

## ADOPTION SUBSIDIES

House Bill 5289 (Substitute H-2)  
First Analysis (5-21-92)

Sponsor: Rep. Joseph Young, Jr.  
Committee: Judiciary

### ***THE APPARENT PROBLEM:***

Many children in need of adoption are difficult to place because of various factors, such as age, health, or ethnic background. These children, often called children with "special needs," can sometimes be placed if prospective adoptive parents can receive assistance with the expenses of caring for the child. State law provides for support and medical subsidies for such adoptions, but does not provide for the continuation of a subsidy in the event of the death of the adoptive parents. Because of the sometimes substantial financial burden that a child with special needs can present, some adoptive parents have experienced difficulty in finding people willing to be named guardians in the event of the parents' death. Thus, if the parents die, the child could be returned to the child welfare system, which would be contrary to the child's need for a stable home and more expensive for the state. It has been proposed to allow adoption subsidies to be paid to guardians in the event of the death of the adoptive parents.

### ***THE CONTENT OF THE BILL:***

The bill would amend the Social Welfare Act to provide for the continuation of an adoption subsidy following the death of the adoptive parent(s). Subsidy payments would be made to a guardian appointed under the Revised Probate Code. The amount of a support subsidy would be reduced by the amount of any federal benefits the adoptee received as a result of the death of the adopting parent or parents. (Public Act 40 of 1992 requires the use of all other available public money and third party payment before a medical subsidy is made.)

MCL 400.115f

### ***FISCAL IMPLICATIONS:***

According to the Department of Social Services, the bill would cost the state less than \$20,000 per year. (5-19-92)

### ***ARGUMENTS:***

#### ***For:***

Although it is rare for a child to be orphaned by the death of his or her adoptive parents, it does occasionally happen. The blow can fall doubly hard on the child when the lack of any willing guardians means that the child goes into foster or institutional care. Adoptive parents of children with special needs, who are those who receive adoption subsidies, have sometimes had problems finding people willing to be named guardians. Because an adoption subsidy cannot be paid to the guardian, a person who was willing to provide a loving home for the child would also have to be able to shoulder the sometimes substantial financial burden that a child with special needs can present; obviously, this is not always possible. The bill would solve this problem by extending adoption subsidy payments to guardians in the event of the adoptive parents' death. The bill would benefit not only the best interests of the child, who would be kept out of the child welfare system, but also those of the state, which would save money by paying an adoption subsidy instead of supporting the child in the system. In addition, adoptive parents could gain the peace of mind that comes with knowing their children will be properly cared for in the event of their death.

#### ***Against:***

About 75 percent of the state's support subsidy caseload is federally subsidized with 50 percent matching funds. Federal subsidy money cannot be paid to a child or his or her caretaker upon the death of the adoptive parents; thus the state would have to shoulder the full cost of the bill's proposal.

#### ***Response:***

The DSS estimates that no more than two or three children at a time would come under the bill. Any increased costs would be more than justified by the substantial benefits to those few children; in any event, subsidy payments would be less than the cost of providing foster or institutional care, which

without the bill could be the only alternative. Further, House Resolutions 739 and 806 urge Congress to continue federal support subsidies for special needs children after the adoptive parents die; perhaps federal money will be available in the future.

***POSITIONS:***

Legislation such as the bill was recommended by the Special Subcommittee on Adoption in its report issued March 19, 1992.

The Department of Social supports the bill. (5-19-92)

The Adoption Reform Movement of Michigan supports the bill. (5-19-92)

The Michigan Federation of Private Child and Family Agencies supports the bill. (5-21-92)

The Michigan Foster and Adoptive Parent Association supports the bill. (5-19-92)

Right to Life of Michigan supports the bill. (5-20-92)

The Michigan Probate Judges Association participated in the development of the legislation to streamline the process and supports legislation to facilitate adoptions. (5-19-92)