

AFCARS Adoption Data Research Brief Number 5

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## TITLE IV-E CLAIMS AND ADOPTION ASSISTANCE PAYMENTS

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The purpose of the AFCARS Adoption Data Research Briefs is to make national and state level AFCARS data available to citizens and researchers interested in adoption, especially adoption of children with special needs.

The data were made available by the National Data Archive on Child Abuse and Neglect, Cornell University, Ithaca, NY, and have been used with permission. Data from the AFCARS were collected by the Children's Bureau. Funding for AFCARS was provided by the Children's Bureau, Administration on Children, Youth and Families, U.S. Department of Health and Human Services. The collector of the original data, the funder, the Archive, Cornell University and their agents or employees bear no responsibility for the analysis or interpretation presented here.

Financial support for this research was provided through the NIH/NICHD/Demographic and Behavioral Branch, through the Mellon Fund at the College of Arts and Sciences of American University, and through the Summer Research Institute at the National Data Archive on Child Abuse and Neglect at the New York State College of Human Ecology at Cornell University. The author thanks the staff at NDACAN for their assistance.

Research assistance was provided by Renata Kochut. Proofreading assistance was provided by Paul Jacobs. Formatting was accomplished by Aaron Tobler.

June 2006

### ***Background***

A family today can adopt a child with special needs without fear that the child will create financial hardship for the family. Through a combination of federal and state laws, an adoptive family can be reimbursed for upfront expenses of the adoption of their child with special needs, including expenses related to the home study and legal fees. A family can receive a substantial one-time tax credit to help establish the child's place in the family home. The child can receive Medicaid and the family can receive assistance with any extraordinary expenses related to the child's special needs until the child becomes independent. Finally, the adoptive family can opt to receive monthly subsidies on behalf of the child to help defray the cost of raising the child.

Ongoing support for the families who adopt children with special needs is expensive. Federal expenditures for adoption subsidies have grown more than 2,000 times in the last two decades, from less than \$400,000 in fiscal year 1981 to \$1.3 billion in fiscal year 2002 (Dalberth, Gibbs & Berkman 2005). The federal adoption subsidy budget grew 30 percent between 2000 and 2002 alone (Scarcella et al 2004) and is expected to approach \$2.5 billion by 2008 (U.S. House of Representatives 2004).

But adoption is less expensive for government than long term foster care. Adoption decreased administrative costs by \$1.6 billion over continued foster care for the children adopted between 1983 and 1986 (Sedlak & Broadhurst 1993). The current governmental cost of adoption may be less than half the cost of foster care (Barth et al 2005). Moreover, the benefits of adoption are

not merely fiscal. Adoption improves health, behavioral, educational, and employment outcomes for children relative to the alternative of long-term foster care (Triseliotis 2002). It is because adoption is a wise investment in children that states, and eventually the federal government, established these supports for adoptive families.

Because child welfare is a matter of family law, it has historically been left to the states. As early as 1958, the Child Welfare League Standards for Adoption Services recommended that states assist “families whose income was insufficient to meet the cost of care for a child to be adopted.” States responded by establishing adoption assistance programs; California and New York were the first. In 1975 the Children’s Bureau underwrote the development of the Model State Subsidized Adoption Act by the Child Welfare League of America. By the end of 1976, at least 42 state and local jurisdictions had enacted an adoption assistance program.

State and local adoption assistance programs were, unfortunately, problematic. Assistance was available only for a limited time. Moreover, because the programs were means tested, some prospective adoptive families believed adoption assistance to be a kind of welfare, with all the stigma attached. Finally, state and local adoption administrators did not want to move children who qualified for federal foster care assistance (which was established in 1961). For these children the federal government paid about half of foster care maintenance cost, but if the child received state or local adoption assistance, the state or locality would be responsible for all of the cost.

In 1978, Congress passed P.L. 95-266, the Child Abuse Prevention and Treatment Reform Act: Title II-Adoption Opportunities. The Adoption Opportunities grants funded state and local programs to promote adoption. P.L. 95-266 said: “It is, therefore, the purpose of this Title to facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit by adoption, particularly children with special needs.”

While the Adoption Opportunities program was small, its use of the term

#### About AFCARS Data

A federal rule issued in December 1993 requires states to submit data on adoptions with state agency involvement (445CFR1355.40). Federal funding under the Social Security Act Title IV-E is contingent upon state’s collection and submission of uniformly defined data. Beginning in 1998, states could be fiscally disciplined for lack of compliance. The data collection system is known as the Adoption and Foster Care Analysis and Reporting System, or AFCARS. AFCARS reporting rules require states to submit to the Children’s Bureau case-level information on all children covered by the Title IV-B/E of the Social Security Act; that is, states are required to submit semi-annually information about children in foster care and information about children whose adoptions were finalized after any state agency involvement. The foster care and adoption data are tabulated annually by the Children’s Bureau. The Children’s Bureau publishes tabulations on its website and in an annual Child Welfares Outcomes Report.

The data used to produce the outcomes report form the basis for the public use version of the data used here, although the public use data may also include updates made by the states.

The AFCARS public use data files contain answers to 37 queries regarding each adoption finalized during the fiscal year.

The public use AFCARS data used here begin with fiscal year 1996, but many records for 1996 and 1997 contain missing data. The completeness of the data improves after 1997. The Children’s Bureau puts little faith in the AFCARS data for years before 1998. However, AFCARS represents the only source of case-level data on adoptions with state agency involvement that is reasonably consistent in format across states and over time.

Although states are only required to submit data for adoptions that involve a state agency, the 1996 and 1997 AFCARS files include some observations of adoptions that were made without state involvement and were submitted voluntarily. The statistics presented here include only adoptions with state agency involvement.

*special needs* has carried forward into current law. Special needs are characteristics of children that tend to make adoptive placement more difficult. Each state defines its criteria for special needs in a different way within the broad federal guidelines. The North American Council on Adoptable Children provides a detailed summary of special needs definitions for each state; the definitions are updated annually.

The Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), also known as Title IV-E of the Social Security Act, created a joint federal-state program to provide funds to pay for the support of children and adoptive families. The Act established the federal adoption assistance program which provides federal matching funds on an entitlement basis to pay an adoption subsidy on behalf of children who would have been eligible for AFDC at the time of removal from their homes or who were SSI-eligible at the time of removal and who have a special need. The act also makes these children eligible for Medicaid. If a child qualifies for Title IV-E subsidy, the adoptive family can opt to receive monthly payments until the child is 18 years of age (21 in some states), or until the child is financially independent or leaves the adoptive home.

Title IV-E removes the disincentive for states to provide adoption assistance for children who receive federal aid for foster care maintenance payments. Further, Title IV-E bases eligibility for subsidy on the child's characteristics, rather than a means test of prospective adoptive parents, which de-stigmatizes adoption assistance.

In addition, the act requires each state to submit a plan for providing foster care and adoption services that meets the standards enacted by Congress. The goal was to require states to take steps to prevent children from being lost in the foster care system; the requirements had teeth because Title IV-E payments were made contingent upon states' having an approved plan.

Congress stated that its purpose in enacting the federal law was to enable each state "to provide ... adoption assistance for children with special needs."<sup>1</sup> Note that this statement of purpose does not restrict adoption assistance to special needs children in the legal custody of a county agency or other state-approved agency. Further, the provision of the federal law dealing specifically with the adoption assistance program states: "Each State having a plan approved under this part shall enter into adoption assistance agreements ... with the adoptive parents of children with special needs."<sup>2</sup> Adoption assistance programs are not limited to children with special needs who are in the legal custody of a county agency or other state-approved agency.

Under the Act, states receive federal reimbursement for part of the monthly adoption assistance payments made to families. The federal medical assistance percentage (FMAP), or Medicaid matching rate, is used to determine the federal share of maintenance payments. This rate is between 50 percent and 76 percent and is updated annually and published in the Federal Register. States with low per capita income have higher matching rates while states with high per capita income have lower matching rates. The reimbursement is capped at the maximum reimbursement for foster care payments that could be made on behalf of the child.

Higher adoption subsidies can be paid using state or county dollars. If the child to be adopted does not meet Title IV-E eligibility requirements, the state may fund the entirety of the adoption assistance subsidy. Most states offer deferred payment agreements, which allow families the option of negotiating a subsidy at a later date even if they do not opt to receive the subsidy at the time of adoption.

In 1983 federally-funded adoption assistance became portable across state lines. In 1986, reimbursement for non-recurring expenses such as the home study and legal fees

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<sup>1</sup> 42 U.S.C. § 670

<sup>2</sup> 42 U.S.C. § 673(a)(1)(A)

were added to Title IV-E. Also in 1986, Congress allowed Medicaid-only adoption assistance and guaranteed its portability across state lines. In 1997, Congress added that once a child had become entitled to adoption assistance, the entitlement would follow the child even if an adoption disrupted so that subsequent adoptive families were assured of receiving adoption assistance.

The adoption assistance subsidy budget is appropriated by the state legislature. The monthly amount of the subsidy is usually calculated from a daily "board rate" that is set at the state level in all but four states. New York State, for example, allows counties to set maximum monthly subsidy rates in order that the rates may reflect conditions within each county.

The Administration for Children, Youth and Families commissioned a study of the early implementation of adoption assistance and its impact on the families who received it. The study reports on a survey of a nationally representative sample of families who adopted children from foster care in the mid-1980s. Twenty-nine percent of the families said that they would have had difficulty adopting their child(ren) without the subsidy, and 35 percent said the availability of assistance had a positive influence on the decision to adopt. Twenty percent of families said the child had to do without needed services or treatment because of tight budgets; 55 percent of families reported that the family made sacrifices to care for the child; 28 percent of families reported borrowing money to provide care for the adopted child. Eighteen percent of families reported that, despite the adoption assistance subsidy, they had financial difficulties that they attributed to their adopted child's special needs (Sedlak & Broadhurst 1993).

Whether adoption assistance payments are adequate financial support for families who adopt children with special needs is an unanswered question. States and localities design adoption subsidy programs differently. Some states and localities set subsidies at a rate high enough to provide general support and needed special services. Others set subsidies at a rate that supports only basic care for a child, and then require that families request funds separately for needed special services. The North American Council on Adoptable Children reports that subsidy rates in four states are slightly greater than the rate the USDA estimates is necessary to raise an additional child in a low-income family. In three states the basic state subsidy is half the USDA estimate (Bower & Laws 2002). In the county-administered system of New York State, 52 of 57 counties provide adoption assistance payments that are less than the USDA's estimated cost of raising a child (Avery & Ferraro 1997). Of course, these comparisons overestimate the adequacy of adoption assistance payments because the cost of raising an adopted child with special needs is likely to exceed the cost of raising a healthy child. Direct outlay for care of the child plus the opportunity cost of lost time at work may be substantial.

While states and localities may make up for some of the differences in basic rates with payments for specific services, it is clear that families who adopt similar children in different states receive unequal treatment. In New York State, differences in adoption assistance between counties could not be explained entirely by differences in the cost of living or other factors examined (Avery & Ferraro 1997). Moreover, an analysis of 2001 AFCARS data shows that families that adopt similar children within the same state may receive significantly different adoption assistance payments (Hansen & Pollack 2005). The authors argue that much of the within-state variation in adoption assistance payments originates in the administrative process itself because in most states the actual amount of adoption assistance payment is the result of bargaining between the child welfare authority and the adoptive family.

On the basis of 1987 information, the Department of Health and Human Services estimated that adoption assistance payments were being made to an average of 33,000

families monthly (DHHS 1988). In 1988, the estimate was just under 35,000 children monthly (Sedlak & Broadhurst 1993).

The next section summarizes at the national level the proportion of adoptions made from fiscal year 1996 through fiscal year 2003 with state agency involvement for which federal Title IV-E matching funds have been claimed, according to the Adoption and Foster Care Reporting System public use data files. The following section summarizes the proportion of adoptions with state agency involvement for which an adoption assistance agreement was contracted. Also summarized is the amount of nominal and real monthly adoption assistance provided. The final two sections summarize IV-E claims and adoption assistance payments at the state level.

### ***National Trends in Title IV-E Adoption Claims***

For fiscal year 1996, 10 percent of adoption cases reported in AFCARS included invalid observations of the query on whether the state had claimed Title IV-E reimbursement (see table 1). Of reported adoptions in 1997, 5.6 percent were missing information on whether IV-E reimbursement was claimed. The AFCARS data on Title IV-E claims are fairly complete since fiscal year 1998. Table 1 shows that only 0.1 to 0.3 percent of observations for 1998 through 2003 were incomplete.

**Table 1. Adoptions with Title IV-E Claims**

Year	IV-E Assistance not Claimed	IV-E Assistance Claimed	Missing values	Total Cases
1996	48.0%	42.1%	10.0%	12,483
1997	54.6	39.8	5.6	20,757
1998	28.5	71.4	0.1	36,650
1999	25.1	74.9	0.1	46,586
2000	24.8	75.0	0.2	50,600
2001	25.7	74.0	0.3	50,863
2002	26.4	73.4	0.2	52,546
2003	31.1	68.6	0.3	50,362
Average	29.8%	69.1%	1.0%	40,102

Since fiscal year 1996, states have claimed Title IV-E reimbursement for, on average, 70 percent of adoptions, as shown in figure 1. The average across years, however, obscures a marked increase early in the period in the proportion of adoptions for which Title IV-E reimbursement was claimed; see figure 2. For fiscal years 1996 and 1997, states claimed Title IV-E reimbursement for less than 50 percent of all adoptions made with state agency involvement (or 53 to 58 percent of valid observations).<sup>3</sup> In each of fiscal years 1998 through 2003, states claimed Title IV-E

reimbursement for more than 70 percent of adoptions with state agency involvement. The greatest number and percentage of adoptions for which Title IV-E reimbursement was claimed was for fiscal year 2000, in which 37,961 adoptions (75.1 percent of valid observations) were made with claim for reimbursement (table 1). The percent of valid observations for which IV-E was claimed fell thereafter to 68.8 percent for fiscal year 2003.<sup>4</sup>

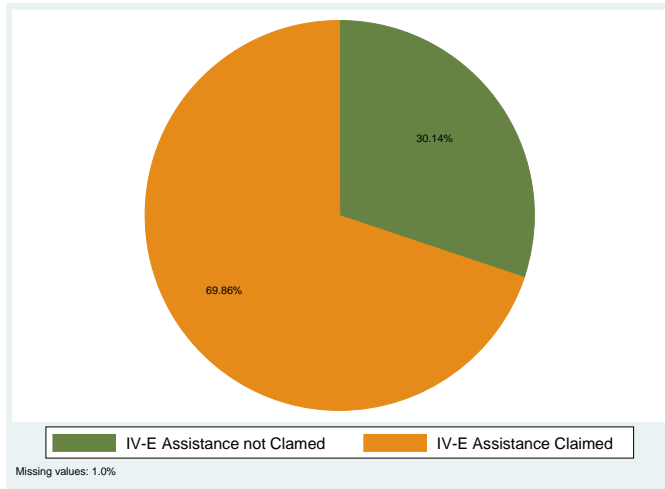
The Kolmogorov-Smirnov equality-of-distribution test determines if the two distributions differ significantly. The test confirmed differences in the the distribution of Title IV-E claims between each pair of consecutive years except for distributions for years 1999 to 2000 and years 2001 to 2002.<sup>5</sup>

<sup>3</sup> Decrease is statistically significant ( $p$ -value<.01).

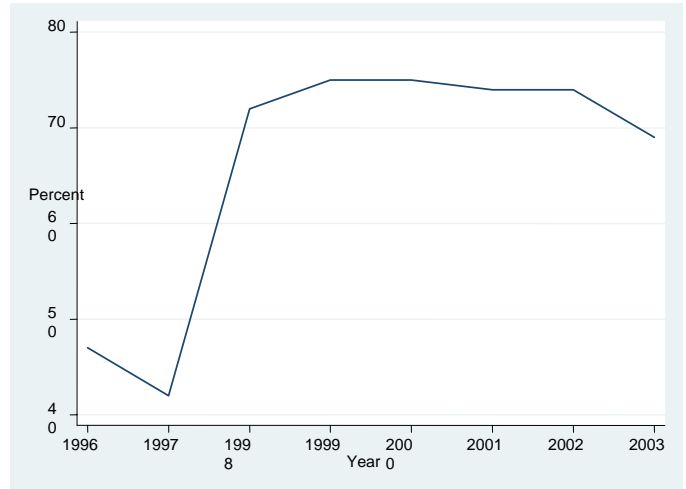
<sup>4</sup> The decline between 2002 and 2003 is statistically significant ( $p$ -value<.05).

<sup>5</sup> Differences in distributions are statistically significant ( $p$ -values<.05) except as noted.

**Figure 1. Title IV-E Claims, All Adoption with State Agency Involvement, 1996-2003**



**Figure 2. Trend in Claims for Title IV-E Reimbursement, Excluding Missing Values**



### ***National Trends in Adoption Assistance Payments***

The AFCARS information on adoption assistance payments is almost fully complete. Missing observations constitute less than three percent of submitted records. Most of the missing observations are for New York State, which submitted subsidy values of \$0 for all adoptions with state agency involvement finalized in fiscal year 1997 and values of \$1 for many adoptions in other years. The only other states that submitted substantially incomplete data for five or more out of the seven years of data used here are Illinois, Massachusetts, and Pennsylvania.

The average value of the adoption assistance payments reported in the 1996 through 2003 AFCARS was \$390; see table 2. The average payment in 1996 was \$191, and the average increased each year. The average in 2003 was \$462, or 1.4 times larger than in 1996.<sup>6</sup>

**Table 2. Average of Adoption Assistance Payments**

	Mean	Std. Dev.
1996	\$191	234
1997	229	238
1998	350	263
1999	375	264
2000	401	270
2001	424	286
2002	436	287
2003	462	339
Total	\$390	291

This average includes adoptions for which no monthly subsidy payment was planned at the time of the adoption. Considering the entire period from fiscal year 1996 through 2003, more than 45,000 adoptions of the children from foster care were not supported with a monthly adoption assistance payment. This represents over 15 percent of valid observations of adoption assistance payments.

As was the case with Title IV-E claims, there was an abrupt change from fiscal year 1997 to fiscal year 1998 in proportion of cases made without a subsidy recorded. The proportion with no subsidy exceeded 35 percent in 1996, but fell to 17 percent in 1998.<sup>7</sup> After 1998, the proportion of adoptions with state agency involved but no subsidy held

steady at 12 to 13 percent. The precipitous fall is evident in figure 3. Note that it is a mirror image of the trend in Title IV-E claims shown in figure 2 above.

<sup>6</sup> Difference in average between 1996 and 2003 is statistically significant ( $p$ -value<.01).

<sup>7</sup> Increase is stastically significant ( $p$ -value < .01).

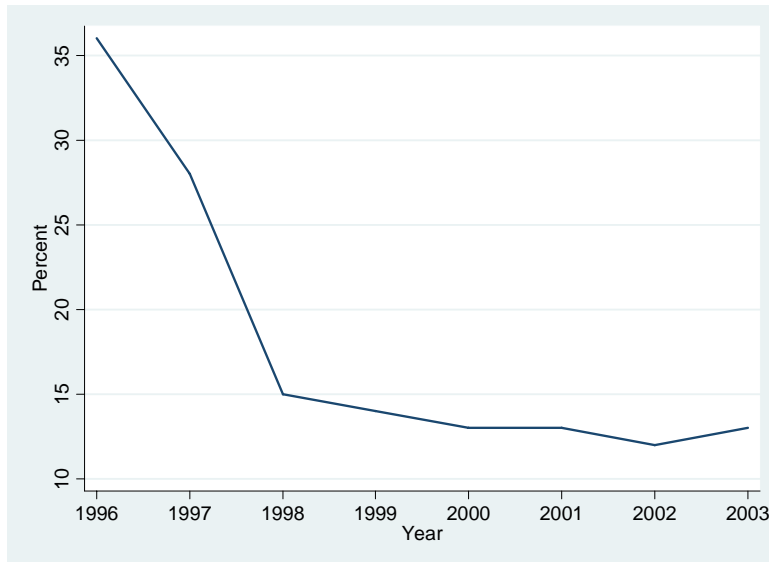
The bottom row of table 3 summarizes the distribution of the amount of adoption assistance payments. Among adoptions supported by payments greater than zero, the largest fraction (more than one-third) had nominal values of adoption assistance payments of \$300 to \$400. Table 3 shows that the fraction of adoptions supported by monthly payments of more than \$450 about tripled between 1996 and 2003.

The wide distribution in adoption assistance payments is attributable to two factors. First, the adoption assistance program was designed to help adoptive families meet the financial burden of caring for children whose special needs could be costly so that children with greater needs can be supported with higher payments. Second, in most states the specific amount of the adoption assistance payment is a matter of negotiation between the representative of the child welfare agency and the adoptive parents.

**Table 3. Distribution of Adoption Assistance Payments, Excluding Missing Values**

Year	\$0	\$1 - \$250	\$251- \$450	\$451- \$750	\$751 - \$1000	More than \$1000
1996	36.4%	21.7%	30.5%	9.0%	1.8%	0.7%
1997	28.2	21.9	34.8	12.6	2.0	0.5
1998	15.3	13.4	43.9	21.3	4.5	1.7
1999	13.5	11.8	44.5	23.4	4.9	2.0
2000	12.8	9.4	43.3	26.5	5.3	2.6
2001	12.9	8.9	39.3	29.5	6.0	3.5
2002	11.9	9.5	35.5	32.8	7.0	3.5
2003	13.3	11.7	30.3	26.1	13.2	5.4
Average	15.2%	11.8%	35.2%	23.1%	6.4%	2.9%

**Figure 3. Trend in Adoptions with \$0 Subsidy**



Children who are younger than one year old at the time of finalization are less likely to be placed with an adoption assistance agreement, as shown in table 4.<sup>8</sup> In fiscal year 1996, almost 90 percent of adoptions of infants had no adoption assistance payments.

<sup>8</sup> Difference is statistically significant ( $p$ -value<.01) in each year.

For fiscal year 1998, the percentage had fallen to 56 percent, and it declined to 30 percent in 2003. The adoptions of toddlers age one to three were supported by adoption subsidies in 56 percent of cases in 1996 and in about 80 percent of cases in 2000 and 2003. In fact, all age groups exhibit an increasing trend in the likelihood of support with an adoption subsidy, with groups in the three to 15 year old range moving from a rate of support of about 69 to 74 percent to a rate of support of about 89 percent. Adoptions of older teens were supported with an adoption subsidy in 57 percent of adoptions in fiscal year 1996, but in 90 percent of adoptions finalized in 2003.<sup>9</sup>

**Table 4. Adoptions Not Supported with Subsidy by Age of Child at Finalization**

Year	Under one year	1-3 years old	3-5 years old	5-8 years old	8-10 years old	10-15 years old	15 years and	Average
1996	89%	44%	28%	26%	29%	31%	43%	35%
1997	87	37	23	21	20	23	35	28
1998	55	24	15	12	11	11	14	15
1999	44	22	13	10	9	9	12	14
2000	40	18	12	10	10	10	13	13
2001	38	17	12	11	10	11	14	13
2002	34	15	11	10	10	10	12	12
2003	30	19	13	12	10	10	11	13
Average	50%	21%	14%	12%	11%	12%	15%	15%

The average value of the monthly adoption subsidy, in cases where the recorded subsidy is greater than zero, generally increased with age, as shown in table 5. Adoptions of infants were supported with an average of \$192 dollars across all years. Increasing average adoption assistance payments are related to increases in the amounts of the basic subsidy “advertised” by states. The basic rate for a two year old has increased from an average of \$364 in 1996 to \$515 in 2003. The basic rate for an eight year old has increased from \$409 in 1996 to \$577 in 2003.<sup>10</sup>

Note that basic subsidies and subsidies reported in ARCARS both increase with age (see table 5). Adoptions of infants (age less than one year) were supported with an average subsidy of \$192; adoptions of toddlers (age 1 to 3) were supported with an average of \$343 per month. Monthly subsidies for children 5 to 8 averaged \$401; for children 8 to 10, \$425; children over 10, about \$440. Since older children are supported by higher subsidy, and there was an increase in the representation of older children among newly adopted children (see *Brief No. 2*), average subsidies rose significantly.

**Table 5. Average Adoption Assistance Payments by Age of Child at Finalization**

Age Category	Mean	Std. Dev.
Under one year	\$192.10	260.32
1-3 years old	342.91	283.84
3-5 years old	371.95	270.03
5-8 years old	400.80	281.84
8-10 years old	425.51	292.41
10-15 years old	441.94	304.80
15 years and older	443.41	330.28
Average	<b>\$390.50</b>	<b>291.12</b>

Returning to table 3, and again considering the entire period from 1996 through 2003, about 60,000 adoptions of children from foster care (about 12 percent of valid observations) were made with adoption assistance of \$1 to \$250 per month. About 112,500 adoptions (over one-third of valid observations) were supported with monthly adoption assistance payments of between \$250 and \$450.

<sup>9</sup> Difference in proportion without subsidy between *under one year*, *1-3 years* and all other age groups are statistically significant in each year and on average ( $p$ -values<.05). Changes over time within age group are statistically significant ( $p$ -value<.01).

<sup>10</sup> Calculated from NACAC archive of State Adoption Subsidy Profits.



**Table 6. Adoption Assistance Payments**

Including Payments of \$0				
	In Current Dollars		In 2000 Dollars	
	Mean	Std. Dev.	Mean	Std. Dev.
1996	\$191	\$234	\$208	\$255
1997	229	238	245	254
1998	350	263	376	286
1999	375	264	394	279
2000	401	270	402	272
2001	425	286	411	275
2002	436	287	416	266
2003	462	339	432	296
Average	\$390	\$291	\$387	\$282
Excluding Payments of \$0				
	In Current Dollars		In 2000 Dollars	
	Mean	Std. Dev.	Mean	Std. Dev.
1996	\$301	\$230	\$325	\$253
1997	319	223	338	240
1998	413	235	440	260
1999	434	235	452	250
2000	460	237	459	241
2001	488	251	470	243
2002	495	254	469	235
2003	532	309	495	264
Average	\$460	\$260	\$454	\$251

Almost 74,000 adoptions (more than 23 percent of valid cases were supported by monthly payments between \$450 and \$750). Fewer than 16,000 adoptions (less than 10 percent of valid observations) were made with monthly payments in excess of \$750.

There was, however, a noticeable increase in the size of the upper tail of the distribution of adoption assistance payments; there are more payments made at the highest amounts in the later years than in the earlier years. The median of adoption assistance payments increased as well. In 1996, the median was less than \$250, in each year after 1998 the median was greater than \$250 but less than \$450.

The rightward shift in the distribution is partly accounted for by increases in basic subsidy schedules by the states. The states, undoubtedly, had two reasons to increase adoption assistance. The first reason was to increase the ability of families to support

children with special needs, thereby increasing adoptions. The second reason was to protect the value of adoption assistance against erosion by inflation. It is necessary to adjust the nominal values reported above for inflation so they are more comparable.

To calculate the real values of adoption assistance, the nominal values of the monthly payments reported in AFCARS are adjusted for inflation over time and differences in cost-of-living between the states.<sup>11</sup> Table 6 shows the averages and standard deviations of reported nominal of adoption assistance payments made across all states in each year, along with the cost-of-living adjusted values in constant 2000 dollars. The increases in adoption assistance payments evident in the previous table are reduced, but not eliminated, when the payments are adjusted for inflation. To repeat from above, measured in 1999 dollars, the average adoption assistance payment rose from \$191 in 1996 to \$462 in 2003. The real value of adoption assistance increased from an average of \$208 per month in 1996 to \$432 per month in 2003.<sup>12</sup> The increase in the real value of the subsidy was 108 percent. When payments recorded as \$0 are excluded, reported subsidies average \$301 in 1996 and \$532 in 2003, for an increase of 77 percent. The real value of the subsidy (excluding observations of \$0) increased from \$325 to \$495, an increase of 52 percent. In other words, about one third of the purchasing power of the increase in average adoption subsidies was offset by inflation.

A total of 528 adoptions (two tenths of one percent of adoptions) from fiscal year 1998 through 2003 were recorded with monthly assistance equal to zero dollars but with the state claiming Title IV-E assistance. The states may have claimed reimbursement only for non-recurring expenses of adoption or for special services in these cases. The

<sup>11</sup> Cost-of-living adjustments were made using the American Federation of Teachers index (<http://www.aft.org/salary/2002/download/SalarySurvey02.pdf>, accessed January 31, 2006). Inflation adjustments were made using the Bureau of Labor Statistics Consumer Price Index (<ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>, accessed January 31, 2006).

<sup>12</sup> Increase over period measured in 2000 dollars is statistically significant ( $p$ -value<.01).

**Table 7. Implied Deferrals of Adoption Assistance**

Year	Percent
1996	4.24%
1997	4.74
1998	3.70
1999	3.26
2000	1.72
2001	1.73
2002	1.53
2003	1.52
Average	2.38%

proportion of eligible adoptions made without monthly subsidy fell from 0.7 percent in 1996, to 0.4 percent in 1998, to about 0.2 percent thereafter.

Alternatively, in some states it is possible for adoptive parents to have the state formally recognize the eligibility of the adopted child for the adoption subsidy, but to defer receipt of monthly adoption assistance until a later date. AFCARS records to not indicate whether a deferred subsidy agreement is in place, but it may be reasonable to assume that adoptions that were recorded as having been made with Title IV-E assistance but

**Table 8. State-Funded Adoption Assistance Payments**

Year	Percent
1996	13.3%
1997	15.7
1998	15.9
1999	14.1
2000	13.9
2001	14.6
2002	16.2
2003	19.9
Average	15.6%

that have the amount of the subsidy recorded as \$0 or \$1 are adoptions for which the subsidy has been deferred. The percent of all adoption cases that are implied deferrals for each year is shown in table 7. On average 2.8 percent of adoptions may have been made with implied deferrals of assistance. Implied deferrals were most common in 1997 (4.24 percent) and lowest in 2003 (1.52 percent).<sup>13</sup>

The average real amount of monthly adoption assistance negotiated by families whose children were recorded as entitled to Title IV-E subsidies was almost twice as large as the real amount negotiated by families whose adopted child was not eligible for Title IV-E subsidy. Averaging across all fiscal years 1998 through 2003, the real value of monthly adoption assistance for adoptions where Title IV-E was claimed was \$415, while the average for adoption for which Title IV-E was not claimed was \$214. The difference in the average across all adoptions is driven by a difference in the number for which the recorded subsidy equaled zero.

If the recorded adoption assistance subsidy is greater than zero and the child is not Title IV-E eligible, it implies that the subsidy supporting the adoption is funded entirely at the state and local levels. From fiscal year 1996 through fiscal year 2003, a total of 46,714 adoptions (almost 15 percent) fit this category; these adoption cases have positive

**Table 9. State-Funded Adoption Assistance Payments (Constant 2000 Dollars)**

Year	State-Federal Shared		State-Funded	
	Mean	Std. Dev.	Mean	Std. Dev.
1996	\$376	\$238	\$345	\$232
1997	377	226	324	232
1998	445	264	413	247
1999	459	253	413	238
2000	464	242	426	238
2001	472	242	456	248
2002	476	235	435	233
2003	506	265	454	257
Average	\$464	\$250	\$426	\$246

values of monthly adoption subsidy but Title IV-E assistance was not claimed. Table 8 shows the percent and number of cases for which a state-funded adoption assistance payment was recorded. The prevalence of state-funded adoption assistance payments has risen from 13.3 percent of adoptions in 1996 to 19.9 percent in 2003.<sup>14</sup> Table 10 shows that, averaging across years, state funded adoption assistance payments are about 40 dollars lower than payments when the federal government pays a share.<sup>15</sup>

<sup>13</sup> New York State is excluded because of incomplete data.

<sup>14</sup> Differences between years are statistically significant ( $p$ -values<.01) except for 1999 compared with 2000.

<sup>15</sup> Difference is statistically significant ( $p$ -value<.05).

### ***Title IV-E Claims State-by-State***

Table 10 shows the state-by-state summary of the number of records that are missing data on whether Title IV-E reimbursement was claimed for the child's adoption. The years for which states failed to submit any adoption data to AFCARS are indicated with N/A. If a state does not appear in table 10, its data on Title IV-E claims are complete for all years. Empty cells indicate complete data for the particular state and year.

The average proportion of adoption cases for which Title IV-E reimbursement was claimed is shown in table 11. The averages for the states reveal that some claimed Title IV-E reimbursement more often than the others. Some states requested IV-E reimbursement in about 80 percent of cases (Alaska, Illinois, Maine, Michigan, Ohio, and Vermont). Also, these states were among those that paid the highest amounts of subsidies.

States claimed federal reimbursement under Title IV-E in less than 40 percent of adoptions are Alabama, Connecticut, Massachusetts, North Dakota, and Puerto Rico. In these states the average of adoption assistance payments was among the lowest.

In some states, there was no discernable trend in the proportion of adoptions for which Title IV-E claims were made. These states include Alabama, Louisiana, Maryland, Michigan, Missouri, Ohio, Puerto Rico, and Vermont. Figure 4 and table 12 show that there were increases in the proportion of adoptions for which Title IV-E reimbursement was claimed in California, Connecticut, Georgia, Idaho, Illinois, Kentucky, Massachusetts, New Jersey, Washington, West Virginia, and Wisconsin. There were decreases over time in Alaska, Arizona, Arkansas, Colorado, the District of Columbia, Indiana, Iowa, Maine, Nebraska, and Pennsylvania.

### ***Adoption Assistance Payments State-by-State***

Table 13 summarizes the completeness of the data on adoption assistance payments by state. The years for which states failed to submit any adoption data to AFCARS are indicated with N/A. If a state does not appear in table 14, its data on Title IV-E claims are complete for all years. Empty cells indicate complete data for the particular state and year.

As discussed above, the proportion of adoptions with a recorded subsidy of \$0 fell from 35 percent in 1996 to 14.3 percent in 2003. Figure 5 shows the trend in the proportion of adoption cases in each state with \$0 recorded as the monthly subsidy. Some states, such as Alabama, California, Illinois and Rhode Island show a steady decline in unsupported adoptions, but other states show dramatic and/or abrupt declines (Delaware, Idaho, Minnesota, Nebraska, Wisconsin) or have unsteady proportions that exhibit no clear trend (Connecticut, District of Columbia, Georgia, Utah).

Table 14 gives the proportion of adoptions in each state that are not supported with recorded subsidies. In Alabama, Connecticut, Florida, Kentucky, North Dakota, and Puerto Rico over 40 percent of adoption cases were recorded with \$0 subsidy payments, although the proportion with no payments has fallen to the national average in Connecticut. In fiscal year 1996 and 1997, Delaware, Idaho, Kentucky, Minnesota, Puerto Rico, and Tennessee each recorded \$0 subsidy in more than 80 percent of adoptions. Of the 38 states that submitted data for fiscal year 1996, 18 states failed to support more than one-third of adoptions with a subsidy.

It is possible that in some states such as Connecticut, Delaware, Idaho, Minnesota and Tennessee this discouraging statistic may represent inaccuracies in the AFCARS

data provided to the Children's Bureau. For example, for fiscal year 1996 Minnesota recorded \$0 adoption assistance in 87 percent of adoptions while the percentage fell to 15.6 percent of adoptions in the following year. Delaware records almost no cases with positive adoption subsidies in 1996 or 1997, but records almost 92 percent of all adoptions as having a subsidy in 1998. Tennessee also records an abrupt change in 1998, and Idaho records an abrupt change in 1999. Investigation into the stated policies and data handling in these states may be fruitful.

The states that had (on average across all years) the lowest proportions of adoptions with \$0 of recorded subsidy are Oklahoma (1.8 percent), Maryland (2.3 percent), Washington (2.7 percent), Maine (2.8 percent).

In Alaska, Delaware, Hawaii, Iowa, Maine, Maryland, Massachusetts, Michigan, New Hampshire, Texas, Vermont, Washington, and Wisconsin financial support for adoption from foster care was substantial throughout the period. In these states most children who were adopted were supported with subsidy, and 50 percent or more of the initial monthly assistance payments exceeded \$450; see table 15.

Over one third of all adoption assistance payments fell into the \$251 to \$450 range. These states paid a monthly amount in this range in more than 50 percent of cases: Arkansas, Illinois, Louisiana, Mississippi, Montana, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Virginia, and Wyoming.

As discussed above, the national average of the monthly adoption assistance payments, as negotiated at the time of finalization, more than doubled between 1996 and 2003. One third of the increase in nominal values was eroded by inflation. Table 18 shows, state-by-state, the value of reported adoption assistance payments in cost-of-living-adjusted, constant 2000 dollars. Even after adjusting for inflation and differences in the cost of living between states, the value of monthly adoption assistance payments has increased over 75 percent.

The increase in the average subsidy has two sources: (1) some states have offered more generous subsidies over time, and (2) the number and percentage of adoptions not supported by the subsidy has fallen.

Figure 6 shows changes in adoption assistance payments in each state over the 1996-2003 period. The average value of the subsidy in 1999 dollars has not changed notably in Alaska, Florida, Missouri, New Jersey, Vermont, or Virginia. The real value of the subsidy has eroded in Arkansas, Kansas, Mississippi, Oklahoma, and Pennsylvania. The real value of the subsidy has increased gradually in Alaska, California, Illinois, and Oregon, and it has increased steadily and more dramatically in Colorado, Delaware, Kentucky, and Nevada. Some states show one-time increases in the average value of the subsidy that reflect changes in policy. These states include Maryland, Massachusetts, North Carolina, Tennessee, Texas, Washington, and Wisconsin. A few states have uneven patterns in the average value of the subsidy: Connecticut, DC, Indiana, Iowa, Maine, South Dakota, and West Virginia.

The greatest volatility in real adoption assistance occurred before 1998. To understand recent trends in adoption subsidies, then, consider changes since 1998. Between 1998 and 2003, the average state increased real payments by almost 15 percent. Increases of 30 percent or more occurred in Alabama, New Hampshire, North Dakota, Kentucky, Florida, Nevada, West Virginia, Utah, Indiana, District of Columbia, and Rhode Island. A decline in the real value of the subsidy of five percent or more occurred in Minnesota, Massachusetts, Kansas, Iowa, Idaho, Connecticut, Wisconsin, South Dakota, Oklahoma, Arizona, Georgia, Texas, North Carolina, Maine, Arkansas, Delaware, Washington, Maryland, and Vermont.

Some states stick to a fairly rigid schedule in the determination of the amounts of monthly adoption subsidies. New York, Maryland, Oklahoma, Michigan have the lowest

coefficient of variation in their adoption subsidies. New York State, Alabama, Massachusetts, Wyoming, Puerto Rico and Minnesota each have fewer than 30 distinct values of recorded adoption assistance payments in AFCARS. This suggests that these states do not allow for much negotiation when adoption assistance agreements are made with adoptive parents.

The average of the monthly adoption assistance payments as recorded in AFCARS is greater than the basic rate for Arizona, Arkansas, California, Colorado, Delaware, Idaho, Illinois, Michigan, Missouri, New Jersey, North Dakota, Ohio, Pennsylvania, South Carolina, Washington, and Wisconsin. The subsidy amounts recorded in AFCARS are smaller than the basic rates for Maryland, Montana, New Hampshire, and Utah. In Georgia, Minnesota, South Dakota, and Texas, the average recorded subsidy is not statistically different from the basic rate.

Figure 7 shows the trends in the ratio of the average nominal value of the monthly adoption subsidy to the average basic subsidy rate in each state. If the ratio of actual to basic subsidy is about one, it indicates that the state, on average, negotiates adoption subsidies that are equal to the basic rate in the state. If the ratio is greater than one, the state has reported that it negotiated subsidies that are, on average, more generous than the basic rate. If the ratio is less than one the state has reported that it negotiated subsidies that are less generous than the basic rate, on average.

Many states have negotiated subsidies that are about equal to the basic rate throughout the period of 1996-2003. These states include Alabama, Arkansas, California, Connecticut, Delaware, DC, Florida, Georgia, Hawaii, Kentucky, Massachusetts, Montana, New Hampshire, North Carolina, Oklahoma, Oregon, South Dakota, Texas, Utah, Virginia, West Virginia, and Wyoming. A few states have been consistently generous, with the ratio greater than one and quite constant: Wisconsin, Missouri, Nebraska, Michigan, and Illinois. No state has consistently supported adoptions at less than the basic rate.

A few states had an increase in the ratio of actual to basic subsidy rates. Some of these states appear to have changed policies at a point in time; in figure 8, Arizona, Iowa, Minnesota, Ohio, Vermont, and Washington have a marked increase in the ratio in 1998 or 1999. Colorado has a discontinuity in the ratio in 2000.

Idaho and Louisiana show a smooth upward trend. Indiana, Mississippi, and North Dakota have negative trends: actual subsidies fell relative to the basic rate. The ups and downs in the ratio in a few states (such as Iowa, Maine, New Mexico, and South Carolina) reflect state budget crises during the period.

Table 16 shows the reported value of adoption assistance payments of more than \$1 per month, adjusted for inflation and differences in the cost-of-living, as discussed above. When the observations of \$0 and \$1 are removed, the increase in the average value of adoption assistance is reduced to 36 percent.

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The information in this Brief may be reproduced with proper citation. Suggested citation:

Hansen, Mary Eschelbach (2006). Title IV-E Claims and Adoption Assistance Payments. AFCARS Adoption Data Research Brief Number 5. ONLINE. North American Council on Adoptable Children. Available: <http://www.nacac.org/subsidyarticles/news.htm>. Accessed on: <insert the date you accessed the information>.

**Table 10. Title IV-E Claims: Missing Values**

	2003		2002		2001		2000		1999		1998		1997		1996		
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	
Alabama													N/A	N/A	N/a	N/A	
Alaska													N/A	N/A	N/A	N/A	
Arizona											N/A	N/A	8	3.4%	1	0.2%	
Arkansas													14	21.9%	17	27.0%	
Connecticut															N/A	N/A	
Georgia													24	9.9%	71	61.2%	
Hawaii													1	0.6%			
Illinois	4	0.1%	5	0.1%	17	0.4%	5	0.1%	11	0.2%	20	0.4%					
Indiana													18	100%	35	13.6%	
Kansas															N/A	N/A	
Kentucky	14	2.3%	16	2.9%													
Maryland													15	4.0%	135	69.6%	
Massachusetts	43	5.9%	12	1.5%	57	7.3%	38	4.4%					1,028	89.2%	1,092	100%	
Michigan													N/A	N/A	N/A	N/A	
Mississippi	14	7.7%	24	10.6%									1	1.0%			
Missouri													N/A	N/A	N/A	N/A	
Nebraska												N/A	N/A				
Nevada	5	1.7%										N/A	N/A	98	96.1%	N/A	N/A
New Hampshire													N/A	N/A	N/A	N/A	
New York															N/A	N/A	
North Carolina															22	15.1%	
North Dakota															N/A	N/A	
Ohio												5	0.5%	11	1.1%	8	0.7%
Oregon															211	45.1%	
Pennsylvania					35	2.2%	25	1.5%	4	0.3%	17	1.1%	4	0.6%			
Puerto Rico	59	13.3%	25	6.1%	4	1.6%					1	0.4%					
Rhode Island										9	3.1%	7	3.1%	26	12.6%		
South Carolina			6	1.7%	19	5.0%	5	1.3%					N/A	N/A	N/A	N/A	
South Dakota													26	100%	3	11.5%	
Tennessee													3	1.5%			
Texas	1	0.0%															
Utah	2	0.6%	2	0.6%													
Virginia													N/A	N/A	N/A	N/A	
West Virginia													N/A	N/A	N/A	N/A	
Wyoming													N/A	N/A	N/A	N/A	
<b>All States</b>	<b>142</b>	<b>0.3%</b>	<b>90</b>	<b>0.2%</b>	<b>133</b>	<b>0.3%</b>	<b>76</b>	<b>0.1%</b>	<b>24</b>	<b>0.1%</b>	<b>50</b>	<b>0.1%</b>	<b>1,277</b>	<b>5.6%</b>	<b>1,595</b>	<b>10.0%</b>	



**Table 11. Percentage of Adoptions with Title IV-E Claims, All Adoptions with State Agency Involvement, 1996-2003**

	IV-E As- sistance not Claimed	IV-E As- sistance Claimed	Missing values
Alabama	65.2%	34.8%	0%
Alaska	19.8	80.2	0
Arizona	32.1	67.7	0
Arkansas	31.8	66.7	2
California	24.4	75.6	0
Colorado	31.5	68.5	0
Connecticut	64.9	35.1	0
Delaware	46.0	54.0	0
DC	50.4	49.6	0
Florida	52.6	47.4	0
Georgia	48.9	49.6	2
Hawaii	40.4	59.6	0.05
Idaho	37.3	62.8	0
Illinois	18.5	81.3	0
Indiana	36.5	62.6	1
Iowa	46.7	53.3	0
Kansas	36.5	63.5	0
Kentucky	51.8	47.4	1
Louisiana	27.3	72.7	0
Maine	20.6	79.4	0
Maryland	21.1	75.7	3
Massachusetts	43.7	25.8	30
Michigan	17.0	83.0	0
Minnesota	38.5	61.6	0
Mississippi	27.3	70.2	3
Missouri	31.0	69.0	0
Montana	40.6	59.4	0
Nebraska	51.2	48.8	0
Nevada	28.4	63.4	8.25
New Hampshire	20.4	79.6	0
New Jersey	30.3	69.7	0
New Mexico	23.1	76.9	0
New York	23.2	76.8	0
North Carolina	32.1	67.6	0.29
North Dakota	62.1	37.9	0
Ohio	6.2	93.6	0
Oklahoma	45.0	55.0	0
Oregon	27.4	69.2	3
Pennsylvania	22.4	76.8	1
Puerto Rico	82.2	13.9	4
Rhode Island	38.7	59.2	2
South Carolina	37.5	61.3	1.3
South Dakota	31.3	64.4	4
Tennessee	39.1	60.8	0
Texas	36.9	63.1	0
Utah	50.4	49.4	0
Vermont	14.5	85.5	0
Virginia	32.1	67.9	0
Washington	28.7	71.3	0
West Virginia	45.5	54.5	0
Wisconsin	30.4	69.6	0
Wyoming	43.5	56.5	0
<b>All States</b>	<b>29.8%</b>	<b>69.1%</b>	<b>1.04%</b>

**Figure 4. Trends in Title IV-E Claim**



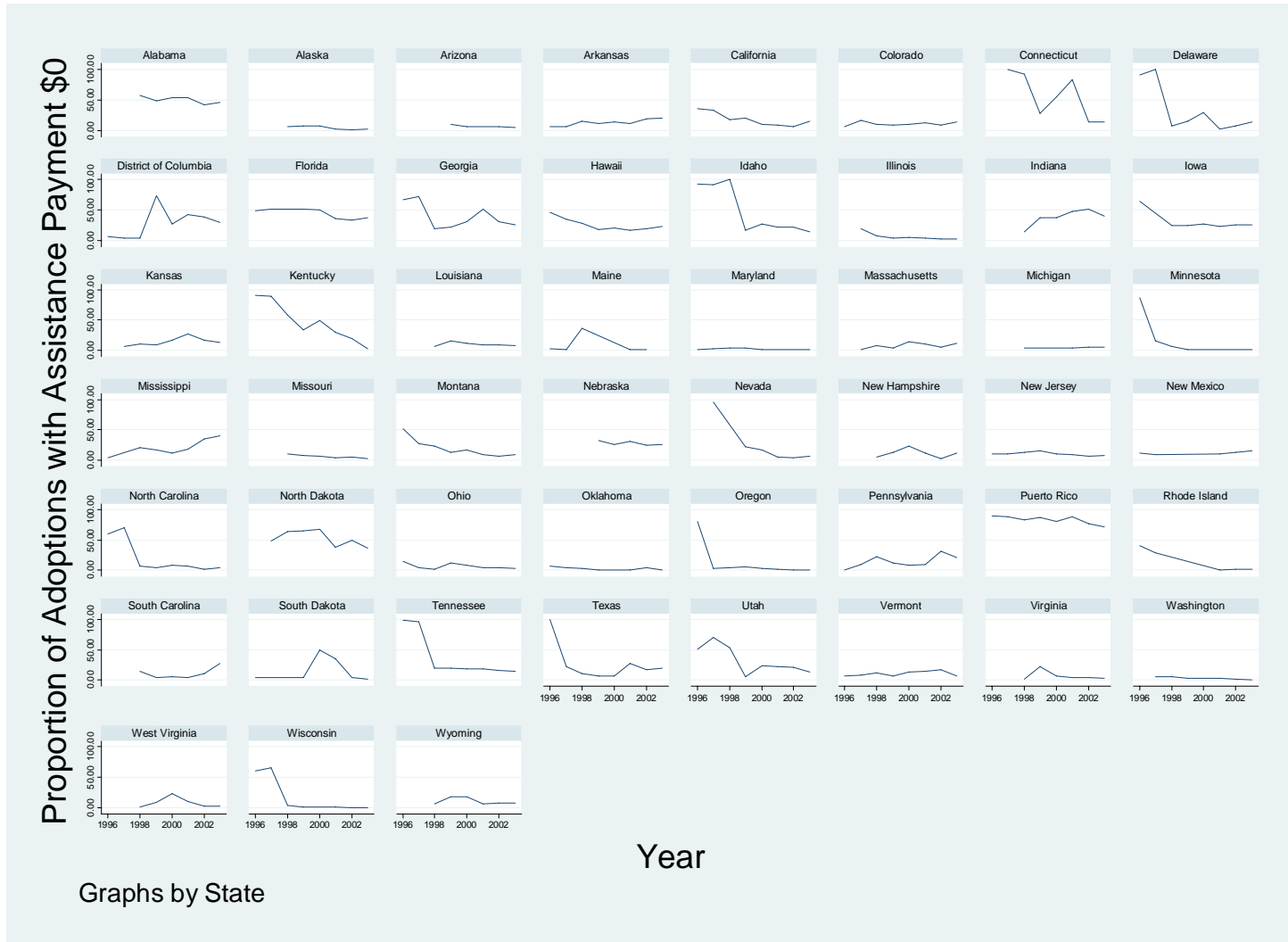
**Table 12. Percent Adoptions for which Title IV-E was Claimed in the States**

State	2003	2002	2001	2000	1999	1998	1997	1996
Alabama	36.8%	41.4%	33.6%	28.7%	39.2%	22.6%	N/A	N/A
Alaska	63.0	79.0	82.4	89.6	87.6	84.2	N/A	N/A
Arizona	67.1	61.2	69.2	71.8	60.6	N/A	76.5	78.3
Arkansas	48.6	28.6	79.0	80.3	84.0	77.5	78.1	73.0
California	69.9	85.1	82.9	78.4	68.4	74.0	59.2	56.8
Colorado	54.6	59.7	59.7	73.8	81.3	84.0	74.9	74.2
Connecticut	54.1	62.6	10.4	37.3	32.3	0.0	0.0	N/A
Delaware	42.6	56.4	76.1	59.2	72.7	79.0	0.0	8.3
DC	27.1	41.3	43.5	49.2	33.1	87.0	100	100
Florida	47.5	56.3	56.7	44.8	40.5	41.7	40.9	39.7
Georgia	56.2	59.1	34.8	52.4	53.9	53.5	10.7	3.5
Hawaii	53.1	52.5	60.8	70.0	65.1	63.5	54.0	30.8
Idaho	66.7	62.7	71.2	61.4	72.0	0.0	37.8	50.9
Illinois	84.3	89.3	75.0	89.2	88.8	82.9	59.9	53.5
Indiana	60.6	49.0	51.9	62.3	62.9	85.7	0.0	86.4
Iowa	42.2	52.0	57.9	59.0	68.5	71.6	67.0	26.6
Kansas	61.4	62.4	61.7	68.4	80.7	37.2	85.7	N/A
Kentucky	81.9	72.3	55.7	45.1	65.0	42.8	10.2	8.0
Louisiana	74.7	71.2	74.7	72.5	69.7	72.6	78.0	46.7
Maine	44.1	75.9	91.8	85.6	90.6	90.4	100	100
Maryland	69.9	80.3	78.2	77.5	79.6	82.6	78.5	25.3
Massachusetts	45.2	55.3	44.6	38.6	44.5	5.2	0.0	0.0
Michigan	78.3	80.4	83.7	84.3	86.2	86.0	N/A	N/A
Minnesota	80.9	87.4	84.8	86.2	84.8	81.6	78.7	11.1
Mississippi	55.0	57.7	81.6	88.5	82.7	79.4	26.0	20.4
Missouri	70.2	69.2	67.9	68.8	70.9	65.8	N/A	N/A
Montana	63.4	66.0	60.4	58.9	58.8	57.7	54.0	15.2
Nebraska	49.3	52.6	51.4	44.3	40.9	N/A	60.5	100
Nevada	66.9	66.8	70.8	67.5	74.8	N/A	3.9	N/A
New Hampshire	88.5	97.4	88.4	76.0	85.5	0.0	N/A	N/A
New Jersey	80.1	81.3	77.6	78.7	72.5	70.2	28.6	40.5
New Mexico	84.1	86.5	89.4	83.3	100	0.0	64.5	66.0
New York	90.1	91.2	93.0	93.1	93.5	89.9	0.0	N/A
North Carolina	63.5	66.6	73.8	73.5	71.9	74.5	18.8	25.3
North Dakota	47.5	40.1	49.7	27.6	29.5	27.9	45.2	N/A
Ohio	96.1	96.2	95.9	91.9	88.0	98.0	95.8	85.1
Oklahoma	51.3	35.0	59.5	56.1	71.3	67.5	61.4	38.1
Oregon	74.9	78.4	79.4	78.1	72.4	78.0	44.7	3.6
Pennsylvania	69.4	61.9	82.7	86.7	84.6	75.2	87.2	93.2
Puerto Rico	22.8	16.9	10.5	15.6	10.7	10.0	7.7	0.0
Rhode Island	62.1	61.7	63.7	53.5	64.7	59.5	44.0	60.1
South Carolina	53.9	60.8	61.2	65.3	68.2	55.9	N/A	N/A
South Dakota	79.2	81.4	60.8	44.7	60.7	61.8	0.0	53.9
Tennessee	66.8	74.3	69.2	70.1	68.3	68.0	0.0	1.1
Texas	53.9	58.9	55.6	70.9	73.6	71.4	66.7	0.0
Utah	47.0	48.0	48.1	57.8	72.9	36.2	27.0	39.5
Vermont	90.4	77.1	85.3	83.6	87.0	78.8	86.2	88.6
Virginia	71.5	73.6	68.3	69.6	52.8	67.2	N/A	N/A
Washington	87.1	85.0	83.7	64.0	64.8	58.1	51.7	20.2
West Virginia	58.1	64.8	63.3	49.7	43.6	40.8	N/A	N/A
Wisconsin	75.5	77.3	84.8	89.1	85.0	77.8	34.1	38.8
Wyoming	48.2	65.4	78.3	54.1	55.6	31.2	N/A	N/A
<b>All States</b>	<b>68.6%</b>	<b>73.4%</b>	<b>74.0%</b>	<b>75.0%</b>	<b>74.9%</b>	<b>71.4%</b>	<b>39.8%</b>	<b>42.1%</b>

**Table 13. Adoption Assistance Payments in the States: Missing Values**

	2003		2002		2001		2000		1999		1998		1997		1996	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Alabama													N/A	N/A	N/A	N/A
Alaska													N/A	N/A	N/A	N/A
Arizona											N/A	N/A				
Colorado	29	2.8%	23	2.5%	13	2.1%										
Connecticut															N/A	N/A
Georgia													24	9.9%	71	61.2%
Illinois	5	0.2%	5	0.1%	18	0.4%	5	0.1%	12	0.2%	20	0.4%	6	0.2%	443	20.6%
Indiana													18	100%	254	98.8%
Kansas															N/A	N/A
Kentucky	14	2.3%	16	2.9%	1	0.2%										
Louisiana													3	5.1%	4	26.7%
Maine											5	4.0%				
Maryland													15	4.0%		
Massachusetts	43	5.9%	12	1.5%	57	7.3%	38	4.4%					62	5.4%	74	6.8%
Michigan													N/A	N/A	N/A	N/A
Mississippi	14	7.7%	24	10.6%									1	1.0%		
Missouri													N/A	N/A	N/A	N/A
Nebraska																
Nevada															N/A	N/A
New Hampshire															N/A	N/A
New Mexico							347	100%	258	100%	197	100%				
New York	3,862	100%	3,791	100%	3,934	100%	4,234	100%	4,864	100%	4,819	100%	5,000	100%	N/A	N/A
North Carolina															37	25.3%
North Dakota															N/A	N/A
Oregon													1	0.2%	178	38.0%
Pennsylvania					35	2.2%	26	1.5%	7	0.5%	17	1.1%	10	1.4%		
South Carolina													N/A	N/A	N/A	N/A
South Dakota													26	96.2%		
Tennessee													2	1.0%		
Texas	1	0.0%														
Virginia													N/A	N/A	N/A	N/A
Washington															32	15.0%
West Virginia													N/A	N/A	N/A	N/A
Wyoming													N/A	N/A	N/A	N/A
<b>All States</b>	<b>3,968</b>	<b>7.97%</b>	<b>3,871</b>	<b>7.46%</b>	<b>4,058</b>	<b>7.97%</b>	<b>4,650</b>	<b>9.19%</b>	<b>5,141</b>	<b>11.0%</b>	<b>5,058</b>	<b>13.8%</b>	<b>5,168</b>	<b>22.82%</b>	<b>1,093</b>	<b>6.91%</b>

**Figure 5. Trend in Percent of Proportion of Adoptions with Subsidy of \$0**



**Table 14. Proportion of Adoptions with Subsidy of \$0**

State	2003	2002	2001	2000	1999	1998	1997	1996
Alabama	45.9%	43.0%	53.4%	54.0%	49.0%	58.3%	N/A	N/A
Alaska	2.9	0.9	2.5	7.4	7.3	6.3	N/A	N/A
Arizona	4.7	5.9	5.7	6.5	10.5	N/A	0.0	0.0
Arkansas	20.5	18.5	10.8	13.5	11.0	15.9	6.3	6.4
California	15.0	6.6	8.6	10.4	20.4	17.9	33.9	35.9
Colorado	13.5	9.2	12.4	9.6	8.7	10.6	16.7	5.8
Connecticut	14.3	14.1	83.6	55.1	28.8	92.6	100	N/A
Delaware	13.9	7.5	2.6	29.1	15.2	8.1	100	91.7
DC	30.0	38.1	43.0	27.0	72.9	3.6	3.2	5.9
Florida	37.4	33.7	35.7	50.2	51.5	51.9	51.9	49.2
Georgia	25.2	30.3	52.1	31.0	21.4	19.9	71.6	66.7
Hawaii	22.6	19.4	16.9	20.0	17.8	28.2	34.7	46.2
Idaho	14.5	22.0	21.2	27.1	16.8	100	91.9	92.7
Illinois	1.9	2.1	3.9	4.8	4.0	7.1	19.1	0.0
Indiana	39.4	51.0	48.1	37.7	37.2	14.3	N/A	0.0
Iowa	25.4	26.0	23.5	26.5	24.6	25.0	0.0	64.8
Kansas	12.6	17.4	27.3	16.8	9.0	9.8	6.4	N/A
Kentucky	2.7	19.0	29.6	48.9	34.2	58.2	89.0	90.5
Louisiana	7.7	9.7	8.9	11.3	15.2	6.8	0.0	0.0
Maine	0.0	1.3	1.1	0.0	0.0	36.7	1.1	2.3
Maryland	1.6	1.6	1.7	1.9	4.1	3.6	3.1	1.0
Massachusetts	12.3	5.4	10.7	14.6	3.7	8.2	0.8	0.0
Michigan	5.8	4.6	3.6	3.9	3.5	4.2	N/A	N/A
Minnesota	1.6	0.8	0.7	1.3	0.8	7.0	15.6	87.0
Mississippi	40.5	35.0	18.4	11.5	17.3	20.6	0.0	3.7
Missouri	2.3	5.1	3.7	6.6	8.4	10.3	N/A	N/A
Montana	9.8	6.9	9.8	17.4	13.4	23.5	27.0	51.5
Nebraska	26.6	24.7	31.2	25.7	33.0	N/A	0.0	0.0
Nevada	6.1	4.4	5.8	16.9	22.8	N/A	96.1	N/A
New Hampshire	11.5	2.6	11.6	24.0	12.9	5.9	N/A	N/A
New Jersey	7.7	7.1	9.8	10.4	15.3	12.7	10.7	10.4
New Mexico	15.9	13.5	10.6	N/A	N/A	N/A	9.7	11.3
New York	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
North Carolina	3.9	2.2	7.3	7.5	4.9	6.8	69.9	59.6
North Dakota	36.7	48.9	37.2	67.6	64.8	64.0	48.4	N/A
Ohio	3.3	3.7	4.0	7.9	11.9	2.0	4.2	14.7
Oklahoma	0.2	4.6	0.5	0.9	0.7	2.6	4.4	6.6
Oregon	0.4	0.5	1.0	2.4	5.0	3.9	2.5	80.3
Pennsylvania	21.5	30.8	9.9	7.5	12.4	21.8	8.9	0.7
Puerto Rico	71.8	76.7	87.6	81.0	87.1	83.3	88.5	88.9
Rhode Island	2.3	1.2	0.8	0.0	0.0	0.0	29.0	39.9
South Carolina	27.1	10.2	5.0	5.8	4.6	15.1	N/A	N/A
South Dakota	2.1	4.1	35.1	48.9	4.8	0.0	N/A	3.9
Tennessee	14.7	15.6	18.7	18.3	20.2	20.2	95.9	98.9
Texas	19.9	17.7	27.4	6.7	6.6	10.6	22.2	100
Utah	13.5	21.1	22.9	24.1	5.4	53.9	69.8	51.0
Vermont	7.2	17.0	14.7	13.9	7.2	11.9	7.7	6.9
Virginia	3.5	3.8	4.4	7.1	22.4	2.1	N/A	N/A
Washington	0.8	1.2	2.4	2.7	3.3	5.2	5.3	0.0
West Virginia	3.1	2.8	9.9	23.3	9.3	1.9	N/A	N/A
Wisconsin	0.3	0.4	0.8	1.5	1.6	3.3	65.9	61.2
Wyoming	7.1	7.7	6.5	18.0	17.8	6.3	N/A	N/A
<b>Total</b>	<b>13.3%</b>	<b>11.9%</b>	<b>12.9%</b>	<b>12.8%</b>	<b>13.5%</b>	<b>15.3%</b>	<b>28.2%</b>	<b>36.4%</b>

**Table 15. Distributions of Adoption Assistance Payments and State, Including Missing Values**

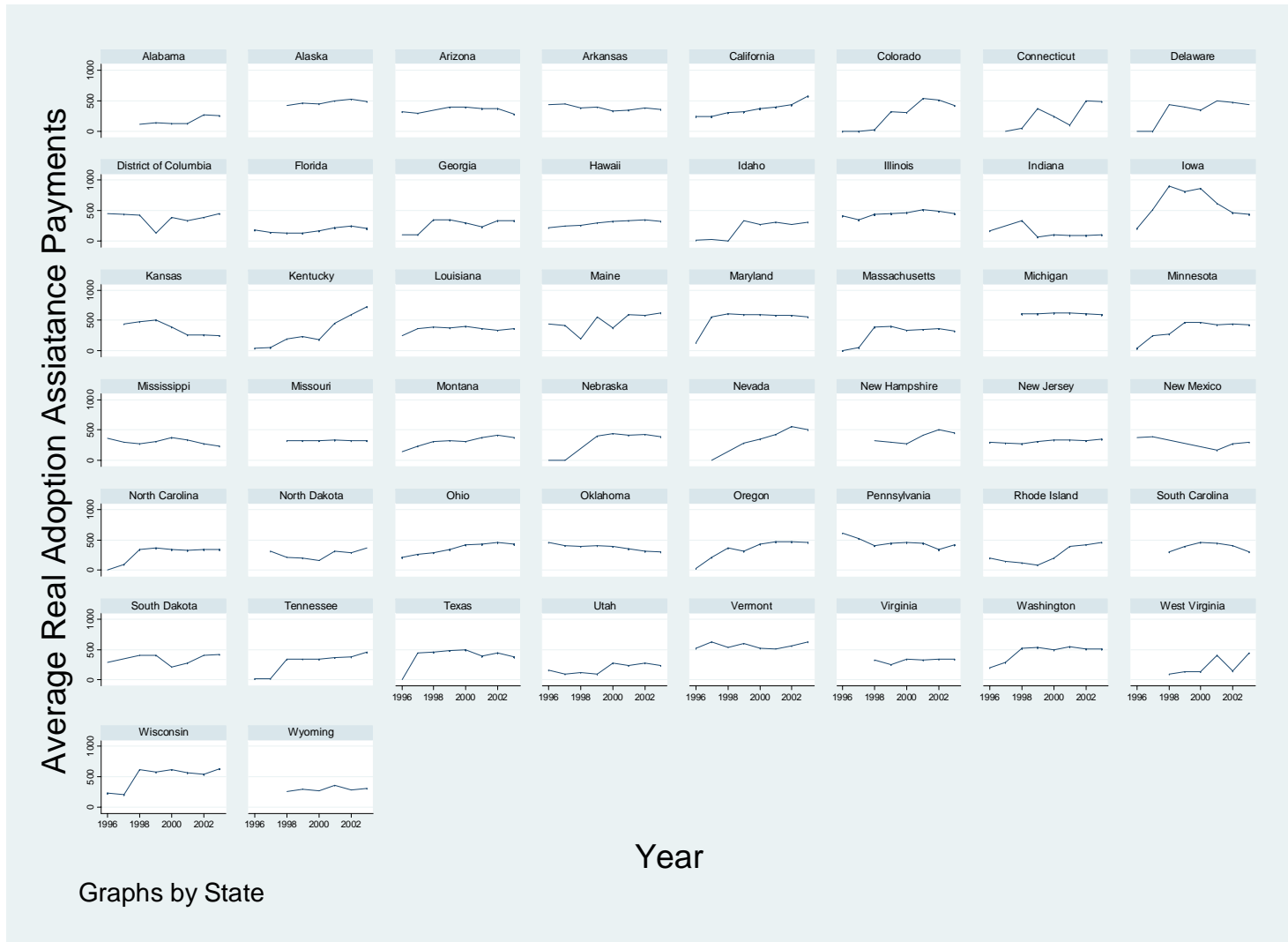
State	\$0	\$1 - \$250	\$251- \$450	\$451- \$750	\$751 - \$1000	More than \$1000	Miss-ing values
Alabama	49.5%	25.7%	24.9%	0%	0%	0%	0%
Alaska	4	12.7	11.6	45.4	15.6	10.8	0
Arizona	5.7	26.9	21.8	44.4	1.3	0	0
Arkansas	14.5	11.5	61.3	11.4	1.3	0	0
California	14.3	3.8	43.6	20.1	12.6	5.7	0
Colorado	11	26.8	39.4	10.5	7.5	3.7	1.2
Connecticut	46.5	5.2	2.8	38.7	1.5	5.5	0
Delaware	24.1	1.7	19.8	54	0.3	0.2	0
DC	32.8	1.2	15.1	39.1	10.9	1	0
Florida	43.2	10.5	42	3.3	0.7	0.3	0
Georgia	31.1	3.6	53	6.4	2.5	2	1.5
Hawaii	22.3	3.5	4.2	61.7	2.2	6.2	0
Idaho	30.9	16.1	37.4	13.6	1.8	0.3	0
Illinois	5.2	2.2	72.1	8.2	6.2	4.7	1.6
Indiana	36.5	44.1	3	9.1	1.8	0.6	4.9
Iowa	29.1	4.9	11.2	23	17.4	14.3	0
Kansas	15	20.8	44	17	3.1	0.1	0
Kentucky	45.7	6.5	9.4	32.2	0.5	5	0.8
Louisiana	9.7	9.6	54.2	25.3	0.7	0.4	0.3
Maine	2.7	23.1	11	36	16.1	10.8	0.2
Maryland	2.3	4.9	1.2	91.1	0	0.2	0.3
Massachusetts	6.2	26.9	0.1	63	0	0	3.8
Michigan	4.3	1	34.3	38.9	19.7	2	0
Minnesota	28.7	17.2	26.2	26.6	1.4	0	0
Mississippi	19.6	7.2	60.4	9.8	0	0	2.6
Missouri	5.5	35.8	43.8	14.7	0.2	0	0
Montana	14.9	11.5	56.4	14.2	2.9	0	0
Nebraska	25.9	20.7	18.5	20.3	9.2	5.4	0
Nevada	16.7	5.5	30.1	43	4.7	0	0
New Hampshire	11.5	12.2	16.8	58.8	0.2	0.6	0
New Jersey	10.1	5.5	55.6	23.5	3	2.3	0
New Mexico	7.0	19.8	10.9	18.3	0	0.3	0
North Carolina	8.5	4.4	85.8	0.8	0.1	0	0.5
North Dakota	52.3	3.7	20.8	15	6	2.3	0
Ohio	6.2	36.4	18.7	32.2	6.5	0	0
Oklahoma	1.8	13.2	78	6.8	0.1	0.1	0
Oregon	5.6	14.8	42.9	27.6	6	0.3	2.9
Pennsylvania	17.1	13.4	21.7	41.7	4.2	1.1	0.9
Puerto Rico	81.4	9.2	9	0.4	0	0	0
Rhode Island	9.8	34.2	33.7	18.5	1.9	1.9	0
South Carolina	10.5	21.4	41.9	24.9	1.3	0	0
South Dakota	14.0	3.7	74.8	3.6	0	0	3.9
Tennessee	27.5	3.7	52.1	11	2.8	2.8	0.1
Texas	15.5	3.5	12.7	68.3	0	0	0
Utah	28.2	35.2	31.3	4.7	0.5	0.2	0
Vermont	9.9	6.1	20.8	45.3	9.7	8.2	0
Virginia	6.8	9	77.6	4.2	1.4	1	0
Washington	2.7	17.3	24.6	35.5	11.8	7.7	0.4
West Virginia	8.9	48.6	27.1	13.5	1.8	0.1	0
Wisconsin	17	13.6	17.5	30.8	13.8	7.4	0
Wyoming	11	23	61.6	3.8	0.7	0	0
All States	13.7%	10.6 %	34.5%	22.6%	5.8%	2.6%	10.2%

**Table 16. Adoption Assistance Payments in Constant 2000 Dollars**

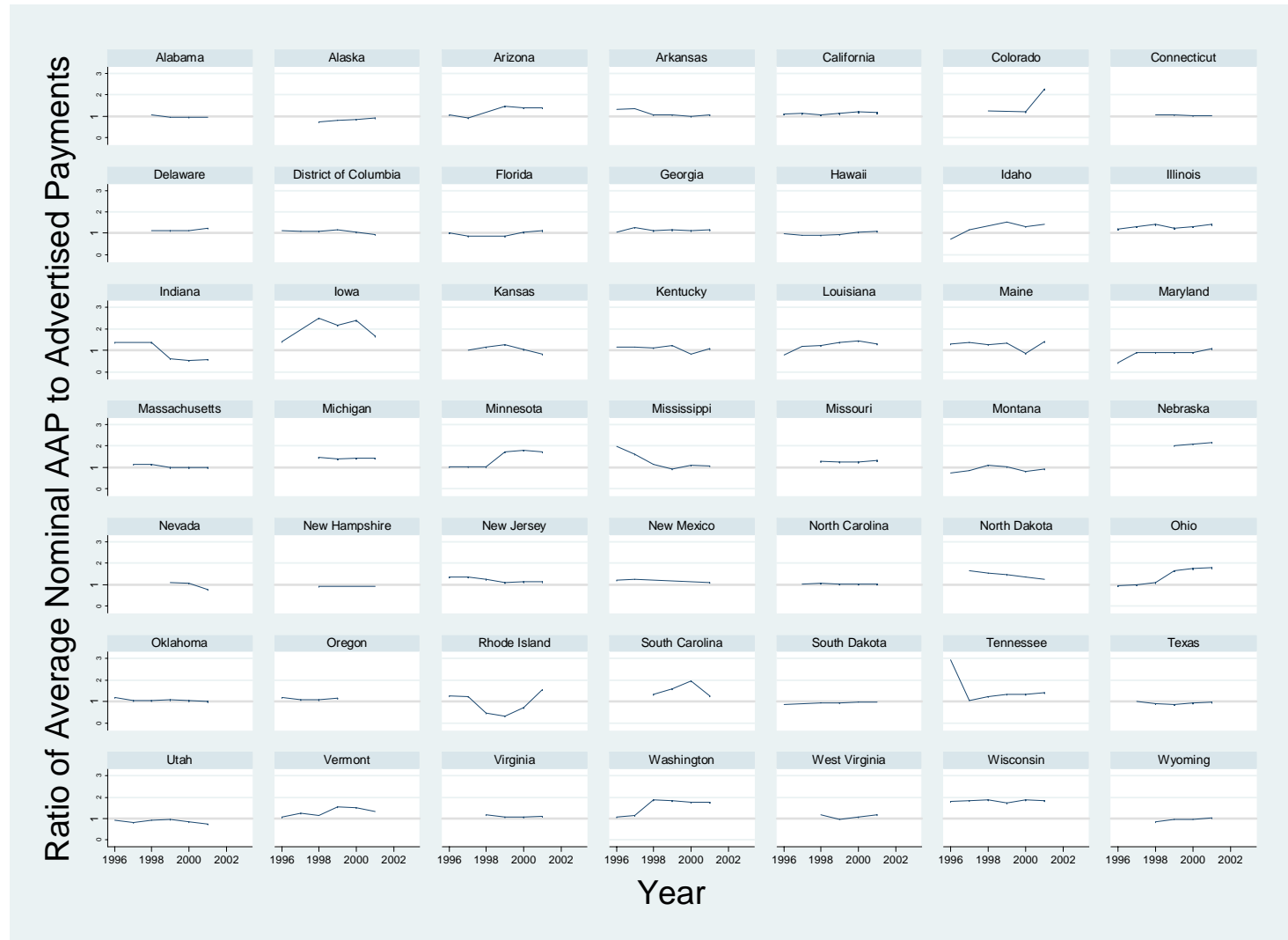
State	2003	2002	2001	2000	1999	1998	1997	1996
Alabama	\$188	\$254	\$274	\$122	\$125	\$142	\$120	N/A
Alaska	480	485	524	500	444	457	419	N/A
Arizona	355	278	369	367	398	398	N/A	295
Arkansas	370	353	379	349	339	400	379	444
California	393	574	437	396	373	317	308	246
Colorado	306	423	516	544	309	320	29	1
Connecticut	303	493	498	97	248	378	49	0
Delaware	375	436	479	496	345	404	433	0
DC	368	449	385	337	384	125	423	443
Florida	186	203	243	223	167	132	127	143
Georgia	307	335	336	226	298	342	354	101
Hawaii	309	327	347	339	316	300	262	245
Idaho	256	305	274	303	273	331	0	26
Illinois	455	457	490	517	463	456	435	352
Indiana	127	102	85	94	103	57	336	N/A
Iowa	592	441	466	614	865	813	905	517
Kansas	357	239	263	253	384	510	474	440
Kentucky	329	724	593	452	180	235	196	49
Louisiana	371	361	342	366	405	379	386	363
Maine	509	617	586	601	378	555	189	412
Maryland	561	555	575	579	594	599	608	559
Massachusetts	265	329	364	350	337	400	391	46
Michigan	610	594	613	619	618	612	602	N/A
Minnesota	293	425	437	431	460	459	265	242
Mississippi	312	237	276	336	381	311	270	297
Missouri	325	321	321	339	328	319	320	N/A
Montana	343	376	419	381	316	325	315	237
Nebraska	383	392	429	415	439	399	N/A	1
Nevada	410	506	558	430	354	282	N/A	0
New Hampshire	396	456	499	413	277	305	319	N/A
New Jersey	321	355	331	334	340	310	274	290
New Mexico	259	305	268	169	N/A	N/A	N/A	387
New York	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
North Carolina	326	338	343	326	340	360	342	88
North Dakota	260	364	291	308	164	195	204	311
Ohio	380	432	451	436	419	337	289	257
Oklahoma	359	304	309	353	388	408	386	399
Oregon	389	459	470	466	424	315	360	207
Pennsylvania	422	413	333	444	457	444	407	525
Rhode Island	249	453	413	389	194	79	122	142
South Carolina	384	294	404	444	456	396	303	N/A
South Dakota	353	412	399	275	217	402	410	N/A
Tennessee	339	460	384	362	340	343	345	15
Texas	439	381	440	396	499	485	455	446
Utah	192	232	273	238	275	95	117	89
Vermont	559	623	554	506	520	594	530	621
Virginia	323	346	334	325	334	250	332	N/A
Washington	492	515	509	551	491	528	526	292
West Virginia	234	440	142	403	138	131	97	N/A
Wisconsin	498	627	541	564	619	582	616	211
Wyoming	297	314	289	364	264	291	255	N/A
<b>All States</b>	<b>\$432</b>	<b>\$416</b>	<b>\$411</b>	<b>\$402</b>	<b>\$394</b>	<b>\$376</b>	<b>\$245</b>	<b>\$208</b>



Figure 6. Trend in Average Adoption Assistance Payments (constant 2000 dollars)



**Figure 7. Trend Ratio of Average Adoption Assistance Payment to Basic Rate through 2001**



**Table 16. Average of Adoption Assistance Payments Greater than \$1  
(constant 2000 dollars)**

State	2003	2002	2001	2000	1999	1998	1997	1996
Alabama	\$469	\$480	\$262	\$271	\$278	\$287	N/A	N/A
Alaska	512	554	513	479	493	447	N/A	N/A
Arizona	531	506	501	425	445	N/A	295	321
Arkansas	445	466	391	392	449	451	474	468
California	675	468	433	417	399	376	373	378
Colorado	489	568	629	343	351	33	1	1
Connecticut	575	579	587	616	659	661	N/A	N/A
Delaware	506	518	509	486	476	471	458	1
DC	642	623	592	526	462	439		481
Florida	324	366	347	336	271	265	298	343
Georgia	447	481	472	433	434	441	357	305
Hawaii	422	430	408	395	364	365	375	416
Idaho	357	352	385	375	398		318	208
Illinois	469	509	539	486	475	469	435	416
Indiana	168	174	181	165	91	392		167
Iowa	591	629	802	1177	1078	1206	517	581
Kansas	274	318	348	461	561	526	470	N/A
Kentucky	744	732	641	352	358	468	443	431
Louisiana	391	379	402	457	447	414	363	244
Maine	617	640	637	399	603	299	417	453
Maryland	564	584	589	605	624	631	577	133
Massachusetts	375	385	392	401	416	426	427	N/A
Michigan	631	642	643	643	634	628	N/A	N/A
Minnesota	432	441	434	466	463	285	287	288
Mississippi	399	424	412	432	376	343	485	626
Missouri	328	338	353	351	348	357	N/A	N/A
Montana	417	450	423	382	375	411	325	294
Nebraska	535	569	603	591	595	N/A	1	1
Nevada	565	586	456	426	423	N/A	N/A	N/A
New Hampshire	528	522	496	502	350	339	N/A	N/A
New Jersey	389	364	381	389	381	328	341	356
New Mexico	519	478	460	N/A	N/A	N/A	429	431
North Carolina	352	351	351	367	379	367	291	1
North Dakota	575	570	491	506	554	566	603	N/A
Ohio	452	468	454	455	383	295	268	246
Oklahoma	305	324	355	391	411	397	417	489
Oregon	469	487	481	434	331	374	213	156
Pennsylvania	526	482	493	494	507	521	576	610
Rhode Island	467	418	392	195	79	122	312	325
South Carolina	404	449	468	484	415	356	N/A	N/A
South Dakota	420	416	424	425	422	410		294
Tennessee	539	455	446	416	430	432	366	1052
Texas	476	534	546	534	519	509	573	N/A
Utah	268	346	309	363	101	254	296	323
Vermont	671	667	593	604	640	601	673	562
Virginia	375	347	340	360	322	339	N/A	N/A
Washington	579	582	599	597	546	555	309	198
West Virginia	454	146	448	180	145	99	N/A	N/A
Wisconsin	657	543	569	628	591	636	617	603
Wyoming	338	313	389	322	354	272	N/A	N/A
<b>All States</b>	<b>\$495</b>	<b>\$469</b>	<b>\$470</b>	<b>\$459</b>	<b>\$452</b>	<b>\$440</b>	<b>\$338</b>	<b>\$325</b>

### Modifications to the Public Use AFCARS Adoption Data

The following corrections were made:

#### *Monthly Amount of Adoption Assistance Subsidy*

New York's subsidy data included only observations of "0" or "1"; we treated these as missing. South Dakota and New Mexico (802 records) were inconsistent with other years' data and treated as missing. Values for Nevada (1040 records) and Mississippi (958 records) were divided by 100. For Rhode Island, 1998 and 1999 values were multiplied by 10. For Alaska and Georgia values were divided by 10 if greater than \$2,000. All subsidy values greater than \$10,000 were divided by 100 (331 records). Subsidy amounts for California (706 records), Illinois (239 records), Ohio (1,995 records), and other states (2,031 records) were divided by 12 if the recorded amount was greater than \$2,000 and evenly divisible by 12.

#### *Race*

Due to the differences in race coding in 1995-1999 and 2000-present data we recoded to create a uniform child and adoptive parent race variable. The variable "of color" equals 1 for non-white and Hispanic children and 0 otherwise. Arizona reversed coding for White, non-Hispanics and Asian/Pacific Islander in 1999-2000. In 1999 Indiana reversed coding for Hispanic and non-Hispanic.

#### *Special Needs Basis*

Arkansas (63 records), Connecticut (1700 records), Delaware (22 records), Idaho (32 records), Maine (44 records), Nevada (101 records), and New Mexico (455 records) reported only one value for special needs basis in some years; we considered these as missing.