance can be added later based on a re-assessment of the family's circumstances and the child's needs.

⁷ RCW 74.13.112

⁸ 1995 Laws of Washington, Chapter 270

Exhibit 2
Options for Assistance



Monthly maintenance payments can be authorized (up to legislated limits) when adoptive families require additional financial resources. When the basic monthly maintenance rate is not sufficient, special rates can increase this payment within the maximum allowed by law. If special rates cannot provide adequate resources, adoptive families can also receive supplemental payments for exceptional needs (RCW 74.13.115).

Monthly Maintenance. Federal and state rules limit payments for monthly maintenance to the monthly cost for basic and specialized foster care.⁹ The Washington State Legislature has set the maximum adoption support rates at slightly less than the foster care rates for the same age child. The maximum rates for adoption support maintenance in Washington are as follows:

Exhibit 3
Comparison of Adoption Support and Foster Care Rates

Age of Child	Adoption Support Maximum Rate	Foster Care Maximum Rate (Level 1)	Percentage Below Foster Care Rate
Younger than 6 years	\$316.62	\$351.31	-10%
6–12 years	\$390.11	\$426.81	-9%
Older than 12 years	\$462.24	\$499.95	-8%

⁹ A 1996 report by the Adoption Policy Resource Center found that foster care rates were higher than adoption assistance rates in 18 states, 24 states had adoption assistance rates which matched foster care rates, and adoption assistance rates were higher than foster care rates in 7 states (even though federal funding is only available up to the foster care rate). *Research Focus, Foster Care and Adoption Assistance Rates: Practices in Need of a Philosophy* <<http://www.fpsol.com/adoption/research/fcusda.html>>.

The monthly maintenance amount may increase as a child reaches different foster care age payment categories, but these changes must be requested by the adoptive family.¹⁰

- **Special Rate Maintenance.** Like special rates for children in foster care, a special rate of up to \$147.94 may be added to monthly maintenance payments to cover costs related to a child's special needs. Examples of extra costs include respite care, extra daily supervision, classroom supervision, housekeeping, and involvement in special activities. Requests for special rate payments require cost documentation by the adoptive parents.
- **Supplemental Maintenance.** By state law,¹¹ supplemental maintenance payments can be provided for children adopted on or after July 1, 1996, if they would have been eligible for exceptional cost payments or additional services in foster care. Supplemental cash payments are meant to help adoptive families meet the additional expenses incurred due to the child's exceptional needs. These payments can be made in addition to special rate payments in order to remove financial obstacles to adoption.
- **Medical/Corrective-Rehabilitation Service.** All children in the program are eligible for medical services under the state's Medicaid plan. Cash payments are not provided to adoptive parents for medical services. Pre-approval is required for orthodontics, psychiatric care, physical therapy, and appliances. Medicaid always provides secondary medical coverage when adoptive parents have medical insurance.
- **Counseling and Evaluations.** Adoptive parents can purchase counseling and evaluations from a Medicaid provider with the child's Medicaid card. Parents are also allowed to obtain the services of a provider of choice when these services have been pre-authorized by the program.
- **Parent Training.** Adoptive parents can receive reimbursement for pre-authorized training relevant to the child's special needs, including registration fees and travel. Out-of-state travel is generally not reimbursed, and the program attempts to limit reimbursement to one training per family each year.
- **Nonrecurring Adoption Costs.** Nonrecurring adoption costs are "those expenses incurred by a prospective parent in connection with the adoption of a difficult to place child including, but not limited to, attorneys' fees, court costs, and agency fees" (RCW 74.13.130). Department policy limits the amount of reimbursement to \$1,500, or up to \$2,000 with an exception to policy.
- **Adoption Reconsideration.** Both federal and state laws require that an adoption support agreement be signed by all parties prior to the adoption. However, when extenuating circumstances have prevented this agreement, a child may receive benefits through the Adoption Reconsideration Program. Children may be eligible for either a limited amount of support through the this program (\$20,000 lifetime benefit cap) or full adoption support benefits through eligibility for federal Title IV-E adoption assistance.

¹⁰ WAC 388-70-560

¹¹ RCW 74.13.115

Adoption Support Agreements

Adoption support agreements constitute binding contracts between DSHS and adoptive families.¹² The state cannot unilaterally change the terms of an agreement. Under federal law,¹³ agreements must include the following:

- The nature and amount of any payments, services, and assistance to be provided under the agreement; and
- A stipulation that the agreement will remain in effect regardless of the state in which the adoptive parents reside, with provisions for the protection of the interests of the child in cases where the adoptive parents and child move to another state while the agreement is effective (under an approved interstate compact).

Adoption support agreements are completed on a standard form which requires the entry of the child, family, adoption support program services, and non-recurring expense information.

Review of Adoption Support Agreements. All adoption support agreements must be reviewed by DSHS at least once every five years.¹⁴ DSHS sends the parents a questionnaire concerning changes in their circumstances and the child's support needs. Parents may also at any time request a review of the type or amount of adoption support payments.¹⁵ Changes in the amount of monthly cash payments require that a new agreement be signed by all parties.

Adoption support payments can be discontinued and later resumed due to changes in the family's circumstances or the needs of the child.¹⁶ Adoption support agreements may be suspended or terminated when the family loses contact with DSHS or does not comply with review requirements.

Regional Administration

In 1996, the management of the Adoption Support Program was transferred from agency headquarters to regional management. Each region has at least one adoption assistance program manager who negotiates adoption support agreements with the families in their region. Adoption support agreements are approved at the regional level and are signed by both the Adoption Support Program manager and the regional administrator (or designee) in each region.

¹² WAC 388-70-570

¹³ SEC. 475 [42 U.S.C. 675] of Title IV-E

¹⁴ RCW 74.13.118. Note: This was changed from an initial requirement for annual reviews.

¹⁵ RCW 74.13.118

¹⁶ RCW 74.13.112

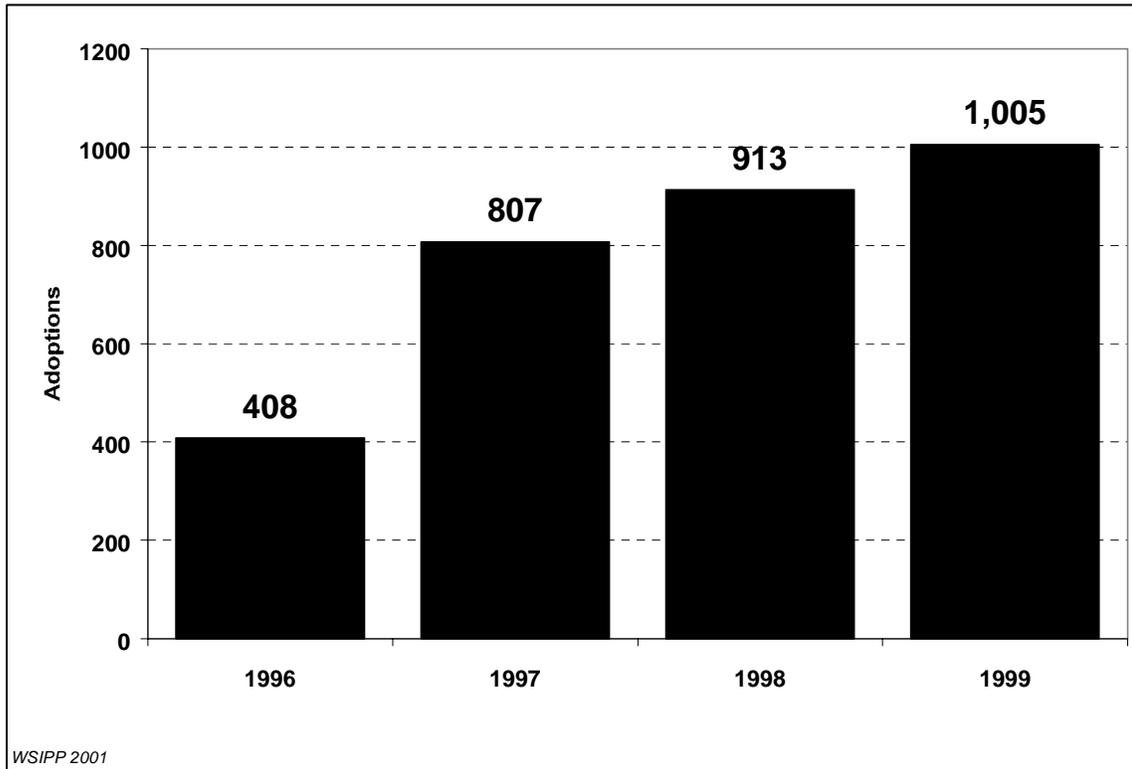
IV. CURRENT CASELOAD

This section examines the current caseload of the Adoption Support Program on April 30, 2000, and includes children who have entered the program over the last 21 years.¹⁷

Adoption Support Program Trends

DSHS adoptions have increased more than 100 percent since 1996, during a time when statewide initiatives, such as the Family For Kids Partnership, and the passage of state and federal legislation have encouraged the adoption of special needs children.

Exhibit 4
DSHS Adoptions, 1996–1999



¹⁷ The current caseload includes children who have entered the program over the last 21 years and have continued to be eligible. Children entering the program earlier would no longer be eligible for the program.

The increase in the average monthly caseload has grown from 3,678 children in 1996 to 6,700 children in 2000, an increase of 73 percent, and is directly tied to this growth in adoptions.

**Exhibit 5
Adoption Support Growth**

Fiscal Year	Average Monthly Caseload*	Cumulative Growth (Base Year: 1996)
1996	3,678	—
1997	4,040	10%
1998	4,683	27%
1999	5,455	48%
2000	6,714 (Caseload Forecast)	73%
2001	7,178 (Caseload Forecast)	98%

*Source: Actuals obtained from the Caseload Forecast Council, Human Services Caseload Forecasts, adopted November 1999. FY2000 and 2001 forecasts were obtained from the Caseload Forecast Council, November 2000.

Distribution by Region

The comparison of caseloads by DSHS regions did not reveal any significant variation.

**Exhibit 6
Regional Distribution of Adoption Support Caseload and DSHS Adoptions**

	DSHS Region					
	1	2	3	4	5	6
Adoption Support Caseload* N=6,399	18%	8%	16%	19%	19%	21%
DSHS Adoptions: 1996–1999** N=3,137	17%	7%	16%	19%	18%	22%

*81 cases had no regional designation and are not included in this analysis. These cases received other services (e.g., FRS) from the local office, and the social worker closed all assignments.

**Source: *The Children's Administration 1998 Performance Report*, Children's Administration Key Indicators Report.

Demographic Characteristics

The state's adoption support caseload includes virtually equal numbers of males (3,199) and females (3,200). The median age for children at entry into the program is 3.7 years, with a range of 10 months to 17 years. The average current age is 10 years. The majority (53 percent) of these children are in the 6- to 12-year age group. Teenagers comprise less than one third (30 percent) of the current caseload but are in far greater numbers than children under the age of 6 years (17 percent). Almost three-quarters (73 percent) of the caseload

population is Caucasian. Fourteen percent of the caseload is African American, and 6 percent is Native American.

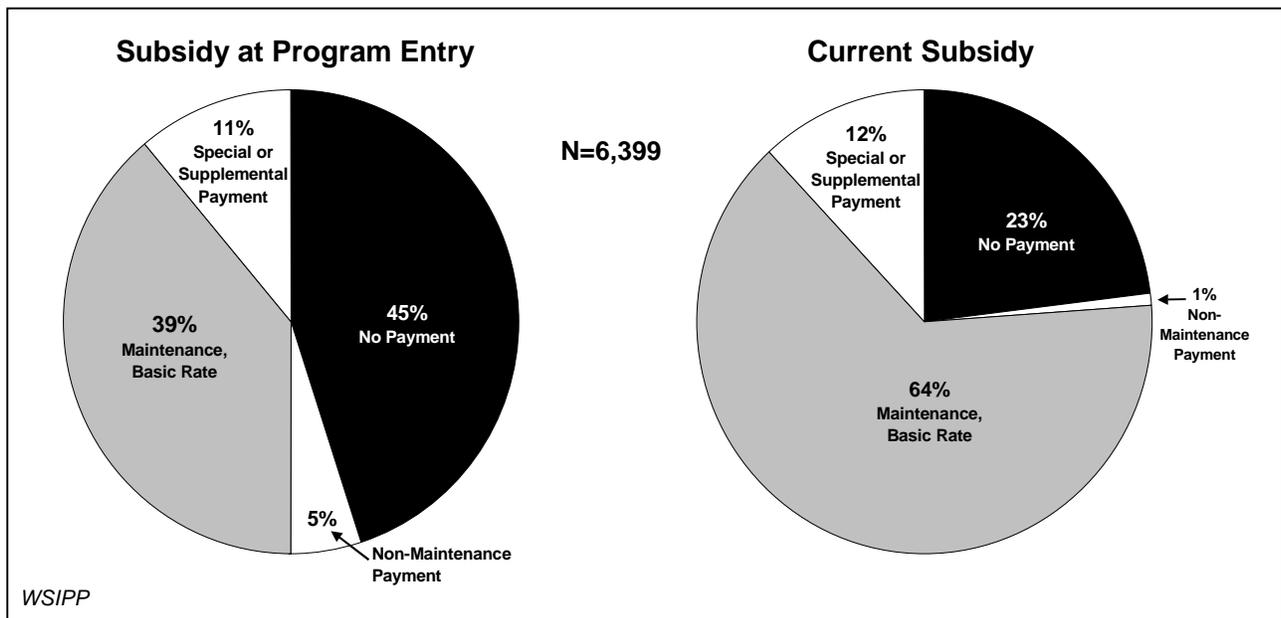
Subsidy Levels

The caseload¹⁸ of children in the program can be categorized into four subsidy groups:

- Children who received no payment in April 2000;¹⁹
- Children who did not receive monthly maintenance but received one or more other payments;²⁰
- Children who received basic rate monthly maintenance payments;²¹ and
- Children who received special rate and/or supplemental payments.²²

Exhibit 7 display the percentage of children in each subsidy category at two different points in time during program participation: program entry and April 2000.

Exhibit 7
Adoption Subsidy Levels



¹⁸ All children in the Adoption Support Program on April 30, 2000.

¹⁹ These children receive Medicaid and pre-authorized counseling benefits only.

²⁰ Includes children receiving only payments for non-recurring costs (code 3803), counseling evaluation/ongoing (codes 3805 and 3806), medical (code 3807), training (code 3808), and/or lump sum payments (code 3810).

²¹ Includes children receiving payments for monthly maintenance but not special rate or supplemental payments. These children may also receive one or more payments included in the "payments-non maintenance" group.

²² Includes children with maintenance payments in excess of the maximum rate for the child's age and the fiscal year, payments using code 93801, supplemental maintenance (3818), or one-time supplemental payments (3819).

Side-by-side comparisons are provided in Exhibit 8.

Exhibit 8
Adoption Support Caseload: Subsidy Levels

N=6,399	Children Receiving Subsidy at Entry	Children Receiving Current Subsidy
No Payment	2,906	1,488
Non-Maintenance Payment	309	79
Maintenance, Basic Rate	2,484	4,092
Special or Supplemental Payment	700	740

A substantial number of children who do not initially receive subsidies, particularly maintenance payments, are likely to later receive these payments.

- Over 90 percent of the children who did not initially receive maintenance payments received this subsidy during April 2000;
- Only 783 (25 percent) of the 3,134 children who began the program with these payments were not receiving monthly maintenance in April 2000.

Possible explanations for the increase in children receiving one or more subsidy payments after the first three months in the program could include initial administrative delays, changes in family circumstances, and/or re-evaluations of children's needs.

There is evidence that monthly maintenance rates do not typically increase as children age. The monthly maintenance amount remained unchanged for 81 percent of the children who became eligible for a more expensive age group after entering the program.

Subsidy Costs. The total cost of adoption support subsidies for the current program caseload are displayed in Exhibit 9.

Exhibit 9
Current Subsidy Cost Compared With Time of Entry: By Subsidy Group

N=6,399	Total Cost of All Subsidies at Entry	Total Cost of All Current Subsidies
No Payment	\$0	\$0
Non-Maintenance Payment	\$237,000	\$36,000
Maintenance, Basic Rate	\$896,000	\$1.7 million
Special or Supplemental Payment	\$517,000	\$575,000

Analysis of Social Service Payment System (SSPS) data suggests that the overall cost of adoption subsidies increased for this group of children over time.²³ Children on the program had payments for April 2000 totaling \$2.3 million compared with \$1.6 million when they first entered the program. The per child subsidy payment, including all payment types, averaged \$260 when these children entered the program²⁴ and \$365 during April 2000. This escalation in cost is due primarily to the fact that many more children on the caseload received monthly maintenance payments in April compared with when they began the program.

²³ Because subsidy levels are fluid and payment data was obtained for only two points in time, it is not possible to determine if the observed changes in subsidy levels reflect actual trends.

²⁴ For this comparison, payments for the third month were chosen from the first three months of SSPS payments after entry into the program.

V. PARTICIPANTS ENROLLING IN 1999

The characteristics of a program's participants can sometimes change over time as a program becomes better known. The current caseload includes people who have enrolled at various points in time. By examining the most recent entries to the caseload (the 1999 cohort), one learns more about recent dynamics that influence enrollment.

Children under the age of 6 years represent the majority (55 percent) of new entries to the program. The age distribution of these children closely resembles the age distribution of children adopted that year.

Exhibit 10
1999 Adoption Support Entries: Adoptions by Age

Age	Adoption Support Entries in 1999 (N=1,065)	DSHS Adoptions in 1999 (N=1,005)
0-3	37%	40%
4-5	18%	21%
6-11	36%	34%
12-14	6%	4%
15+	2%	1%

Exhibit 11 indicates that the ethnic composition of children entering the program approximates that of children exiting foster care due to adoption in 1999.

Exhibit 11
1999 Adoption Support Entries: Adoptions by Ethnicity

	Adoption Support Entries in 1999 (N=1,065)	DSHS Adoptions in 1999 (N=1,005)*
Caucasian	74%	69%
African American	14%	15%
Native American	7%	6%
Hispanic**	10%	8%
Other	6%	2%

*Source: CAMIS Key Indicators, Children's Administration, August 2000

**CAMIS Key Indicator data include Hispanic as an ethnicity category while adoption support data counts Hispanic as racial category separate from ethnicity; thus, totals add to more than 100 percent.

Exhibit 12 shows the starting subsidy levels for children entering the program during 1999.

Exhibit 12
Entry Subsidy Levels: Children Entering in 1999

	Adoption Support Entries in 1999	
	N=1,065	Percent
No Payment	70	7%
Non-Maintenance Payment	78	7%
Maintenance, Basic Rate	611	57%
Special or Supplemental Payment	306	29%

Almost all children (93 percent) beginning the Adoption Support Program in 1999 received one or more subsidy payments. Eighty-six percent received monthly maintenance payments. Of those who received monthly maintenance payments, 67 percent received only the basic rate, and 33 percent received the basic rate plus a special or supplemental payment.

Exhibit 13 shows that the regional distribution of children entering the Adoption Support Program in 1999 mirrors that of children adopted through DSHS during the year. The regional distribution of 1999 program entries does not suggest obvious regional variation in terms of program intake.

Exhibit 13
Children Entering Adoption Support and Adoptions By DSHS Region: 1999

	Region					
	1	2	3	4	5	6
1999 Adoption Support Entries (N=1,065)	23%	5%	14%	17%	16%	25%
1999 DSHS Adoptions* (N=1,005)	18%	6%	15%	18%	19%	24%

*Source: CAMIS Key Indicators, Children's Administration, August 2000.

Information regarding children who entered the program after July 1, 1998, will be included in a report to be published in the spring of 2001 and will include the following:

- Children's special needs;
- Needed services as reported by the adoptive parents; and
- Resources and special circumstances reported by adoptive families.

The analysis will also examine the influence of child and adoptive family characteristics on benefit levels.

VI. SUMMARY

The gender and ethnic characteristics of children adopted from foster care are similar to the current Adoption Support Program caseload and are distributed regionally in similar proportions. The population of children entering the Adoption Support Program in 1999 also closely resembles the children leaving foster care due to adoption in 1999 in terms of their regional distribution, age, and ethnicity. The majority of children entering the program are under age 6, Caucasian, and are receiving a monthly maintenance payment.

The evidence does not suggest any substantial regional variation in the administration of the Adoption Support Program. There is evidence that subsidy levels change over time, as intended, and that program expenses are more likely to increase than decrease after entry into the program. Comparisons between time-of-entry payments and current payments for children on the caseload show the number of children receiving monthly maintenance has increased significantly over time. Adoptive parents recently beginning the program may be more likely to request monthly maintenance than parents did in earlier years.

The average adoption support subsidy (total payment) has increased over time. This increase does not appear to be caused by children reaching more expensive maintenance rate categories. In fact, monthly maintenance rates have not increased as most children have grown older.

If the observation of increasing subsidy costs between time of program entry and April 2000 represents a trend, then the following may be possible explanations:

- An increasing likelihood that adoptive parents will request monthly maintenance for reasons not directly related to child needs or family resources (e.g., because of greater awareness about the availability of benefits);
- An increase in the service requirements, or service costs, for special needs children as they age; and
- A decrease in the available financial resources of adopted families over time.

Preliminary Conclusions

Permanency for children in a safe family environment is the explicitly stated goal of the child welfare system. When children cannot return to their biological families, adoption is clearly the preferred outcome. The Adoption Support Program encourages the adoption of children from the child welfare system.

State and federal legislation was designed to facilitate adoption of these children to provide them with a permanent home. Although "special needs" is not precisely defined in legislation, it encompasses children with medical or psychological problems or those who are at significant risk to develop problems. By design, the process for obtaining adoption support is flexible, negotiated between parents and the state, and can be adjusted over time. In 1996, the

Washington State Legislature re-affirmed its commitment to adoption support policy by authorizing additional (supplemental) payments to eliminate financial barriers to adoption.

Almost all children adopted from the child welfare system have special needs. Therefore, virtually all DSHS adoptions are eligible for the Adoption Support Program. These are children born drug exposed, maltreated, or at significant risk for abuse and neglect. In addition, by definition, their parents were unable or unwilling to remedy the conditions that brought the children into state care. The children have, in effect, been rejected or abandoned by their parents. Many have spent the majority of their lives in temporary living situations, where their capacity to form and maintain secure relationships may be eroded. These are conditions that may produce harmful effects in children and place them at risk for impaired functioning.

It is not surprising, therefore, that the vast majority of adopting parents seek adoption support. Because these children will inevitably bring with them residual effects of their prior experiences, families are asked to assume significant risks when making a permanent commitment to parenting. Families adopting special needs children are understood to experience challenges and life-cycle stages which are unlike those of biological families.²⁵ These families are likely to experience an increase in problem child behaviors and service involvement over time.²⁶

Post-adoption services, such as those made possible because of adoption support programs, have been found to play an important role in providing adoptive families with resources that lessen the risk of adoption failure.²⁷ Because over 50 percent of the children beginning adoption support are under the age of 6 and eligibility continues until the age of majority, the adoption support commitments made to these adopting families continue for many years.

Washington State has been successful in dramatically increasing the number of children who have been adopted in recent years. Adoption Support caseload growth, particularly during the last four years, suggests that state adoption support policy has been successful. More families are adopting special needs children and are obtaining subsidies. The number of families receiving monthly maintenance is increasing, as are the number of families who have supplemental payments.

Significant growth in the program over the last four years has been fueled primarily by the concurrent upsurge in the number of DSHS adoptions. If federal incentives and state initiatives such as the Families For Kids Partnership are successful in terms of increasing the number of special needs children who are adopted, the program will continue to experience substantial growth.

Assuming that the program continues to operate in a similar fashion, future costs can be estimated using the number of children adopted, their ages, and the predicted average monthly payment from current payouts. The state costs are those expenditures subtracted from what is covered by federal funds.

²⁵ Victor Groze, "A 1 and 2 Year Follow-Up Study of Adoptive Families and Special Needs Children," *Children and Youth Services Review* 18, no 1-2 (1996): 57-82.

²⁶ Ibid.

²⁷ R. P. Barth, "Disruption in Older Child Adoption: We Now Know Enough to Develop a Profile of Children Whose Placements Are in Greatest Jeopardy," *Public Welfare* 46, no. 1 (1988): 23-29.

Policy Considerations. The state has the option of setting the level of reimbursement, as well as the criteria and rates. These choices have the potential to influence parents' decisions whether or not to adopt children from the state's child welfare system. The state's policymakers, therefore, need to balance considerations of cost against the benefits of permanent homes for these children.