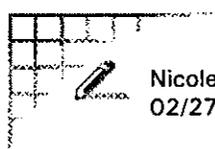


NLWJC - Kagan

DPC - Box 023 - Folder 014

Family - Adoption: Budget Proposal

*File -
adoption -
budget proposal*



Nicole R. Rabner
02/27/97 03:58:34 PM

Record Type: Record

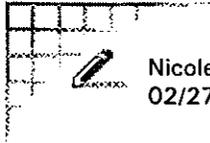
To: Melinda D. Haskins/OMB/EOP
cc: Elena Kagan/OPD/EOP
Subject: leg language on adoption

Melinda, as I had noted in my fax to you with minor changes to the draft legislation language on adoption from HHS, we have one outstanding policy question with HHS. That question is whether the adoption bonus dollars can support services for all foster care children or only for IV-E foster care children. The legislation currently reads that the money can be used to support IV-E children only. DPC and OFL would like to discuss this with HHS before the legislation is final, and have been trying, with no luck today, to get them on the phone.

Should we decide to expand the use of the bonus dollars, we would alter the current legislation text by deleting "under this part" from page 10B-4, paragraph (g), lines 3-4 (and similarly change paragraph 2 of page 2 of the subtitle summary).

We will keep you informed of our conversations with HHS.

*File
Adopti --
budget proposal*



Nicole R. Rabner
02/27/97 04:51:30 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Re: leg language on adoption

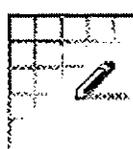
The Administration leg proposal that is being circulated represents our proposals that specifically support the President's Balanced Budget Plan -- the FY98 Budget -- so it fleshes out, in leg language, only the \$ issues, i.e., for adoption, the bonus. Nothing is circulating through the Administration yet on Reasonable Efforts, although I understand that Chafee/Rockefeller have a bill in draft, and there was a House Ways and Means hearing today on "Encouraging Adoption." Unfortunately, neither Lyn nor I could go to it, but I'm trying to find out about it from HHS, and get the testimony.

I just talked with Dan Lewis, Carol Williams' deputy, about the two policy issues outstanding. Call me when you have a chance so we can make a decision about if we want to push either or both.

And 4:30 is fine for the WH meeting on Monday.

Nicole

*Adoption -
budget proposal
adoption director*

 Nicole R. Rabner
02/27/97 09:18:14 AM

Record Type: Record

To: Elena Kagan/OPD/EOP, Pauline M. Abernathy/OPD/EOP, Lyn A. Hogan/OPD/EOP
cc:
Subject: Adoption Initiative Language

There are two outstanding questions we should address re: HHS' proposed legislative language for the adoption bonus structure.

1) The first is outlined in an e-mail below by Matthew McKearn of OMB and speaks to the question of whether a state can receive per-child bonus payments above the number that represents an increase in its total number of adoptions (i.e. if a state's total number of adoptions increases from 100-125, but the subset of special needs adoptions increases from 50-100, can the state claim bonuses for 50 children or can it just claim 25?). My recollection is that we had decided in a meeting here that the state cannot claim bonus payments above its overall increases in adoptions. OMB, for obvious budget reasons, is pushing for this approach, but the legislation currently reads differently.

2) The second question speaks to the issue of the use of the bonus payments. The legislation reads that the bonus dollars must be reinvested in services that support only IV-E children, rather than a broader group of children awaiting adoption placements. Carol Williams left me a voicemail last night that said that it was the feeling of her office, the HHS leg affairs shop and OMB that enabling a broad use of the dollars somehow makes us vulnerable to questions of block-granting and a flexible use of overall dollars -- a rationale I don't understand, but will explore further today.

As you know, WH OMB must clear this language this week, as it is part of the President's Balanced Budget Plan to be submitted sometime soon, so we'll have to address these issues today. Please advise.

----- Forwarded by Nicole R. Rabner/WHO/EOP on 02/27/97 08:56 AM -----

Matthew McKearn  02/26/97 08:33:48
PM

Record Type: Non-Record

To: Kenneth S. Apfel/OMB/EOP, Barry White/OMB/EOP, Keith J. Fontenot/OMB/EOP
cc: See the distribution list at the bottom of this message
Subject: Adoption Initiative Language

You may receive a call from ACF on the structure of the adoption initiative bonus payments. HHS has proposed language that would determine bonuses in a way that differs from our understanding of how the bonuses would be earned. We discussed these issues with White House and DPC staff

while reviewing the February 14 HHS report and the proposed legislative language, and they agree with the proposed edits.

We have passed back changes to proposed legislative language that ACF may appeal to you. Our rationale for the changes are outlined below.

The adoption assistance initiative would provide a \$4,000 bonus (base bonus) to States for each adoption above the baseline level and an additional \$2,000 bonus (added bonus) for increases in special needs (IV-E eligible) adoptions.

We interpreted these provisions so that the total number of added bonuses a State earned could equal, but not exceed the number of base bonuses in a year. It is possible that the increase in the number of special needs adoptions in a State could exceed the increase in the total number of adoptions. For example, total adoptions could increase from 1,000 to 1,025, while the subset of IV-E adoptions increased from 600 to 650.

The revised language limits the number of added bonuses in a year to the increase in a State's total adoptions. This ensures that the \$108 million earmarked for bonuses is sufficient to meet the goal of doubling adoptions by the year 2002. Added bonuses would be paid only to the extent that total adoptions increased and progress was made towards the 2002 goal. Staff from the First Lady's Office and the DPC support this approach. They have an additional concern that the incentives not tilt too heavily to favor special needs adoptions.

Message Copied To:

Nicole R. Rabner/WHO/EOP
Pauline M. Abernathy/OPD/EOP
Jill M. Pizzuto/OMB/EOP
Cynthia M. Smith/OMB/EOP
Lester D. Cash/OMB/EOP