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BILL ANALYSIS

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House Bill 6131 (Substitute H-1 as passed by the House)
Sponsor: Representative Alma Wheeler Smith
House Committee: Families and Children's Services
Senate Committee: Families and Human Services

Date Completed: 12-2-08

CONTENT

The bill would amend the Social Welfare Act to do the following:

- Revise the calculation of the support subsidy paid to an adoptive parent of a child with special needs.**
- Expand the scope of an adoption assistance agreement.**
- Revise provisions regarding the continuation of adoption assistance and/or Medicare payments to an adoptee between the ages of 18 and 21 who is attending an educational or vocational program.**
- Allow the extension of adoption support subsidy agreements up to age 21 for an adoptee with a mental or physical disability, if sufficient funds were appropriated.**

Under the Act, the Department of Human Services (DHS) may pay a support subsidy to an adoptive parent of an adoptee who is placed in his or her home under the Adoption Code or under the adoption laws of another state or a tribal government if certain requirements are met. These include requirements that the DHS has certified that the adoptee is a child with special needs, and that certification is made before the adoption petition is filed. Under the bill, instead, the certification would have to be made and the contract agreement would have to be signed by the adoptive parent or parents and the DHS before the adoption was finalized.

The Act requires the DHS to determine eligibility for the support subsidy without regard to the income of the adoptive parent or parents. The amount must be equal to the family foster care rate, including the difficulty of care rate, that was paid for the adoptee while he or she was in family foster care, except that the amount must be increased to reflect increases made in the standard age appropriate foster care rate. Under the bill, instead, the maximum amount would have to be equal to the rate that the child received in the family foster care placement or the rate he or she would have received if he or she had been in a family foster care placement at the time of adoption. The rate would have to include the difficulty of care rate that was paid or would have been paid for the adoptee in a family foster care placement, subject to the increases in the standard age appropriate foster care rate. The bill would prohibit the Department from implementing a policy to limit the maximum amount at an amount less than the family foster care rate, including the difficulty of care rate, that was paid for the adoptee while he or she was in family foster care.

Under the Act, if adoption assistance (i.e., a support subsidy and/or Medicaid) is to be paid, the DHS and the adoptive parent or parents must enter into an adoption assistance agreement covering the duration of the assistance; the amount to be paid and, if appropriate, eligibility for Medicaid; and conditions for continued payment of the assistance as established by statute. Under the bill, the agreement also would have to cover any services and other assistance to be provided, and provisions to protect the child's interests in cases in which the adoptive parent or parents moved to another state while the agreement was in effect.

The Act provides that adoption assistance and/or a medical subsidy (i.e., payment for medical, surgical, hospital, and related expenses necessitated by a specified physical, mental, or emotional condition of a child who has been placed for adoption) must continue until the adoptee reaches the age of 18, is emancipated, or dies; the adoption is terminated; or the DHS makes a determination of ineligibility. If sufficient money is appropriated, the Department may continue adoption assistance and/or a medical subsidy for an adoptee younger than 21 if it determines that he or she is a student regularly attending a high school, college, university, or vocational school in pursuit of a course of study leading to a high school diploma, college degree, or gainful employment. The bill would delete this provision. Instead, if the Legislature appropriated sufficient funds in the DHS's annual budget, adoption support subsidy agreements and/or medical subsidy agreements could be extended through State or Temporary Assistance for Needy Families (TANF) funding for an adoptee younger than 21 if all of the following criteria were met:

- The adoptee had not completed high school or a GED program.
- The adoptee regularly was attending high school or a GED program or a program for children with disabilities on a full-time basis and was progressing toward achieving a high school diploma, certificate of completion, or GED.
- The adoptee was not eligible for supplemental security income.

If the Legislature appropriated sufficient funds in the Department's annual budget, adoption support subsidy agreements could be extended through funding under Title IV-E of the Social Security Act for an eligible adoptee up to the age of 21 if the State determined that he or she had a mental or physical disability that warranted continuation of adoption assistance.

MCL 400.115g et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would lead to an increase in payments through the adoption subsidies line. The extent of this increase would be determined by the number of adopted children who had a prior placement with a family ineligible for payments through the children's foster care program.

Fiscal Analyst: David Fosdick

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