April 5, 2016

The Honorable Paul Ryan
The Speaker of the House of Representatives
United States House of Representatives

The Honorable Kevin Brady
Committee on Ways and Means
United States House of Representatives

The Honorable Mike Conaway
Committee on Agriculture
United States House of Representatives

The Honorable Tom Price
Committee on Budget
United States House of Representatives

The Honorable John Kline
Committee on Education and the Workforce
United States House of Representatives

The Honorable Jeb Hensarling
Committee on Financial Services
United States House of Representatives

Dear Speaker Ryan and Chairmen Brady, Conway, Price, Kline, and Hensarling:

On behalf of the Adoption Tax Credit Working Group (ATCWG), we would like to inform the Tax Reform Task Force and the Poverty, Opportunity, and Upward Mobility Task Force (Task Forces) of our efforts and offer ourselves as a resource. The ATCWG is a national collaboration of 150 organizations united by our support and advocacy for the adoption tax credit, which plays an important role in role in encouraging the adoption of children who need families. The organizations that make up the ATCWG represent children and families from every sector of adoption, including U.S. foster care, domestic private, and international adoptions. With our broad representation and involvement in adoption policy and practice issues, we have a unique perspective on the role that the tax credit plays for Americans who adopt.

The ATCWG understands that there is bipartisan interest in simplifying the tax code. As the Task Forces consider the best means of achieving this goal, we urge you to consider the strong public policy rationale for the adoption tax credit and the bipartisan history and support for the credit that has existed since its inception. The house version of the bipartisan *Adoption Tax Credit Refundability Act of 2015* currently has over thirty co-sponsors.

First enacted in 1996 as a part of the *Small Business and Job Protection Act of 1996* (P.L. 104-188), the adoption tax credit advances the important goal of enabling domestic and intercountry adoptions, especially for children with special needs who otherwise might linger in costly foster care without the benefits and security of permanent, loving families.

Over 50 thousand children were adopted from foster care in fiscal year 2014 alone.[1] By offsetting some of the costs of adoption or of caring for a child with special needs, the tax credit makes adoption a more viable option for many children and families. **Over 60 percent of adopted children are adopted by lower and middle-income taxpayers, and almost half of children adopted from foster care live in families with household incomes at or below 200 percent of the federal poverty level.**[2] Congress has always worked across the aisle to prioritize the continuation of the adoption tax credit, and we hope that the Task Forces recognize the value of the credit.

We applaud Speaker Ryan and Chairmen Brady, Conway, Price, Kline, and Hensarling for supporting revisions to the tax code that will strengthen the economy. The adoption tax credit does just this because, simply put, adoption saves our government money. A study reported by the federal Children's Bureau showed that **the government saves between $65,000 and $127,000 for each child who is adopted rather than placed in long-term foster care**.[3] These savings accrue from reductions in the need for direct child welfare services (foster care and court oversight) and from the long-term societal benefits of adoption (increased graduation rates, reduced homelessness, and reduced incarceration). Annually, over 24,000 youth exit foster care without ever finding a permanent family to help them in the transition to adulthood.[4] An extensive study by Nicholas Zill found that 81 percent of males in long-term foster care had been arrested compared with 17 percent of all young males nationally. Incarceration of former foster youth is estimated to cost society $5.1 billion annually.[5]

Children and youth deserve a permanent family, and while adoption certainly supports these children, it also benefits society broadly.[6] Adoption places children on a path to becoming more productive citizens, and research tells us that poor outcomes are common for youth who exit foster care without stable families. In addition to higher incarceration rates, youth who "aged-out" of the foster care system face many other difficult odds. For example, only 58 percent of foster youth graduated high school by age 19, only 50 percent were employed by age 24, and 71 percent of young women were pregnant by age 21.[7] Studies comparing children who remain in foster care to children who are adopted have shown that: **adopted children are 54 percent less likely to be delinquent or arrested, 19 percent less likely to become teen parents, and 76 percent more likely to be employed**.[8]

When introducing the Task Forces, Speaker Ryan noted that he wanted to restore upward mobility, make our tax code fairer, strengthen our safety net, and empower productive lives. The adoption tax credit meets the goals laid out by Speaker Ryan. Likewise, it addresses the concern expressed by Chairman Brady that "adoption is just too expensive for working families."[9] By lowering the tax burden on adoptive families and enabling them to invest in their futures, the credit is a step towards accomplishing the Task Force's goals.

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[1] The AFCARS Report: Preliminary FY 2014 Estimates as of July 2015 Data. *U.S. Department of Health and Human Services: Administration for Children and Families*. Adoption and Foster Care Analysis and Reporting System, retrieved February 18, 2016, from: http://www.acf.hhs.gov/programs/cb/resource/afcars-report-22.

[2] "The Importance of the Adoption Tax Credit," The Adoption Tax Credit Working Group, 2015. Retrieved February 18, 2016, from https://adoptiontaxcreditdotorg.files.wordpress.com/2015/10/atcfactsheet.pdf.

[3] R. P. Barth, C. K. Lee, J. Wildfire, and S. Guo, *"A Comparison of the Governmental Costs of Long-Term Foster Care and Adoption,"* Social Service Review (March 2006). Retrieved April 11, 2013, from: http://www.flgov.com/wp-content/uploads/childadvocacy/foster%20care%20and%20adoption%20study.pdf.

[4] The AFCARS Report: Preliminary FY 2014 Estimates as of July 2015 Data. *U.S. Department of Health and Human Services: Administration for Children and Families*. Adoption and Foster Care Analysis and Reporting System, retrieved February 18, 2016, from: http://www.acf.hhs.gov/programs/cb/resource/afcars-report-22.

[5] Zill, Nicholas. (2011). Adoption from Foster Care: Aiding Children While Saving Public Money. Brookings Institute Center on Children and Families. Retrieved from http://www.brookings.edu/~/media/research/files/reports/2011/5/adoption-foster-care-zill/05_adoption_foster_care_zill.pdf.

[6] Jim Casey Youth Opportunities Initiative. (n.d.). Retrieved February 3, 2015, from http://www.jimcaseyyouth.org/

[7] Jim Casey Youth Opportunities Initiative. (n.d.). Retrieved February 3, 2015, from http://www.jimcaseyyouth.org/

[8] Fixsen, A. (2011). Children in Foster Care Societal and Financial Costs. *A Family for Every Child*. Retrieved from http://www.afamilyforeverychild.org/Adoption/AFFECreportonchildreninfostercare.pdf

[9] Wegmann, P. (2016, January 21). "Meet 4 Pro-Life Lawmakers Who Chose To Adopt." *The Daily Signal*. Retrieved February 19, 2016 from http://dailysignal.com/2016/01/21/meet-4-pro-life-lawmakers-who-chose-to-adopt/.

As a collective group of diverse organizations, representing thousands of adoptive families across the country and waiting children, one of the goals of the ATCWG is to preserve the adoption tax credit as a part of the individual tax code. As laid out above, the adoption tax credit supports families who desire to adopt and children who deserve a permanent family. However, we would be remiss if we did not bring to your attention the fairness that a refundable tax credit creates for American families.

Some families will never be able to adopt without the benefit of the adoption tax credit. Others will adopt but will not benefit at all, which means they may face challenges meeting their children's needs, particularly children adopted from foster care with special needs.

Over time, Congress has made a series of improvements to the adoption tax credit—the vast majority of which were aimed at addressing the fact that many families who adopted from foster care were not able to claim the credit. Data from 2010 and 2011, when the credit was refundable, shows that for the first time in the credit's history, families who adopted children with special needs from foster care were able to benefit like other adoptive families. While we understand the complex budget and tax issues at hand, failure to maintain this progress will undoubtedly result in more children remaining in foster care rather than moving into families. **There are currently nearly 108,000 children in foster care waiting to be adopted**.[10]

As your Task Forces develop recommendations to reform and modernize the Internal Revenue Code, we hope that you will consider the ATCWG Executive Committee as a resource for information related to the adoption tax credit. As a group, we have many decades of adoption experience and a comprehensive understanding of how the adoption tax credit benefits children and is used by families, and we would be pleased to provide any additional information to you and your staff. Thank you for your consideration.

Sincerely,

Adoption Tax Credit Working Group Executive Committee:

American Academy of Adoption Attorneys
Adopt America Network
Christian Alliance for Orphans
Congressional Coalition on Adoption Institute (Secretariat)
Dave Thomas Foundation for Adoption
Donaldson Adoption Institute
National Council for Adoption
North American Council on Adoptable Children
RESOLVE: The National Infertility Association
Show Hope
Voice for Adoption

Adoption Tax Credit Working Group:

Lifeline Children's Services, Inc.	Birmingham,	AL
Villa Hope	Birmingham,	AL
Alabama Foster & Adoptive Parent Association	Cullman,	AL
Dillon Southwest	Scottsdale,	AZ

[10] The AFCARS Report: Preliminary FY 2014 Estimates as of July 2015 Data. *U.S. Department of Health and Human Services: Administration for Children and Families*. Adoption and Foster Care Analysis and Reporting System, retrieved February 18, 2016, from: http://www.acf.hhs.gov/programs/cb/resource/afcars-report-22.

Bal Jagat - Children's World Inc	Long Beach,	CA
AdoptFund, Inc.	Los Angeles,	CA
Family Connections Christian Adoptions	Modesto,	CA
Bay Area Adoption Services	Mountain View,	CA
AASK - Adopt A Special Kid	Oakland,	CA
Pact, An Adoption Alliance	Oakland,	CA
Adoption Law Group	Pasadena,	CA
Across The World Adoptions	Pleasant Hill,	CA
Angels' Haven Outreach	Pleasant Hill,	CA
Independent Adoption Center	Pleasant Hill,	CA
About A Child	Redwood City,	CA
Sierra Forever Families	Sacramento,	CA
Partners for Adoption	Walnut Creek,	CA
The Adoption Exchange	Aurora,	CO
Alpine Adoption, Inc.	Lakewood,	CO
Project 1.27	Littleton,	CO
Adoption Today	Windsor,	CO
Fostering Families Today	Windsor,	CO
Fund Your Adoption		CO
CT Assoc. of Foster and Adoptive Parents	Rocky Hill,	CT
Child Welfare League of America (CWLA)	Washington,	DC
Families for Private Adoption	Washington,	DC
Family & Youth Initiative	Washington,	DC
Family Equality Council	Washington,	DC
Lutheran Services in America	Washington,	DC
Florida State Foster/Adoptive Parent Association	Minneapolis,	FL
The Adoption Consultancy	Brandon,	FL
The Sylvia Thomas Center for Adoptive and Foster Families	Brandon,	FL
Pinellas County Foster and Adoptive Parent Association	Largo,	FL
Beacon House Adoption Services, Inc	Pensacola,	FL
Broward Foster & Adoptive Parent Association	Plantation,	FL
Jewish Adoption and Foster Care Options (JAFCO)	Sunrise,	FL
Georgia Association of Licensed Adoption Agencies	Atlanta,	GA
Georgia Council of Adoption Lawyers	Atlanta,	GA
Illien Adoptions International, Inc.	Atlanta,	GA
Georgia Center for Opportunity	Norcross,	GA
Iowa Foster and Adoptive Parents Assocation	Pleasant Hill,	IA
Idaho Foster and Adoptive Parents Association	Post Falls,	ID
Sunny Ridge Family Center	Bolingbrook,	IL
Adoption ARK, Inc.	Buffalo Grove,	IL
Family Resource Center	Chciago,	IL
Adoption Learning Partners	Evanston,	IL
The Cradle	Evanston,	IL
Lifesong for Orphans	Gridley,	IL
The Adoption Lantern	Wilmette,	IL
Families Thru International Adoption	Evansville,	IN
ACT (Adoption in Child Time)	Indianapolis,	IN

MLJ Adoptions	Indianapolis,	IN
Resources4adoption.com	Eudora,	KS
Adoption & Beyond, Inc.	Overland Park,	KS
Christian Family Services of the Midwest, Inc.	Portland,	KS
American Adoptions		KS
Youthville		KS
All Blessings International, Inc.	Owensboro,	KY
Catholic Charities of the Diocese of Baton Rouge	Baton Rouge,	LA
RainbowKids.com Adoption Advocacy	Harvey,	LA
A Red Thread Adoption Services, Inc.	Norwood,	MA
Wide Horizons For Children	Waltham,	MA
Myriad		MA
Global Adoption Services, Inc.	Bel Air,	MD
Adoptions Together	Silver Spring,	MD
Ascentria		MD
Family Enrichment Center	Battle Creek,	MI
Bethany Christian Services	Grand Rapids,	MI
Adoption Associates, Inc.	Jenison,	MI
Americans for International Aid and Adoption	Troy,	MI
Michigan Association for Foster, Adoptive, and Kinship Parents		MI
Minnesota Foster Care Association	Burnsville,	MN
Evolve	Minneapolis,	MN
My Adoption Advisor, LLC	Minnetonka,	MN
European Children Adoption Services	Plymouth,	MN
Children's Home Society & Family Services	St. Paul,	MN
Individual		MN
National Foster Parent Association		MN
Children's Hope International	St. Louis,	MO
Lutheran Family & Children's Services of Missouri	St. Louis,	MO
New Beginnings International Children's and Family Services	Tupelo,	MS
Creating a Family	Brevard,	NC
Carolina Adoption Services, Inc	Greensboro,	NC
Hopscotch Adoptions, Inc.	High Point,	NC
Christian Adoption Services, Inc.	Matthews,	NC
Children at Heart Adoption Services, Inc.	Wilmington,	NC
Nebraska Foster and Adoptive Parent Association	Lincoln,	NE
New Hope for Children	Newmarket,	NH
Golden Cradle Adoption Services	Cherry Hill,	NJ
Adoption STAR	Amherst,	NY
NYSCCC	Brooklyn,	NY
Baker Victory Services	Lackawanna,	NY
Family Focus Adoption Services	Little Neck,	NY
Adoptive Families magazine	New York,	NY
Adoptive Parents Committee inc	New York,	NY
Helpusadopt.org	New York,	NY
Spence-Chapin	New York,	NY
USAdopt, LLC	New York,	NY

Ashcraft Franklin Young & Peters, LLP	Rochester,	NY
Forever Families Through Adoption, Inc.	Rye Brook,	NY
Michael S. Goldstein, Esq., LCSW	Rye Brook,	NY
Law Office of Barbara Thornell Ginn	Cincinnati,	OH
National Down Syndrome Adoption Network	Cincinnati,	OH
National Center for Adoption Law and Policy	Columbus,	OH
Caring for Kids	Cuyahoga Falls,	OH
Tuscarawas County Job and Family Services	New Philadelphia,	OH
European Adoption Consultants, Inc	Strongsville,	OH
Spirit of Faith Adoptions	Sylvania,	OH
Foster Family-based Treatment Association	Norman,	OK
Dillon International, Inc.	Tulsa,	OK
Journeys of the Heart Adoption Services	Hillsboro,	OR
All God's Children International	Portland,	OR
Oregon Post Adoption Resource Center	Portland,	OR
SPOON Foundation	Portland,	OR
Holt International Children's Services		OR
Together as Adoptive Parents, Inc	Harleysville,	PA
La Vida International	Malvern,	PA
Welcome House Adoption Program of Pearl S Buck International	Perkasie,	PA
The Sparrow Fund	Phoenixville,	PA
Three Rivers Adoption Council	Pittsburgh,	PA
A Chosen Child Adoption Services	Summerville,	SC
Miriam's Promise	Nashville,	TN
Upbring	Austin,	TX
Buckner International	Dallas,	TX
Gladney Center for Adoption	Fort Worth,	TX
Texas Foster Family Association	Pflugerville,	TX
Generations Adoptions	Waco,	TX
ONE CHURCH ONE CHILD OF NORTH/NORTH CENTRAL TX, INC		TX
Families Like Ours, Inc.	Seattle,	TX and WA
Youth Villages, Inc.	Arlington,	VA
The Barker Foundation	Falls Church,	VA
Friends in Adoption	Middletown Springs,	VT
Foster Parents Association of Washington State	Bremerton	WA
Children's House International	Ferndale	WA
Adoption Advocates International	Port Angeles	WA
WACAP (World Association for Children and Parents)	Seattle	WA
Amara	Seattle,	WA
Agape Adoptions	Sumner,	WA
Faith International Adoptions	Tacoma	WA
Lifeline Children's Services, Inc.	Birmingham,	AL