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Children and Families Impacted and the Fiscal Implications of Texas CSHB 3864

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TO: Representative Celia Israel
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DATE: 14 May 2015

RE: Children and Families Impacted and the Fiscal Implications of Texas CSHB 3864

CSHB 3864, if enacted, would allow agencies licensed to make foster care or adoption placement decisions in the state of Texas to do so in accordance with their own sincerely-held religious beliefs. The state would be prohibited from denying or revoking a license based on the failure to comply with rules if the agency cites a religious or moral objection to the rules.

Lesbian, gay, bisexual, and transgender individuals and same-sex couples could be among the potential foster or adoptive parents for whom placements could be refused under this proposed legislation. This memo provides estimates for the number of children being raised by lesbian, gay, and bisexual (LGB) individuals¹ and same-sex couples in Texas, along with estimates of the potential fiscal implications if this bill causes children to stay longer in the foster care system rather than being placed for adoption.

Many LGB individuals and same-sex couples provide adoptive homes and foster care for children in the state, and LGB individuals are more willing than their non-LGB counterparts to consider adoption. If this legislation were to pass, LGB individuals and same-sex couples may find it more difficult to serve as adoptive or foster parents, resulting in more children remaining in foster care for longer periods of time.

The care of children in the Texas foster care system is managed by child-placing agencies licensed and contracted by the state. In 2013, there were 217 child-placing agencies with an additional 153 branches overseeing the care of foster children in the state.² However, the Texas Department of Family and Protective Services has recently begun to implement a new program called Foster Care Redesign that would centralize foster placement and care under the management of 16 contractors operating in distinct geographic regions of the state.³ If these private, contracted agencies refuse to place children for foster care or adoption with qualified individuals or couples based on religious or moral beliefs associated with objections to same-sex sexual orientations or coupling, fewer children in foster care may be adopted in the state. Foster care is generally more expensive to the state than adoption, and the state receives incentives from the federal government that increase with the number of adoptions from the foster care system. Reducing access to adoption services for LGB individuals and same-sex couples would result in higher state spending as more children who could otherwise be adopted remain in foster care.

Adopting and Fostering by LGB Adults and Same-sex Couples in Texas

An estimated 10,600 adopted children under age 18 in Texas are being raised by LGB individuals and same-sex couples (see Table 1). Had CSHB 3864 been enacted before these children were placed for adoption, these families could have been turned away by some agencies, and some of these children would have remained in foster care for a longer period of time awaiting adoption.

¹ It is certainly possible that transgender individuals who wish to foster or adopt could also be affected by this law, but data to assess adoption and fostering patterns among transgender individuals in Texas are, unfortunately, not available.

² Texas Department of Family and Protective Services. 2014. Annual Report and Data Book 2014. Austin, Texas: Department of Family and Protective Services
https://www.dfps.state.tx.us/documents/about/Data_Books_and_Annual_Reports/2014/FY2014_AnnualRpt_Databook.pdf (accessed 12 May 2015)

³ Texas Department of Family and Protective Services. 2015. Foster Care Redesign, Implementation Plan April 2015. Austin, TX: Department of Family and Protective Services.
https://www.dfps.state.tx.us/documents/Child_Protection/pdf/foster_care_redesign/foster_care_redesign_implementation_plan.pdf (accessed 12 May 2015)

An estimated 516 foster children are living with LGB individuals or same-sex couples in Texas. These children have been placed in these homes because agencies have determined that they are the best placements for each child's needs. It is possible that some of these foster parents may wish to adopt the children for whom they are providing foster care. Under the proposed bills, private agencies with religious or moral objections associated with same-sex sexual orientations could deny children in such situations a permanent home through adoption by their foster families.

Table 1. Estimated Adopted and Foster Children in Texas by Family Type⁴

Family Type	Adopted Children	Foster Children
Single LGB adults (age 18-45)	8407	408
Same-sex couples	2227	108
TOTAL	10634	516

LGB individuals are much more open to the possibility of adopting than their non-LGB counterparts. Among women in the US aged 18-45 who say that they intend to have children or have more children, approximately 52% of LGB women say that they would consider adoption (unfortunately, a similar measure for men is not available). Among comparable non-LGB women, the figure is only 37%. Similar portions of LGB men and women in that age group (just over half) say that they intend to have children or more children if they already have them.⁵ If, like their female counterparts, 52% of LGB men would consider adoption, then an estimated 69,000 LGB adults in Texas may be potential adoptive parents. These individuals may not be considered as adoptive or foster parents or may not pursue adoption or fostering as a result of agencies' religious or moral objections to their sexual orientation or a fear that such objections could be raised.

Fiscal Implications of CSHB 3864

The ability of adoption agencies to restrict services to LGB individuals or same-sex couples based on religious or moral objections potentially reduces the pool of adoptive homes in Texas and increases the chances that foster children will remain in foster care longer than necessary. For every child that remains in foster care rather than finding an adoptive home as a result of this proposed bill, there will be negative fiscal implications for the state.

States spend significant resources keeping children in foster care healthy and safe. These expenses include payments to foster parents for room and board, which, for a child designated to receive basic care in Texas, total \$693 per month at a minimum.⁶ They also include Medicaid coverage for minors, as

⁴ Comparisons between the portion of single LGB men and women aged 18-45 who have an adopted child (using the US Department of Health and Human Services' 2011-2013 National Survey of Family Growth) and the portion of same-sex couples who have an adopted child (using the US Census Bureau's 2008-2013 American Community Survey Public Use Microdata Samples) show that adoption is slightly more common among same-sex couples than among single LGB individuals. Single LGB individuals are about two-thirds as likely as same-sex couples to report having an adopted child. Estimates of the number of adopted and foster children among single LGB individuals assume that they are two-thirds as likely as the state's same-sex couples to have an adopted or foster child. Estimates of the total LGBT population in the state are derived using data from Gallup's Daily Tracking survey (Hasenbush, A. et al. 2014. *The LGBT Divide: A Data Portrait of LGBT People in Midwestern, Mountain, and Southern States*. Los Angeles: Williams Institute, UCLA School of Law. <http://williamsinstitute.law.ucla.edu/wp-content/uploads/LGBT-divide-Dec-2014.pdf> (accessed 7 April 2015)). The number of single LGB people in the state is calculated by multiplying the total number of LGBT adults by the proportion of LGBT adults who say they are currently not married or partnered (also using the Gallup data). Estimates of the number of same-sex couples are from the US Census Bureau's preferred estimates of same-sex couples from Census 2010 (Gates, G.J. & Cooke, A. 2011. *Texas Census Snapshot: 2010*. Los Angeles: Williams Institute, UCLA School of Law. http://williamsinstitute.law.ucla.edu/wp-content/uploads/Census2010Snapshot_Texas_v2.pdf (accessed 4 May 2015)).

The numbers of same-sex couples in the state who have adopted or foster children are derived from analyses of 2008-2013 American Community Survey Public Use Microdata Samples. Estimates of the number of single LGB adults with adopted or foster children assume that the average number of adopted or foster children among LGB people with such children does not differ between single LGB individuals and same-sex couples.

⁵ Based on analyses of 2011-2013 National Survey of Family Growth.

⁶ Texas Department of Family and Protective Services. 2013. *Texas Health and Human Services Commission 24-Hour*

well as for young adults who have aged out of the foster care system but are younger than 26, through the state's STAR Health program.⁷ Financial assistance for higher education is available through the federally-funded Education and Training Voucher Program for qualifying young adults.⁸ The state also provides tuition and fee waivers for certain youth who were formerly in foster care and have been adopted.⁹

Studies find that children who are adopted have better physical, mental, and educational outcomes compared to children who remain in foster care. Permanency is an important goal for children. Adoption is also more cost efficient for the state. A national analysis compared the costs to states of supporting foster children into adulthood. Comparisons are made between children who enter foster care and do not get adopted with those who are adopted from the foster care system. The average cost to the state of supporting children who enter foster care and are not adopted from the time they enter foster care until they turn age 18 was more than \$135,000. If a child can be placed for adoption, the comparable cost was \$67,000.¹⁰ On average, the study finds that a state saves approximately \$68,000 over the course of a child's life from birth to age 18 if the child can be placed with an adoptive family rather than keeping the child in foster care until adulthood.

Another study of adoption and fostering showed that, on average, the cost differential of placing a child for adoption versus keeping the child in foster care for a year is a nearly \$15,500 savings. Estimates suggest that Texas bears about 41% of the costs associated with fostering children (the federal government pays the other 59%).¹¹ If the estimated 516 children currently in foster care with single LGB adults and same-sex couples were to be adopted by them in the next year, the total savings could amount to \$7,998,000. This implies a cost savings to the state of approximately \$3,279,000 that is put into jeopardy if LGB individuals and same-sex couples experience barriers to adopting foster children from private adoption agencies that object to providing services to them.

Creating barriers that limit the pool of prospective adoptive parents also has the potential to reduce adoption incentive payments that the federal government offers to states to encourage adoption. Since this program was first initiated in 1998, Texas has received more than \$63.5 million. As recently as 2013, the state received nearly \$7.2 million in annual adoption incentive payments.¹² These incentives are put at risk when adoption becomes more difficult among the estimated 69,000 prospective LGB adoptive parents in the state.

Residential Child Care Facilities Rates. Austin, TX. https://www.dfps.state.tx.us/PCS/rates_childcare_reimbursement.asp (accessed 5 May 2015)

⁷ Texas Department of Family and Protective Services. 2013. Annual Report and Data Book 2013. Austin, TX. https://www.dfps.state.tx.us/documents/about/Data_Books_and_Annual_Reports/2013/FY2013_AnnualRpt_Databook.pdf (accessed 5 May 2015)

⁸ Ibid.

⁹ Texas Department of Family and Protective Services. 2013. College Tuition and Fee Waiver. Austin, TX. https://www.dfps.state.tx.us/Child_Protection/Youth_and_Young_Adults/Post_Secondary_Education/college_tuition_waiver.asp (accessed 5 May 2015)

¹⁰ Barth, RP, Lee, CK, Wildfire, J, Guo, S. 2006. A Comparison of the Governmental Costs of Long-Term Foster Care and Adoption. *Social Service Review* 80(1): 128-157. <http://www.flgov.com/wp-content/uploads/childadvocacy/foster%20care%20and%20adoption%20study.pdf> (accessed 21 April 2015)

¹¹ North American Council on Adoptable Children. May 2014. Texas State Subsidy Profile. St. Paul, MN: North American Council on Adoptable Children. <http://www.nacac.org/adoptionssubsidy/stateprofiles/texas.html> (accessed 4 May 2015)

¹² Administration for Children and Families. 2014. Adoption Incentives Earning History by State: FY 1998–FY 2013. Washington, DC: Department of Health and Human Services.

http://www.acf.hhs.gov/sites/default/files/cb/adoption_incentive_history.pdf (accessed 4 May 2015)