

Local Fiscal Highlights

- The bill would have no direct fiscal impact on local subdivisions. However, it could have an indirect effect on costs associated with the care of children who are awaiting possible adoption who are currently in foster care if the loan program results in an increased number of children who are adopted.
-

Detailed Fiscal Analysis

State Adoption Assistance Loan Program

The bill allows the Department of Job and Family Services (ODJFS) to make loans to prospective adoptive parents. The bill creates the State Adoption Assistance Loan Fund in the state treasury. The fund is to receive on July 1, 2007 and 2008, a transfer of \$500,000 of unclaimed funds that have been reported by holders of unclaimed funds as required by state law (R.C. 169.05) and all loan repayments or other money, including interest and penalties, derived from state adoption assistance loans. ODJFS will administer the new fund. Money in the State Adoption Assistance Loan Fund must be used to make state adoption assistance loans to prospective adoptive parents who apply for a loan under section 3107.018 of the Revised Code. All investment earnings of the State Adoption Assistance Loan Fund will be credited to the fund.

Subject to available funds, the Department may approve a state adoption assistance loan application, in whole or in part, or deny the application. In reviewing a loan application submitted to the Department, the Department must consider the financial need of the prospective adoptive parent in determining whether to approve a loan application, in whole or in part, or deny the application. Loans to a prospective adoptive parent may not exceed \$3,000 if the child being adopted resides in Ohio and may not exceed \$2,000 if the child being adopted does not reside in Ohio.

A prospective adoptive parent who receives a loan under the provisions of the bill may use the loan only for allowable disbursements related to adoption outlined in state law (R.C. 3107.055) or an expense related to adopting from the public child welfare system.

The Director of Job and Family Services must adopt rules as necessary to implement the loan program, including rules for creating a loan application form, procedures and standards for reviewing and granting or denying applications, conditions on the use of the loan, loan repayment terms, procedures for collection of loan arrearages, and any monetary penalties for loan arrearages or improper use of loan funds.

Fiscal Impact. The transfer of unclaimed funds to the State Adoption Assistance Loan Fund provides the source of money that may be loaned to prospective adoptive parents. The first \$500,000 transfer will provide enough funds for ODJFS to grant 166 loans (assuming the maximum amount allowable under the bill per child, \$3,000). The number of loans approved may be more or less depending on the rules adopted by ODJFS, the number of prospective adoptive parents who apply, and the amount approved for each loan. The State Adoption Assistance Loan Fund will also receive all

loan repayments and other money, including interest and penalties, derived from state adoption assistance loans, which may be made available in the future for additional loans.

The bill would have no direct fiscal impact on local subdivisions. However, it could have an indirect effect on costs associated with the care of children who are awaiting possible adoption who are currently in foster care if the loan program results in an increased number of children who are adopted.

LSC fiscal staff: Maria E. Seaman, Senior Budget Analyst

SB0030SP.doc/cm