



## Fiscal Estimate Narratives

DCF 7/5/2023

LRB Number	23-3369/1	Introduction Number	AB-0336	Estimate Type	Original
<b>Description</b> a grant program for financial assistance for adoption and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a new, biennial, GPR appropriation and provides \$5,000,000 in the schedule for SFY 24 for the purposes of administering a competitive adoption grant program. Since no funding is provided by this bill in SFY 25 it will not be included in the Department's ongoing base budget and funding would cease at the end of the 2023-25 biennium. Under this bill, DCF will competitively award a single organization a grant to provide financial assistance to prospective adoption families to help with adoption expenses. The contracted organization may receive up to 2.5% of the total funding, or \$125,000 over the biennium.

While the provisions of this bill are not specifically limited to private adoptions, it is the Department's understanding that prospective private adoptive parents are likely to be the primary recipients of this financial assistance due to the personal expense of private adoptions versus most public adoptions. The proposed legislation would make private adoption more financially accessible to individuals in Wisconsin for whom the cost of private adoption is a barrier.

Private adoptions in Wisconsin are facilitated by privately owned agencies and occur outside of the public child welfare system. DCF licenses private agencies as child placing agencies pursuant to Wis. Admin. Code Ch. DCF 54 and therefore regulates some agency practices for screening and licensing prospective adoptive families. DCF is not otherwise involved in Wisconsin private adoptions and has no direct contact with adoptive families or adoptees unless they apply for Adoption Assistance.

As required under this bill, DCF would be charged with issuing a request for proposals and selecting an organization through a competitive procurement process to provide financial assistance to adoptive families in Wisconsin. To ensure appropriate use of funds, the grant recipient would submit a report to a DCF contract manager on the use of the grant; DCF would then submit that report to the appropriate standing committees of the legislature. These additional activities and requirements would increase the administrative costs of the Department and are indeterminate. Privately competitively

Under this proposed legislation, the Department would be required to administer this grant program separate from the Adoption Assistance (AA) program. On average, approximately 35% of all private domestic adoptions (69 of 197 total adoptive families) are eligible and approved for AA. All AA recipients, including those eligible via private adoptions, are also eligible to receive a one-time reimbursement of adoption-related expenses up to \$2,000. This would be in addition to up to \$2,000 per month in AA subsidy payments until the child becomes ineligible for AA; most often on the 18th birthday or high school graduation. Under federal regulations (see 45 CFR 1356.41(g)), federal financial participation for nonrecurring expenses of adoption is limited to costs incurred by or on behalf of adoptive parents that are not otherwise reimbursed from other sources. Given that both this grant and the one-time AA reimbursement are intended to off-set the same set of costs, a family would not be eligible under federal regulations to receive the one-time AA reimbursement for nonrecurring adoption-related expenses if they have received an adoption grant under this bill to cover the same expenses.

### Long-Range Fiscal Implications