

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
77 South High Street, 9<sup>th</sup> Floor, Columbus, OH 43215-6136 ♦ Phone: (614) 466-3615  
♦ Internet Web Site: <http://www.lsc.state.oh.us/>

BILL: **Sub. S.B. 30** DATE: **June 19, 2007**

STATUS: **As Reported by Senate Finance and Financial Institutions** SPONSOR: **Sen. Kearney**

LOCAL IMPACT STATEMENT REQUIRED: **No — Possible indirect local effects**

CONTENTS: **Permits the Ohio Department of Job and Family Services to make adoption assistance loans to prospective adoptive parents and makes an appropriation**

## State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
<b>Unclaimed Funds Trust Fund (Fund 543)</b>			
Revenues	Loss of \$500,000	Loss of \$500,000	Loss of interest earnings on amounts transferred to the State Adoption Assistance Loan Fund
Expenditures	- 0 -	- 0 -	- 0 -
<b>State Adoption Assistance Loan Fund (NEW)</b>			
Revenues	Gain of \$500,000 plus interest	Gain of \$500,000 plus loan repayments and other money, including interest and penalties derived from state adoption assistance loans	Gain of loan repayments and other money, including interest and penalties derived from state adoption assistance loans
Expenditures	Potential increase of \$500,000	Potential increase of \$500,000 or more	Potential increase dependent upon fund balance

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.

- At the beginning of fiscal years (FYs) 2008 and 2009, the Director of Commerce must transfer \$500,000 of moneys deposited in the Unclaimed Funds Trust Fund to the State Adoption Assistance Loan Fund, which is created by the bill.
- ODJFS may use moneys in the State Adoption Assistance Loan Fund to make loans to prospective adoptive parents. 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 does not reside in Ohio.



- In addition to receiving \$500,000 at the start of FYs 2008 and 2009 from the Unclaimed Funds Trust Fund, the State Adoption Assistance Loan Fund would also receive all loan repayments and other money, including interest and penalties, derived from state adoption assistance loans.

## ***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.
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## ***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*

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