the Williams INSTITUTE

TO: Representative Adam Zemke
Michigan District 55

FROM: Gary J. Gates, Blachford-Cooper Distinguished Scholar and Research Director
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DATE: 21 April 2015

RE: Children and Families Impacted and the Fiscal Implications of Michigan HB 4188, 4189, 4190

House Bills 4188, 4189, and 4190 are proposed by members of the Michigan Legislature and would allow agencies licensed to make foster care or adoption placement decisions in the state of Michigan to do so in accordance with their own sincerely-held religious beliefs. If enacted, 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 in a written policy or statement of faith.

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) individuals[1] and same-sex couples in Michigan, along with estimates of the potential fiscal implications if these bills cause 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 majority of child welfare and foster care resources in Michigan go toward private child-placement agencies. In 2010, these agencies oversaw the placement of 75% of foster youth in Michigan.[2] If these 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 Michigan

An estimated 3,460 adopted children under age 18 in Michigan are being raised by LGB individuals and same-sex couples (see Table 1). Had HB 4188, 4189, 4190 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.

An estimated 250 foster children are living with LGB individuals or same-sex couples in Michigan. 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.

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[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 Michigan are, unfortunately, not available.

[2] Child and Family Services Review, Administration for Children and Families. March 2010. Michigan Child and Family Services Review. Washington, DC: Department of Health and Human Services. http://michigan.gov/documents/dhs/CFSR_Round_2_Final_Report_2010_389984_7.pdf (accessed 21 April 2015)

Table 1. Estimated Adopted and Foster Children in Michigan by Family Type[3]

Family Type	Adopted Children	Foster Children
Single LGB adults (age 18-45)	2,900	210
Same-sex couples	560	40
TOTAL	3,460	250

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 lesbian and bisexual women say that they would consider adoption (unfortunately, a similar measure for men is not available). Among comparable heterosexual 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.[4] If, like their female counterparts, 52% of gay and bisexual men would consider adoption, then an estimated 35,000 LGB adults in Michigan 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 HB 4188, 4189, 4190

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 Michigan 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 these proposed bills, 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, as much as $576.52 per month per child in Michigan.[5] They also include Medicaid coverage for minors, as well as for young adults who have aged out of the foster care system but are younger than 26.[6] Tuition and fee assistance at Michigan higher education institutions is also available through the Michigan Tuition Incentive Program for qualifying young adults.[7]

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[3] 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. Michigan Census Snapshot: 2010. Los Angeles: Williams Institute, UCLA School of Law. http://williamsinstitute.law.ucla.edu/wp-content/uploads/Census2010Snapshot_Michigan_v2.pdf (accessed 21 April 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.

[4] Based on analyses of 2011-2013 National Survey of Family Growth.

[5] State of Michigan, Department of Human Services, Children's Foster Care Manual, Foster Care Rates: http://www.mfia.state.mi.us/OLMWEB/EX/FO/Public/FOM/905-3.pdf#pagemode=bookmarks (accessed 21 April 2015)

[6] Michigan Department of Human Services. November 2010. Foster Care Transitional Medicaid, Frequently Asked Questions. Lansing, MI. http://www.michigan.gov/documents/fyit/FAQ_FosterCare_Transitional_Medicaid_338956_7.pdf (accessed 21 April 2015)

[7] Michigan Department of Treasury. July 2014. Tuition Incentive Program Fact Sheet. Lansing, MI: Michigan Department of

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.[8] 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 Michigan bears about 34% of the costs associated with fostering children (the federal government pays the other 66%).[9] If the estimated 250 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 nearly $3.9 million. This implies a cost savings to the state of more than $1.3 million that is put into jeopardy if LGB individuals and same-sex couples experience barriers to adopting foster children from private adoption agencies who 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, Michigan has received more than $11 million. In 2009, the state received more than $3.9 million in adoption incentive payments.[10] These incentives are put at risk when adoption becomes more difficult among the estimated 35,000 prospective LGB adoptive parents in the state.

Treasury. http://www.michigan.gov/documents/FactSheetTIP_161201_7.pdf (accessed 21 April 2015)

[8] 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)

[9] North American Council on Adoptable Children. April 2013. Michigan State Subsidy Profile. St. Paul, MN: North American Council on Adoptable Children. http://www.nacac.org/adoptionsubsidy/stateprofiles/michigan.html (accessed 21 April 2015)

[10] 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 21 April 2015)