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Child Welfare: The Adoption Incentives Program

Kendall Swenson, Domestic Social Policy Division

Updated March 8, 2004

Abstract. This report provides background information and a description of the Adoption Incentives program, with references to recent legislative action, sizes of incentive payments earned, and adoption trends.

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March 8, 2004

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Child Welfare: The Adoption Incentives Program

Summary

The Adoption Incentives program was created by Congress in 1997 as part of an overall strategy to promote safety and expedited permanency for children in state foster care systems. The program provides cash payments to states that are successful in increasing the number of children adopted from the public child welfare system. As currently structured, the program consists of three separate bonus payments, based on adoption increases above three numerical baselines. The three separate adoption bonus payments are based on: (1) increases in *total* adoptions, (2) increases in adoptions of children *age nine or older*, and (3) increases in adoptions of children *under age nine with special needs*. States are eligible to receive \$4,000 for each child adopted over the total adoption baseline and \$4,000 for each child age nine or older above the older children baseline. States that receive a bonus for adoption increases in either the total adoption or older children adoption categories may also receive an additional \$2,000 for each child adopted under age nine with special needs over a respective baseline. In FY2003, 25 states and Puerto Rico received a combined total of \$14.9 million in incentive payments for adoption increases in FY2002. The original legislation expired at the end of FY2003 and was reauthorized December 2, 2003 with the Adoption Promotion Act of 2003 (P.L. 108-145).

Since the program was enacted, adoptions from the foster care system increased from 31,030 in FY1997 to 50,950 in FY2002, with a majority of the increase occurring in the first three years of the program. This level of increase in foster care adoptions during these first three years was largely unanticipated, resulting in states earning more adoption incentive bonuses than the original \$20 million appropriation. As a result, Congress appropriated additional funds to reward the increased adoptions. Since the program was enacted in 1997, every state has received at least some adoption incentive payments, totaling almost \$160 million. States report that, because the awards are relatively small compared to their overall child welfare budgets, they are able to use their funds in innovative and flexible ways. Examples of uses for the bonuses include providing additional studies, training, recruitment, and post-adoption services.

The President's FY2005 budget requests \$32 million for the Adoption Incentives program, \$11 million below the \$43 million reauthorized in December. Citing recent analysis of child adoption data, the Administration notes that while the overall number of children being adopted has grown dramatically in recent years, older children constitute an increasing proportion of the total children waiting to be adopted. This fact had prompted the Administration last year to propose an incentive payment specifically for older children and Congress subsequently enacted such a bonus (effective for those adoptions completed in FY2003). At the same time the Administration predicts that the greater number of older children who are now waiting for adoption will likely mean a slower growth in the number of adoptions.

This report provides background information and a description of the Adoption Incentives program, with references to recent legislative action, sizes of incentive payments earned, and adoption trends. It will be updated.

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Child Welfare: The Adoption Incentives Program

Introduction

The Adoption Incentives program was created by Congress in 1997 as part of an overall strategy to promote safety and expedited permanency for children in state foster care systems.¹ The program provides cash payments to states that are successful in increasing the number of children adopted from the public child welfare system. As currently structured, the program consists of three separate bonus payments, based on adoption increases above three numerical baselines. The three separate adoption bonus payments are based on: (1) increases in *total* adoptions, (2) increases in adoptions of children *age nine or older*, and (3) increases in adoptions of children *under age nine with special needs*. States are eligible to receive \$4,000 for each child adopted over the total adoption baseline and \$4,000 for each child age nine or older above the older children baseline. States that receive a bonus for adoption increases in either the total adoption or older children adoption categories may also receive an additional \$2,000 for each child adopted under age nine with special needs over a respective baseline. Data used to determine these three baselines and state performance in exceeding them are drawn from the adoption section of the Adoption and Foster Analysis and Reporting System (AFCARS), which is established by regulation as mandatory for states (45 C.F.R. § 1355.40).

The administrative structure of the Adoption Incentive program allows all qualifying states with numerical adoption gains to receive incentive payments. This contrasts with the High Performance Bonus Awards in the Temporary Assistance for Needy Families program, which only provide bonus payments to the highest performing states, regardless of the number of states showing increases in performance. In FY2003, 25 states and Puerto Rico received \$14.9 million in incentive payments for adoption increases finalized in FY2002. States can use their adoption incentive payments for a variety of child welfare purposes. States report that, because the awards are relatively small compared to their overall child welfare budgets, they have a large amount of flexibility in the way they use the funds. Examples of uses for the bonuses include providing additional studies, training, recruitment, and post-adoption services.

¹ The Adoption Incentives program was one component of the Adoption and Safe Families Act of 1997 (P.L. 105-89), which made a series of amendments to the child welfare and foster care provisions of Titles IV-B and IV-E of the Social Security Act. The Adoption Incentives program is authorized by Section 473A of the Social Security Act. Funding for the program was reauthorized through FY2008 with the Adoption Promotion Act of 2003 (P.L. 108-145).

This report provides background information and a description of the Adoption Incentives program, with references to recent legislative action, sizes of incentive payments earned, and adoption trends.

Background and Legislative History

In the mid-1980s, the number of children in foster care began to climb sharply at a time when the number of children who were adopted remained static. Although a majority of the children that entered foster care eventually returned to their homes, a concern developed in the 1990s about the growing number of children who did not return home and were remaining in foster care for long periods of time. At the same time, there was a growing perception that federal law needed clarification regarding the importance of child safety and that more emphasis needed to be placed on adoption when family reunification became unlikely. In response to these concerns, the 105th Congress enacted the Adoption and Safe Families Act (ASFA, P.L. 105-89), which is considered the most sweeping change in federal child welfare law since 1980. ASFA emphasized safety and permanence for children by seeking to ensure that children were not placed in unsafe homes and to assist efficient legal procedures so that children who cannot return home may be placed for adoption or in another permanent arrangement quickly.

As a part of ASFA, Congress enacted the Adoption Incentives program to provide cash payments to states that were successful in increasing the number of children adopted from the public foster care system. As originally enacted, incentive payments equaled \$4,000 for each foster child whose adoption was finalized over a certain state-specific base level and an additional \$2,000 for each special needs adoption above a second state-specific base level. For adoptions finalized in 1998, the baseline was the average number of adoptions in the state from 1995 through 1997. For adoptions finalized in 1999 through 2002, the baseline became the highest number of adoptions in that state for any preceding year, beginning with 1997. As originally enacted, the law authorized \$20 million annually for these incentive payments for FY1999 through FY2003 (for adoptions finalized in FY1998 through FY2002). However, the increase in adoptions exceeded initial estimates and Congress later appropriated funds above this authorization level to ensure all the bonuses could be paid. The law also authorized \$10 million to be appropriated for each of FY1998 through FY2000, for technical assistance to states and localities (with 50% reserved for technical assistance to the courts) to help increase adoptions or other permanent placements for children; no funds were appropriated under this authority.

The original legislation expired at the end of FY2003 and was reauthorized December 2, 2003 with the Adoption Promotion Act of 2003 (P.L. 108-145). Under the reauthorization, states continue to receive credit for all increased adoptions of foster care children and receive additional incentive payments for increases in adoptions of children with special needs. However, the special needs payment is now limited only to adoptions of special needs children who are *under age nine* at the time the adoption was finalized. In addition, the Adoption Promotion Act created a third incentive payment, equal to \$4,000 for increased adoptions of foster children who are age nine or older at the time of adoption. Like the original two incentive payments, states will have to exceed their baseline number of such “older child”

adoptions to earn this payment. For all three incentive payments the baseline that states must exceed is revised each year to the highest annual total of such adoptions since FY2002. P.L. 108-145 also authorized (FY2004-FY2006) the provisions concerning technical assistance to states and localities (including the language reserving 50% for such assistance to courts) to help increase adoptions or other permanent placements for children.

Provisions of the Adoption Incentives Program

States must meet several requirements to be qualified to receive Adoption Incentive Payments. Each qualifying state must have a plan approved under Title IV-E of the Social Security Act and provide health insurance coverage to children with special needs for whom there is in effect an adoption assistance agreement between a state and an adoptive parent or parents. In addition, the state must increase its overall foster child adoptions or its older child adoptions. Children adopted without the assistance of the child welfare system are not included in the totals used to determine bonus amounts.

Eligibility Requirements for Basic Foster Child Incentive Payments.

States are rewarded \$4,000 for each child adopted above their overall adoption baseline number. For adoptions finalized in FY2003, the state's baseline is set by the number of total foster care adoptions finalized in FY2002. For adoptions finalized in FY2004 and subsequent years, the baseline will be the highest previous baseline for any year, beginning in FY2002. The basic foster child incentive payments can be obtained without exceeding either the older child or the special needs baselines.

Eligibility Requirements for Older Foster Child Incentive Payments.

States may also be rewarded \$4,000 for each child age nine or older adopted above their older child baseline. For older child adoptions finalized in FY2003, the baseline is set by the number of such foster care adoptions in FY2002. For adoptions finalized in FY2004 and subsequent years, the baseline will be the highest previous baseline for any year, beginning in FY2002. Older foster child adoption incentives can be obtained without exceeding either the overall or the special needs baselines. However, if a state exceeds its overall baseline it may receive a *total* of \$8,000 for each of those older child adoptions that were also included in the overall adoption increase (i.e., the state receives \$4,000 for the older child who is adopted because it exceeded the older child adoption baseline and, for the *same* older child, it receives \$4,000 because that child was part of an overall increase in adoptions).

Eligibility Requirements for Special Needs Incentive Payments.

Under current law, states are also rewarded \$2,000 for each child with special needs who is under the age of nine and whose adoption exceeds the special needs baseline. For adoptions finalized in FY2003, this baseline is set by the number of adopted children in FY2002 who were under the age of nine and had special needs. For adoptions finalized in FY2004 and subsequent years, the baseline will be the highest previous baseline for any year, beginning in FY2002.²

² States may consider a child as having special needs if the state has determined that the
(continued...)

Under previous law, states could only receive special needs incentive payments if they also qualified for a basic incentive payment established on an increase in their overall number of foster child adoptions. However, changes made by the Adoption Promotion Act of 2003 allow states to receive the special needs incentive payments for children under nine if they also qualify for an incentive payment on the basis of *either* an increase in total foster child adoptions *or* older child adoptions. If a state exceeds its older child adoption baseline and special needs baseline then it would receive \$2,000 for each of the qualifying special needs adoptions. However, if a state exceeds its overall baseline it may receive a *total* of \$6,000 for each of the special needs qualifying adoptions that were also included in the overall adoption increase (i.e., the states receives \$2,000 for the special needs child (under age nine) who is adopted because it exceeded the special needs baseline and, for the *same* special needs child, it receives \$4,000 because that child was part of an overall increase in adoptions).

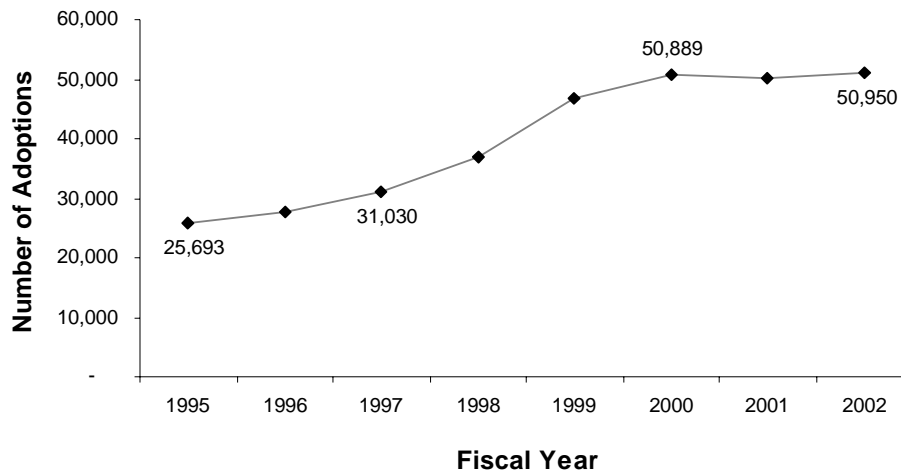
Recent Foster Care Adoption Trends

The lack of comparable and reliable adoption data make it difficult to compare adoption trends before and after the implementation of the Adoption Incentives program. However, current data can provide useful information on the number of adoptions in recent years. National foster care adoptions have increased from 31,030 in 1997 to 50,950 by FY2002, a 64% increase.³ **Figure 1** shows that public agency adoptions were on the increase before implementation of Adoption Incentives Payments but that a sharp increase in those adoptions coincided with the first three fiscal years it was in place (FY1997 through FY1999).

² (...continued)

child cannot or should not be returned to the home of his or her parents and the child has a specific factor or condition that make it reasonable to conclude that the child cannot be placed with adoptive parents without providing adoptive assistance. Examples of these factors or conditions include a child's ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or other physical, mental, or emotional challenges.

³ The total number of adoptions in which public agencies were involved, as reported by the Department of Health and Human Services (HHS), vary slightly from the totals used to determine adoption incentive bonuses. This is because submissions for the awards only include state data submitted by May 15 of the following year and must qualify in other ways to be counted toward the award of incentive funds. In contrast, the total number of public agency adoptions reported by HHS include state data submitted *after* May 15 of the following year (e.g., cleaned data and additional submissions). In this report, **Figure 1** and **Figure 3** use the same data that HHS uses to report *total* public agency adoptions. All other tables and figures present the official data that HHS used to determine payment awards for the Adoption Incentives program.

Figure 1. Trends in Public Agency Adoptions

Source: Prepared by the Congressional Research Service using data from the Department of Health and Human Services.

Appropriations

The history of appropriations for adoption incentive payments is somewhat complicated because states, as a group, have finalized more adoptions since creation of the Adoption Incentives Program in 1997 than Congress originally forecasted. Adoptions from foster care increased 64% between FY1997 and FY2002. In any year, if appropriated funds are not adequate to cover all the funds that states have earned, the awards are distributed on a prorated basis. However, Congress, when necessary, has provided additional amounts, usually in subsequent years' appropriations bills, to enable HHS to pay states the full amount of incentive payments earned. When Congress appropriates more funds than states earn in a particular fiscal year, the remaining amounts are sometimes carried forward to help pay for future adoption incentive payments.

P.L. 105-89 originally authorized annual appropriations of \$20 million for FY1999 through FY2003 for adoption incentive payments (for adoptions finalized in fiscal years 1998 through 2002). In addition, the law provided for an automatic increase in discretionary budget caps (up to \$20 million) to help ensure that these funds were actually appropriated for each year. In the Adoption Promotion Act of 2003, Congress authorized annual appropriations of \$43 million for adoption incentive payments to continue support for future increases in state adoption totals and to provide additional support for the new incentive payments of foster care children nine and older. It also reauthorized for (FY2004-FY2006) \$10 million for technical assistance (reserving 50% for courts) to improve children's movement to permanent homes. This authorization previously existed for FY1998-FY2000, however, Congress did not appropriate any of those funds.

The President's FY2005 budget requests \$32 million for Adoption Incentive Payments, \$11 million below the \$43 million authorized level. It did not request any funds for related technical assistance. Citing recent analysis of AFCARS data, the Administration notes that while the overall number of children being adopted has grown dramatically, older children constitute an increasing proportion of the total children waiting to be adopted. The Administration cites this population as less likely to be adopted than younger children and a reason to predict slower levels of adoption growth totals than experienced in previous years of the program. For further details on appropriations, see **Table 1**.

Table 1. Amounts Appropriated and Awarded for Adoption Incentive Payments to States
(in millions)

Amounts appropriated		Amounts awarded	
P.L. 105-277 (FY1999 appropriations)	\$20.0	For adoptions finalized in 1998 (35 states)	\$42.5
P.L. 106-113 (FY2000 appropriations)	41.8 ^a	For adoptions finalized in 1999 (43 states and D.C.)	51.5
P.L. 106-554 (FY2001 appropriations)	43.0	For adoptions finalized in 2000 (35 states and D.C.)	33.2
P.L. 107-116 (FY2002 appropriations)	43.0	For adoptions finalized in 2001 (23 states and Puerto Rico)	17.6
P.L. 108-7 (FY2003 appropriations)	42.7 ^b	For adoptions finalized in 2002	15.0
P.L. 108-199 (FY2004 appropriations)	7.5 ^c	Data on adoptions finalized in 2003 are not yet available	
Total	\$198.0	Total	\$159.8

Source: Prepared by the Congressional Research Service(CRS) from congressional appropriation documents and information from the Department of Health and Human Services (HHS).

- a. Amount shown reflects 0.38% across-the-board reduction.
- b. Amount shown reflects 0.65% across-the-board reduction.
- c. Amount shown reflects 0.59% across-the-board reduction. The legislation also provides that FY2003 funds appropriated for these payments (P.L. 108-7) are to remain available for bonus awards made this year. This means the total funding available to award incentive payments for adoptions finalized in FY2003 is \$35 million.

State Implementation

Through FY2002, states have earned close to \$160 million in adoption incentive payments. The law provides that states may use these bonus payments for any service to children or families that is authorized under Title IV-B or Title IV-E of the Social Security Act. This includes the full range of child welfare services from family support and child protection to post-adoptive services. A report from the General Accounting Office (GAO)⁴ and a Cornerstone Consulting Group⁵ study

⁴ U.S. General Accounting Office, *Foster Care: Recent Legislation Helps States Focus on* (continued...)

indicate that states have most commonly used their incentive awards to fund the recruitment of adoptive families and provide post-adoptive services. Due to the uncertainty of receiving future adoption incentive awards, many states were reluctant to use the money for initiatives requiring ongoing revenue such as salaried positions. Therefore, using incentive funds for one-time expenses, such as studies, training, adoption events, and the purchase of legal services was common. In addition, states reported that, because the awards were relatively small compared to their overall child welfare budgets, they were able to use their funds in innovative and flexible ways. No state reported that the adoption incentive bonus was the primary motivator for improving its adoption system. The Cornerstone Report listed the primary concerns of states regarding the incentives as (1) they may give the impression that adoption is the best plan in all cases, (2) that states with increased adoptions before ASFA may have trouble exceeding their baselines, and (3) the law does not make further changes in the structure of funding for child welfare.

Tables and Figures in Appendix A

The appendix contains several tables and figures that summarize adoption trends and awards from the Adoption Incentives program. All amounts shown in the appendix reflect totals and bonus amounts finalized under prior law. **Table A-1** contains the total adoption incentive payments awarded to each state from FY1998 through FY2002 (for adoptions finalized in FY1997 through FY2001). These payments include bonus awards for both increases in overall adoptions and adoptions of children with special needs. **Table A-2** contains the adoption totals used to determine bonus payments based on increases in total qualifying adoptions, including adoptions of children with special needs and adoptions of older children. **Table A-3** contains only the adoption totals used to determine awards for increased adoptions of children with special needs. Since these numbers reflect adoptions totals under prior law, children with special needs that are age nine and older are included. Comparing the total number of adoptions counted toward the basic (overall) incentive award (**Table A-2**) with those counted toward the special needs incentive (**Table A-3**) suggests that, under prior law, close to three out of every four per-child incentive payments (74%) totaled \$6,000 (i.e., the state received \$4,000 for the child as part of its overall increase in foster child adoptions and \$2,000 for the same child under its special needs incentive awards). However, this estimate is based on the national totals and may have varied by state. **Figure 2** uses data from **Table A-1** to map the total amount of awards each state has received since it was implemented. **Figure 3** uses the same data used in the national totals summarized in **Figure 1** to

⁴ (...continued)

Finding Permanent Homes for Children, but Long-Standing Barriers Remain, GAO-02-585, June 2002.

⁵ The Cornerstone study showed that states used funds in the following areas: post adoption services (16 states); recruitment of adoptive families (11); distribution to county child welfare services, in some cases based on performance (11); training (9); contact enhancements for case management, recruitment, home studies, etc. (7); adoption awareness (6); legal services to expedite adoption (5); subsidy increases (4); general child welfare services (3); and staff (2). *A Carrot Among the Sticks: The Adoption Incentive Bonus*, Cornerstone Consulting Group, Inc., 2001.

map the changes in annual public agency adoptions by state from FY1997 to FY2002.

Appendix A: Summary of Adoption Incentive Baselines and Payments

Table A-1. Total Adoption Incentive Bonus Awards by State
(\$ in thousands)

State	FY1998	FY1999	FY2000	FY2001	FY2002	Total
Alabama	—	\$108	\$192	\$186	\$96	\$582
Alaska	—	166	382	400	—	948
Arizona	—	1,326	684	384	—	2,394
Arkansas	\$596	194	206	176	—	1,172
California	3,916	11,698	12,434	4,388	—	32,436
Colorado	892	820	—	—	496	2,208
Connecticut	88	500	384	—	547	1,519
Delaware	—	28	336	112	64	540
District of Columbia	—	136	346	—	—	482
Florida	2,744	—	370	—	3,520	6,634
Georgia	956	1,796	—	—	374	3,126
Hawaii	1,102	—	—	—	208	1,310
Idaho	—	312	—	34	—	346
Illinois	14,606	14,262	—	—	—	28,868
Indiana	1,792	—	1,578	—	—	3,370
Iowa	790	1,062	28	—	524	2,404
Kansas	—	842	—	—	—	842
Kentucky	—	630	176	796	204	1,806
Louisiana	—	292	662	—	—	954
Maine	24	530	1,164	—	—	1,718
Maryland	676	576	—	1,510	712	3,474
Massachusetts	84	—	—	—	—	84
Michigan	2,004	1,108	1,920	980	—	6,012
Minnesota	1,022	654	460	—	82	2,218
Mississippi	398	402	326	—	—	1,126

State	FY1998	FY1999	FY2000	FY2001	FY2002	Total
Missouri	236	1,150	2,054	—	366	3,806
Montana	116	128	258	188	—	690
Nebraska	—	56	434	28	20	538
Nevada	—	354	86	94	28	562
New Hampshire	20	114	160	—	158	452
New Jersey	870	—	572	1,126	1,932	4,500
New Mexico	200	440	504	176	—	1,320
New York	424	—	—	—	—	424
North Carolina	—	1,282	1,924	—	320	3,526
North Dakota	144	220	—	—	—	364
Ohio	—	1,136	1,146	1,500	1,100	4,882
Oklahoma	596	2,234	564	—	—	3,394
Oregon	1,248	410	514	1,362	224	3,758
Pennsylvania	1,260	—	992	—	1,172	3,424
Puerto Rico	—	142	—	218	66	426
Rhode Island	—	378	—	—	—	378
South Carolina	1,064	—	—	—	—	1,064
South Dakota	8	122	20	32	322	504
Tennessee	—	428	168	806	1,148	2,550
Texas	2,872	2,990	498	1,072	68	7,500
Utah	100	404	—	—	—	504
Vermont	214	146	—	—	—	360
Virginia	—	212	—	922	—	1,134
Washington	620	918	876	944	—	3,358
West Virginia	128	384	248	144	18	922
Wisconsin	640	302	562	—	1,158	2,662
Wyoming	60	96	10	—	—	166
Total	\$42,510	\$51,488	\$33,238	\$7,578	\$14,927	\$159,741

Source: U.S. Department of Health and Human Services.

Table A-2. Adoptions Counted Toward Basic Incentive Award^a

State	FY1998	FY1999	FY2000	FY2001	FY2002	Total
Alabama	119	152	200	237	249	957
Alaska	95	137	202	278	192	904
Arizona	327	727	851	931	788	3,624
Arkansas	251	278	311	353	295	1,488
California	3,958	6,254	8,221	8,852	8,647	35,932
Colorado	560	711	679	569	835	3,354
Connecticut	229	403	499	444	562	2,137
Delaware	33	36	103	117	133	422
District of Columbia	96	166	236	177	195	870
Florida	1,549	1,355	1,605	1,421	2,246	8,176
Georgia	672	1,029	984	863	1,081	4,629
Hawaii	297	266	259	244	349	1,415
Idaho	14	107	102	110	92	425
Illinois	4,656	7,031	5,670	4,107	3,585	25,049
Indiana	774	734	1,143	871	881	4,403
Iowa	517	744	751	682	882	3,576
Kansas	229	558	435	427	501	2,150
Kentucky	204	340	384	542	551	2,021
Louisiana	236	352	469	463	466	1,986
Maine	112	203	405	362	297	1,379
Maryland	420	528	513	801	922	3,184
Massachusetts	1,137	922	861	778	808	4,506
Michigan	2,254	2,446	2,800	2,979	2,845	13,324
Minnesota	427	539	615	568	627	2,776
Mississippi	169	238	290	265	175	1,137
Missouri	616	817	1,205	1,061	1,273	4,972
Montana	144	176	228	264	244	1,056
Nebraska	35	192	282	289	294	1,092
Nevada	0	211	229	244	251	935
New Hampshire	50	63	95	93	114	415

State	FY1998	FY1999	FY2000	FY2001	FY2002	Total
New Jersey	755	729	834	1,043	1,370	4,731
New Mexico	197	258	346	369	272	1,442
New York	4,822	4,719	4,225	3,934	3,160	20,860
North Carolina	303	907	1,244	1,222	1,324	5,000
North Dakota	83	138	92	127	119	559
Ohio	1,263	1,605	1,777	2,002	2,185	8,832
Oklahoma	456	854	995	928	985	4,218
Oregon	665	755	831	1,071	1,115	4,437
Pennsylvania	1,494	1,447	1,700	1,669	1,993	8,303
Puerto Rico	0	113	57	164	176	510
Rhode Island	222	292	260	267	256	1,297
South Carolina	465	456	378	384	343	2,026
South Dakota	58	82	7	92	142	381
Tennessee	295	370	403	555	758	2,381
Texas	1,365	1,902	2,010	2,278	2,295	9,850
Utah	250	369	302	349	344	1,614
Vermont	116	138	105	98	133	590
Virginia	158	321	246	491	417	1,633
Washington	759	921	1,110	1,207	1,031	5,028
West Virginia	211	308	350	360	361	1,590
Wisconsin	589	622	712	693	939	3,555
Wyoming	30	44	46	46	46	212
Total	34,736	45,065	48,657	48,741	50,144	227,343

Source: U.S. Department of Health and Human Services.

- a. These are the totals used to determine the bonus awards for increases in total qualifying adoptions. Special needs adoptions and adoptions of older children are included.

**Table A-3. Adoptions Counted Toward
Special Needs Incentive Bonus**

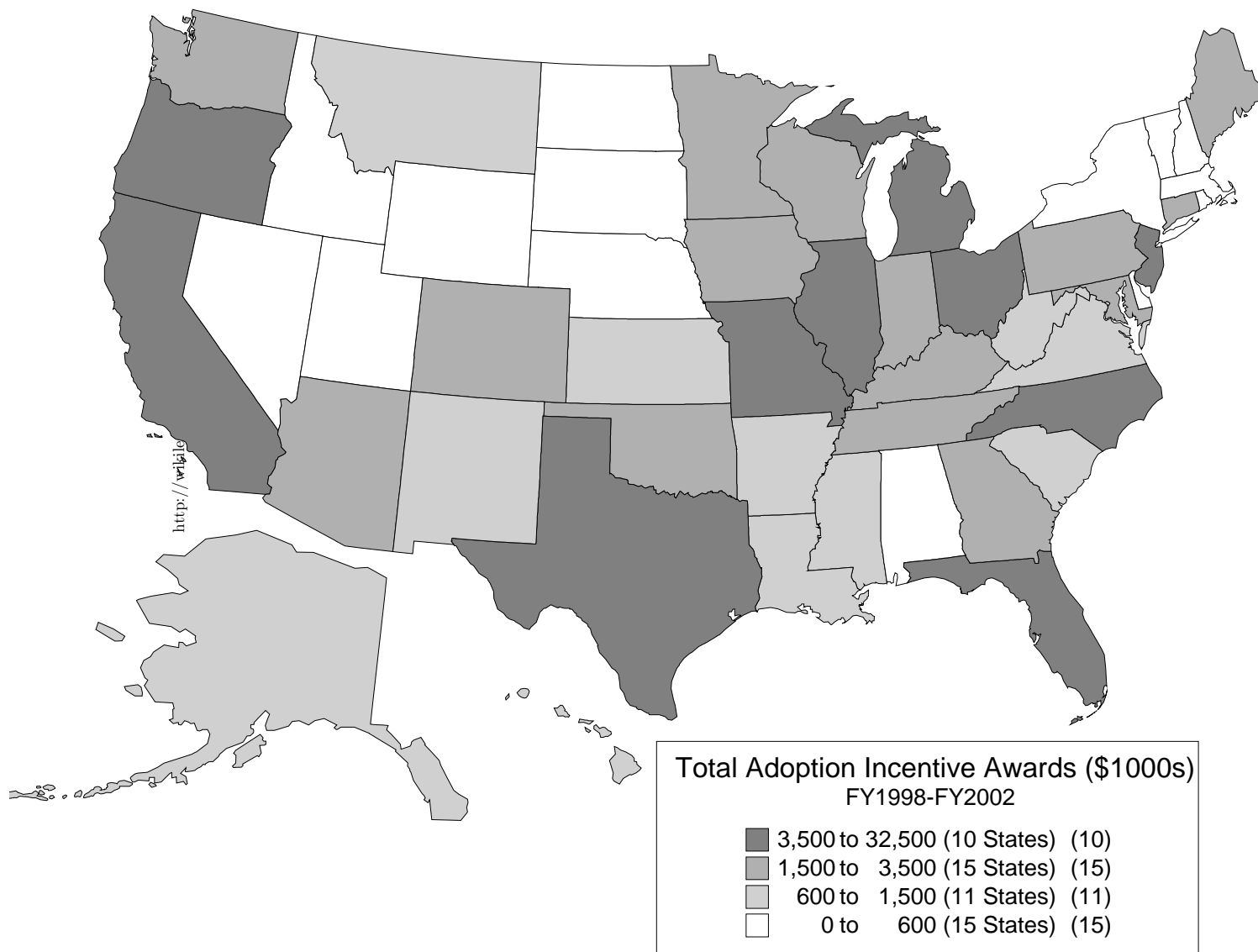
State	FY1998	FY1999	FY2000	FY2001	FY2002	Total
Alabama	23	60	56	79	103	321
Alaska	80	120	181	229	148	758
Arizona	0	517	611	643	482	2,253
Arkansas	194	237	274	278	83	1,066
California	3,030	4,287	6,570	7,502	7,596	28,985
Colorado	470	578	503	332	486	2,369
Connecticut	0	130	186	46	377	739
Delaware	13	27	61	89	75	265
District of Columbia	96	55	129	73	69	422
Florida	646	549	719	786	1,264	3,964
Georgia	367	551	497	294	634	2,343
Hawaii	190	169	180	151	182	872
Idaho	0	77	81	92	74	324
Illinois	3,861	6,242	5,056	3,082	3,219	21,460
Indiana	660	453	711	449	435	2,708
Iowa	359	491	437	386	459	2,132
Kansas	165	449	296	266	313	1,489
Kentucky	88	231	175	313	397	1,204
Louisiana	171	244	341	346	336	1,438
Maine	100	183	361	331	219	1,194
Maryland	347	419	398	628	742	2,534
Massachusetts	2	410	332	347	447	1,538
Michigan	1,938	2,108	2,360	2,492	2,288	11,186
Minnesota	349	452	530	482	547	2,360
Mississippi	134	197	256	217	0	804
Missouri	404	581	832	726	879	3,422
Montana	86	106	137	159	161	649
Nebraska	18	116	153	143	151	581
Nevada	0	148	155	172	167	642

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State	FY1998	FY1999	FY2000	FY2001	FY2002	Total
New Hampshire	0	51	67	70	111	299
New Jersey	533	531	661	806	1,118	3,649
New Mexico	0	212	288	330	246	1,076
New York	4,332	4,200	3,932	3,658	2,866	18,988
North Carolina	220	673	961	947	882	3,683
North Dakota	29	40	29	64	55	217
Ohio	1,225	1,383	1,612	1,912	2,096	8,228
Oklahoma	304	625	566	553	347	2,395
Oregon	519	544	649	850	874	3,436
Pennsylvania	1,140	1,229	1,480	1,419	1,233	6,501
Puerto Rico	0	18	12	25	34	89
Rhode Island	132	189	139	170	158	788
South Carolina	260	311	247	235	210	1,263
South Dakota	36	49	39	55	116	295
Tennessee	196	260	278	377	545	1,656
Texas	976	1,397	1,430	1,278	1,353	6,434
Utah	89	154	174	168	166	751
Vermont	92	121	95	89	114	511
Virginia	109	212	167	333	307	1,128
Washington	431	653	713	991	885	3,673
West Virginia	86	135	175	227	234	857
Wisconsin	455	540	641	614	766	3,016
Wyoming	5	25	26	36	31	123
Total	24,960	33,739	36,959	36,340	37,080	169,078

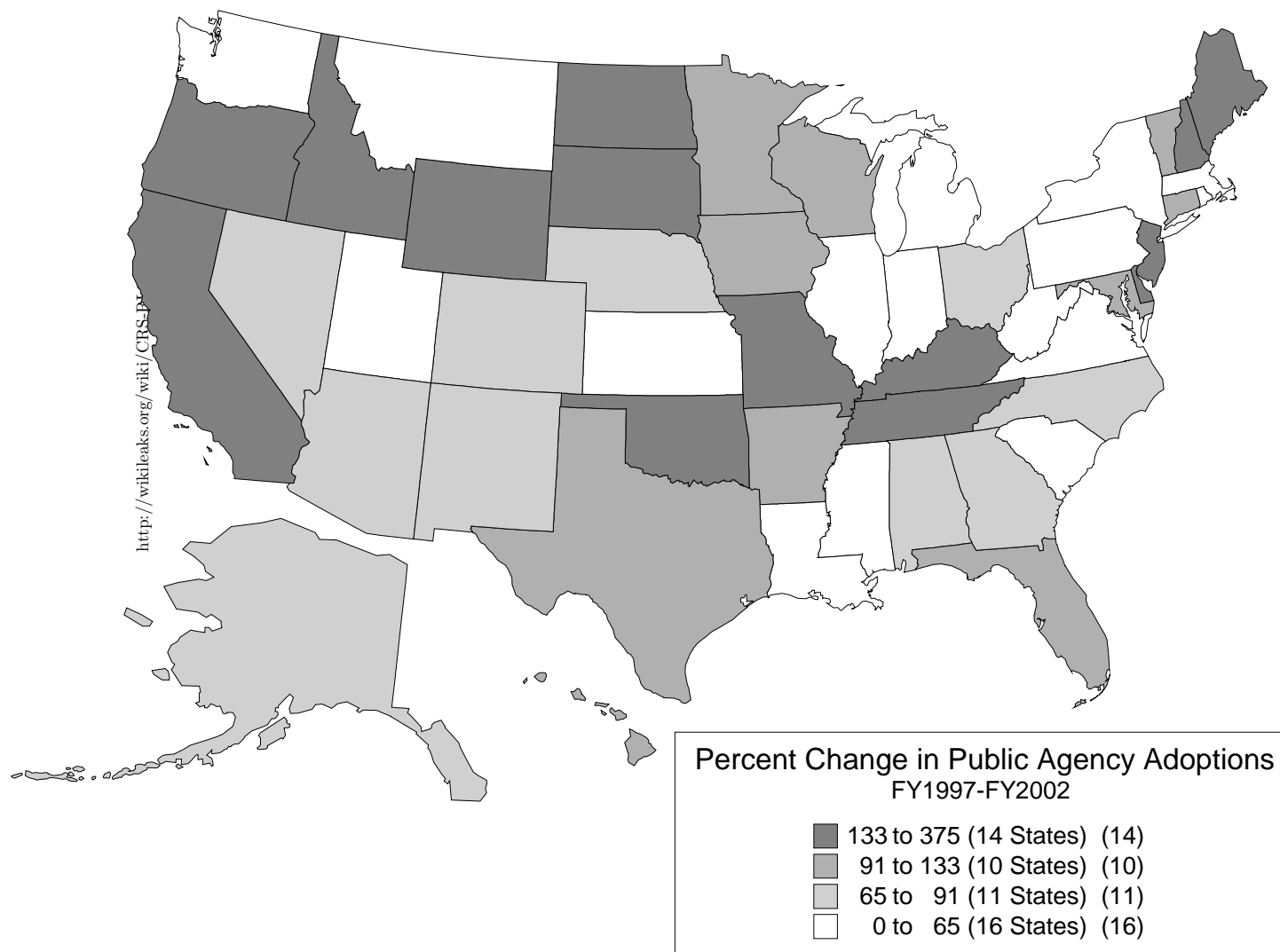
Source: U.S. Department of Health and Human Services.

Figure 2. Total Adoption Incentive Awards: FY1998-FY2002



Source: Figure prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services

Figure 3. Percent Increase in Annual Public Agency Adoptions by State: FY1997-FY2002



Source: Figure prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services