



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 17, 2012

S. 3331
Intercountry Adoption Universal Accreditation Act of 2012

*As ordered reported by the Senate Committee on Foreign Relations
on September 19, 2012*

S. 3331 would expand the accreditation standards in the Intercountry Adoption Act of 2000 to cover all international adoptions. Currently, those standards apply only to adoptions from countries that are parties to the Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption (Hague Convention).

The Department of State and U.S. Citizenship and Immigration Services share the responsibility of overseeing adoptions from Hague Convention countries and also have staff to monitor adoptions from countries that are not parties to the convention. Based on information from both agencies, CBO estimates that no additional personnel would be required to implement the bill but that employees currently handling nonconvention cases would need training to implement the accreditation standards under the Hague Convention. Thus, CBO estimates that the bill would have insignificant discretionary costs over the 2013-2017 period, assuming the availability of appropriated funds.

CBO further estimates that under the bill the number of adoptions from nonconvention countries would decline. With fewer people entering the United States through adoption, the demand for government programs such as the Supplemental Nutrition Assistance Program and Medicaid would be reduced. CBO estimates that very few people would be affected and, thus, that enacting the bill would reduce direct spending for such programs by less than \$500,000 over the 2013-2022 period.

Enacting S. 3331 also would increase revenues from civil penalties imposed on those who violate the regulations governing international adoptions. CBO estimates that few people would be affected by such penalties and, thus, that additional revenues deposited in the Treasury would not be significant over the 2013-2022 period.

Because enacting S. 3331 would affect direct spending and revenues, pay-as-you-go procedures apply. However, as discussed above, CBO estimates that any such effects would not be significant in any year.

S. 3331 contains an intergovernmental mandate as defined in Unfunded Mandates Reform Act (UMRA) because it would expand federal accreditation and approval requirements to virtually every case involving intercountry adoptions. That expansion would preempt some state adoption laws that govern the licensure and approval of adoption service providers who are involved in intercountry adoption services—specifically if the state laws are inconsistent with the federal accreditation and approval requirements. Currently, only intercountry adoptions between the United States and a country that is a party to the Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption are subject to federal accreditation and approval standards. While the preemption would limit the application of state law, CBO estimates that it would impose no duty on state, local, or tribal governments that would result in additional spending.

S. 3331 would impose a private-sector mandate by requiring all providers of placement services for intercountry adoptions to be compliant with the accreditation standards of the Hague Convention. Providers would be required to obtain accreditation through a designated accrediting agency, pay fees associated with obtaining and maintaining accreditation, and purchase insurance to cover potential liabilities associated with conducting adoption services. The initial fees for obtaining accreditation can range between \$10,000 and \$16,000 depending on the size and annual revenue of the entity seeking accreditation. Annual fees to maintain accreditation are less than \$1,000 on average, but are also subject to change based on the revenue of the entity. The cost of liability insurance for adoption agencies varies from state to state and can range between \$10,000 and \$50,000 per year. Based on information gathered from industry professionals, the Department of Health and Human Services, and an accreditation agency, the number of entities that would be affected is relatively small. Therefore, CBO estimates that the aggregate cost of the mandate to the private sector would fall below the annual threshold established in UMRA (\$146 million in 2012, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D’Monte and Jonathan Morancy (for federal costs), J’nell Blanco (for the intergovernmental impact), and Marin Randall (for the impact on the private sector). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.