



Morris County Foster Parents Association

Adoption Subsidy – Description of the DYFS Adoption Subsidy Program

What is adoption subsidy?

The adoption subsidy program provides a variety of benefits for children with special needs. Its purpose is to attract adoptive families who desire to adopt but, because of the child's needs, would not be able to assume the full cost of care, or to allow foster families to adopt the special needs children in their care. Benefits are provided until age 18 or until age 21, as long as the youth is enrolled in a high school program or its equivalent.

The amount of the adoption subsidy will normally reflect, and cannot exceed, the amount of the foster care board rate. For children in other types of placements, the rate will be negotiated and, in most instances, an exception required.

The subsidy is not designed to cover the full cost of raising the child and the adoptive family needs to understand that, while the subsidy rate may reflect the foster care board rate, there is a vast difference between being a foster parent and being an adoptive parent. Adoptive parents are expected to provide for their child's needs, recreational activities, after school care and summer camp.

What else does adoption subsidy provide?

Children that are subsidy eligible receive NJ Medicaid, the payment of the legal fees for the adoption finalization (approximately \$500 per child in New Jersey, consideration given to matching other state's legal fee payment for out-of-state adoptions) and if warranted, special services directly relating to the condition that make the child subsidy eligible.

What about adoption subsidy for "medically fragile" children?

For children who have been designated as "medically fragile," the subsidy is divided into two parts: the board rate and a \$500 "difficulty of care" fee, which the family is expected to use to meet the child's needs. If these needs are even more extensive than this allowance can cover, and appropriate services cannot be obtained through another source, a special services addendum to the agreement is negotiated with the family, involving the nurse familiar with the child's care needs. If there is indication that the child's need for the service may lessen, a review period should be part of the agreement. If the child is terminally ill, funeral expenses should be covered in the addendum.

Benefits for adoptive families

While not actually part of the subsidy program, there are benefits specific to families adopting subsidy-eligible children. These include:

- Pre-school child care through the Division of Family Development (DFD)
- Out-of-state medical coverage through the Interstate Compact on Adoption Medical Assistance (ICAMA) (currently most states provide reciprocal coverage and only New York and Pennsylvania do not belong)
- A Federal Tax Credit in the year the adoption takes place (check individual tax year rules for changes to this credit, which was \$13,000 in 2010)



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What makes a child eligible for subsidy?

Subsidy relates only to the condition or needs of the child and is never based on the parent's income. All resource families must have sufficient income to support themselves without relying on the subsidy. Any of the following conditions make a child subsidy eligible:

- Any child who has a medical or dental condition that will require repeated or frequent hospitalizations or treatment
- Any physical handicap or disease which makes or can be expected to make a child totally or partially incapacitated and unable to benefit from education or to work as an adult
- Any substantial physical disfigurement
- Any serious emotional or behavioral problem, psychiatric illness, serious intellectual delay or brain damage that seriously affects the child's ability to relate to peers or adults
- A second sibling, who is not subsidy eligible on his/her own, placed in the same home with a brother or sister already receiving subsidy
- Three siblings placed in the same home at the same time, even though none would be subsidy eligible on his/her own
- If a third sibling is placed in the same home where two non-subsidy eligible siblings are placed, the third sibling will receive subsidy, the previous two will not
- A child that is over 10 years old
- A child that is over age two and a member of an ethnic group for whom adoptive homes are not readily available (this definition may change over time, but currently applies to any child who is African-American or biracial (African-American/Caucasian or African-American/Latino))
- A child five years old or older, living with resource parents at least 12 months
- A child under age five that is a member of an ethnic group for whom adoptive homes are not readily available (this definition may change over time, but currently applies to any child who is African-American or biracial and has been living with resource parents at least 12 months)

For children not qualifying under any of the previous conditions, an exception may be made by the DYFS Director or designee. These currently include children suffering prenatal drug exposure or born to parents with a diagnosed mental illness. Medical documentation of these conditions must accompany the SAR requesting exception. The SAR should be sent to Assistance Director, ORFAS CC#966.

REMEMBER THIS!

Subsidy must be negotiated with the prospective adoptive family before the child is "placed." This means that when placing a child in a select-adopt or pre-adopt resource home, the subsidy agreement must be signed before the child is placed in the home. When placing the child with relatives, kin or in a foster family resource home, the child's eligibility for adoption subsidy needs to be discussed as soon as possible, as it may influence the permanency decision. The subsidy agreement must be signed before the adoption consent is signed, and when the Local Office Manager signs the "Consent of Guardian to Adoption," the child is considered officially "placed for adoption."

If a child is not subsidy eligible when adopted, but later develops a condition that would make him or her subsidy eligible and this condition can be traced to the child's biological heritage or to conditions experienced before the adoption, the family can apply to the subsidy unit at ORFAS for reconsideration of subsidy from the date of application. This needs to be shared with families adopting non-subsidy eligible children.