

DODEN FOR INDIANA WHITE PAPER: ZERO-COST ADOPTION



Public Policy:

Zero-Cost Adoption

Problem to Solve:

There are too many Hoosier children born into challenging circumstances who wind up in foster care. Approximately 13,000 children today call foster care home in our state, with many hoping for adoption. Although Indiana has experienced an upward trend in adoptions in recent years, with a total of 18,164 public agency adoptions over the last 10 years, and a peak of 2,406 in 2019. Indiana has also reduced the amount of time a child waits in limbo between the termination of parental rights and adoption but, at nearly one year, it's still too long. It is commendable that we have improved as a state, but with the future of these children at stake, we must improve the system much faster.

Currently, the national average cost of foster care adoption is \$2,744. While the up-front financial cost of adopting a child from the foster care system is often manageable for a motivated prospective adoptive family, they still endure far too much hardship – financially and emotionally – in the course of adopting these hard to place children.

Too few caring families are aware of the low cost of public adoption. And too often, post-adoption financial support for counseling, therapy and other assistance is too cumbersome to secure when it's needed. Worst of all, the stories told by these families of the red tape, uncertainty, and emotional whipsawing lead to many more children entering and growing up in foster care because families that might otherwise consider adoption are deterred by the perceived toll.

Doden for Governor Plan:

We will make sure the support is there to enable long term adoption success. That means zero cost for public adoptions. We will do this by partnering with the private sector, philanthropy, and faith community to give these children a chance at a bright future.

Foster care is intended to be a temporary home for children while a permanent solution is determined. State policy should be to:

- 1) reduce the number of children entering the foster care system; and
- 2) reduce the amount of time each child spends in foster care.

We will accomplish this by supporting community-based efforts that preempt children from entering foster care to begin with, by moving children through the system faster, and by ensuring that adoptive families of hard to place children have the financial support required for a successful adoption.

- **Zero Cost Adoption Fund.** In partnership with one or more non-profit organizations, establish a fund that would be seeded with \$100 million of state funds and supplemented in perpetuity by private-sector contributions. Such contributions would be eligible for a 50% Indiana income tax credit. This fund would be used to:

- Support proven community-based intervention methods to prevent more children from entering foster care.
- Promote adoption and recruit potential adoptive families.
- Provide post-adoption assistance for:
 - Reimbursement of up-front adoption costs, and
 - Counseling services and other vital care.
- Make education more affordable for adoptees by:
 - Contributing \$10,000 per adopted child into a 529 plan, and
 - Negotiating with Indiana-based public and private colleges for reduced tuition for Indiana adoptees.

- **Err on the Side of the Child's Future.** Limit the amount of time courts can postpone a decision on the termination of parental rights when the birth parent(s) repeatedly fail to appear in court without a valid reason.
- **Re-focus Adoption Credits on Hard to Place Children.** Increase Indiana Adoption Credit from a maximum of \$1,000/year and narrow its focus to hard to place children.

Implementation Process:

Zero-Cost Adoption Fund –

The fund will be established as a not-for-profit fund (Fund) with state oversight, in partnership with one or more not-for-profit organizations. The Fund will be administered by the not-for-profit fund manager.

Individuals or companies can donate to the Fund and receive a Zero-Cost Adoption Tax Credit, a tax credit based on Indiana income tax, valued at 50% of the contribution to the Fund. Donors may also be eligible for a federal tax deduction for contributions to a not-for-profit endeavor.

Indiana adoptive families who adopt through the public system will be automatically registered with the Fund and 529 plan account created for the adoptee.

Service providers who wish to provide services to adoptive families will register with the Fund. The Fund administrators will vet the service providers to ensure proper credentials.

When adoptive families require services, they simply go to the Fund website and find a service provider nearest them, schedule a visit, and the service provider directly bills the Fund.

Additionally, the Fund will partner with community-based organizations to support proven methods that prevent children from entering foster care.

Err on the Side of the Child's Future –

Revise Indiana Law to prohibit courts from postponing a pending adoption when the child's parent(s) continually fail to appear in court.

Re-focus Adoption Credits on Hard to Place Children –

Revise Indiana Law to focus the Indiana Adoption Credits solely on hard to place children, thus incentivizing the placement of these children in homes with caring families.

Desired Outcome of Policy:

- Cut in half within 8 years the number of Hoosier children growing up in the foster care system
- Make adoption the preferred alternative to abortion

Projected Impact:

For Adoptees:

- Stable home environment
- Better access to mental and physical health care
- Higher levels of educational and personal success

For Taxpayers:

- Reduced long term public costs of foster care
- Reduced likelihood of working-age adoptees of requiring taxpayer assistance

AdoptUSKids.org (2021): <https://www.adoptuskids.org/adoption-and-foster-care/how-to-adopt-and-foster/state-information/indiana>

DCS Adoption Statistics (2021): <https://www.in.gov/dcs/reports-and-statistics/dcs-adoption-statistics/>

IndyStar (September, 2020): <https://www.indystar.com/story/news/local/indianapolis/2020/09/25/indiana-dcs-state-receives-5-m-grant-after-increasing-adoptions/3494753001/>

The Costs of Adopting (2021), American Adoptions.com: https://www.americanadoptions.com/adopt/the_costs_of_adopting

Adoption from Foster Care: Aiding Children while Saving Public Money, Brookings (2011): <https://www.brookings.edu/research/adoption-from-foster-care-aiding-children-while-saving-public-money/>