

BILL ANALYSIS

C.S.H.B. 5302
By: Schatzline
Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that adopting children can involve significant long-term financial and emotional challenges, and while Texas offers some adoption subsidies, these supports may be inadequate to address post-adoption needs. Adoptive families may struggle to access adequate services, especially for children with high behavioral or emotional needs, due to gaps in coverage or limited funding. The bill author has also informed the committee that Texas has a strong network of nonprofit organizations serving children and families, yet there is currently no structured system to integrate private donations, certified nonprofit partners, and state matching funds into a targeted post-adoption support program. C.S.H.B. 5302 seeks to address this gap and leverage public-private partnerships to offer more comprehensive and flexible support for adoptive families by establishing the Texas Post-adoption Assistance Program to provide financial assistance to adoptive families for post-adoption services.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 5302 amends the Family Code to require the comptroller of public accounts to take the following actions:

- establish and administer the Texas Post-adoption Assistance Program for the purpose of encouraging the adoption of children in the Texas foster care system by providing adoptive parents with private sector and public assistance with post-adoption-related expenses;
- select and certify organizations that meet the bill's eligibility requirements to participate in the program; and
- solicit applications and select and approve new certified organizations on an ongoing basis to meet the needs in Texas.

The bill authorizes a certified organization to solicit and accept donations and award post-adoption assistance grants in Texas under the conditions and limitations provided by the bill.

C.S.H.B. 5302 authorizes an organization to apply to the comptroller for certification and makes an organization that meets the following conditions eligible for certification:

- the organization is a 501(c)(3) tax-exempt organization and meets all other applicable requirements for that exemption status;

- the organization's mission includes providing services or other assistance to families, women, or children; and
- the organization agrees, if certified, to assist eligible parents with the payment of post-adoption-related expenses in partnership with the state and to be independently audited on an annual basis and file the audit report with the comptroller.

C.S.H.B. 5302 requires a certified organization to do the following:

- comply at all times with the certification eligibility requirements;
- submit to an annual independent audit under guidelines provided by the comptroller and file the audit report with the comptroller;
- distribute all program money in the manner provided by the bill;
- give each donor a receipt for money donated to the organization that includes the name of the organization, the name of the donor, the amount of the donation, and any other information required by the comptroller; and
- of the amount of money received from donations made by donors for the purpose of providing post-adoption assistance grants:
 - distribute not less than 97 percent in the form of post-adoption assistance grants; and
 - use not more than three percent to pay expenses of operating the organization.

The bill requires the comptroller to revoke a certification if the comptroller finds that a certified organization is not in compliance with these requirements or otherwise intentionally and substantially violates the bill's provisions. The bill prohibits a certified organization from providing post-adoption assistance grants in a manner that does not comply with the bill's provisions.

C.S.H.B. 5302 makes eligible for a post-adoption assistance grant for a state fiscal year a person who meets the following criteria:

- resides in Texas on the date the grant is awarded;
- is an adoptive parent of a child under an adoption order who is younger than 18 years old on September 1 of the state fiscal year in which the grant is awarded and who resided in Texas as part of the Texas foster care system; and
- enters into an agreement with a certified organization under which the person agrees to continue to reside in Texas for not less than six months of each state fiscal year in which the person is awarded a post-adoption assistance grant, use grant money only for the allowed expenditures, and notify the certified organization if the person is no longer eligible for the grant.

C.S.H.B. 5302 sets out the maximum amount of a post-adoption assistance grant awarded for a state fiscal year as follows:

- for an eligible parent or parents who adopt a single child, \$2,000; and
- for an eligible parent or parents who adopt more than one child, \$1,500 for each child.

C.S.H.B. 5302 requires a certified organization, each state fiscal year, to award a number of post-adoption assistance grants, as determined by the organization based on available program money, to eligible parents who apply to the comptroller in the manner prescribed by comptroller rule. The bill makes a person who is awarded a post-adoption assistance grant for a state fiscal year eligible for a post-adoption assistance grant in a subsequent state fiscal year if the person continues to satisfy the eligibility criteria, except that the person may not be awarded the grant for a child after the earlier of the child's 18th birthday or the date the child receives a high school diploma or a high school equivalency certificate.

C.S.H.B. 5302 requires the comptroller by rule to adopt and administer a method by which each post-adoption assistance grant recipient is provided with an account from which the recipient may withdraw or use grant money to pay for the allowed expenditures and by which a certified organization may credit the grant recipient's account with grant money awarded by the

organization. The bill authorizes a grant recipient, each state fiscal year, to carry over to the next year funds remaining in the recipient's account in an amount not to exceed 50 percent of the amount credited to the account for that state fiscal year.

C.S.H.B. 5302 restricts the use of a post-adoption assistance grant by a recipient to expenses related to the following:

- post-adoption behavioral therapy, psychological therapy, or specialized tutoring;
- transportation to allow the child to visit a family member related to the child within the third degree of consanguinity;
- transportation to a therapeutic activity;
- supporting an open adoption agreement;
- therapeutic summer camps or retreats;
- equine or musical therapy;
- respite care; or
- other therapeutic care or activities.

C.S.H.B. 5302 entitles a certified organization that provides money for a post-adoption assistance grant to state matching funds to be used by the organization as additional money for the grant award. If the comptroller determines that the amount appropriated to the comptroller for a state fiscal year is not sufficient to match all assistance grants awarded under the program, the comptroller must continue to perform its other duties with respect to the program without matching grants awarded by a certified organization.

C.S.H.B. 5302 requires the comptroller to adopt rules and procedures to implement, administer, and enforce the bill's provisions.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5302 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced established the Texas Post Adoption Assistance Account Program, the substitute establishes a grant program entitled the Texas Post-adoption Assistance Program. Accordingly, the substitute makes conforming changes to replace the introduced version's references to "post adoption assistance account" with references to the "post-adoption assistance grant."

While both the introduced and the substitute establish certain eligibility criteria for a person to be eligible for post-adoption assistance, the versions differ as follows:

- the substitute specifies that a person is eligible for such assistance for a state fiscal year, which the introduced did not;
- the introduced established the following as eligibility conditions that are absent in the substitute:
 - the person continues to reside in the state of Texas for more than six months out of each calendar year that the post adoption assistance account is utilized;
 - the person ends the adopted child's post adoption assistance account when the child turns eighteen or acquires a G.E.D. or high school diploma;
 - the person carries over no more than 50 percent of the yearly assistant account balance each year;
 - the person uses the assistant account for approved expenditures; and

- the person alerts the certified organization if the family is no longer eligible for the assistant account; and
- the substitute establishes as an eligibility condition that was absent from the introduced that the person must enter into an agreement with a certified organization under which the person agrees to:
 - continue to reside in Texas for not less than six months of each state fiscal year in which the person is awarded a post-adoption assistance grant;
 - use grant money only for allowed expenditures; and
 - notify the certified organization if the person is no longer eligible for the grant.

Whereas the introduced established the maximum amount of a post adoption assistance account to be accessed per year, the substitute establishes the maximum amount of a post-adoption assistance grant awarded for a state fiscal year. Whereas the introduced set the maximum amount provided for each child in a family for which an eligible parent or parents has adopted more than one child or sibling group from the Texas foster care system at \$1,500, the substitute sets the maximum amount awarded for an eligible parent or parents who adopt more than one child at \$1,500.

Both the introduced and substitute provide for the distribution and eligible use of money under the bill's provisions. Whereas the introduced required a certified organization to credit each post adoption assistance account each state fiscal year to eligible parents for certain uses, the substitute requires a certified organization to award a number of post-adoption assistance grants each state fiscal year to eligible parents and restricts the use of the money to certain uses. With respect to the eligible uses of money awarded under the bill's provisions, whereas the introduced included as such an eligible use transportation to visit non adopted siblings and biological family members, the substitute includes as such a use transportation to allow the child to visit a family member related to the child within the third degree of consanguinity.

The substitute includes the following provisions absent from the introduced:

- a provision making a person who is awarded a post-adoption assistance grant for a state fiscal year eligible for a post-adoption assistance grant in a subsequent state fiscal year under certain circumstances;
- the requirement for the comptroller by rule to adopt and administer a method by which each post-adoption assistance grant recipient is provided with an account from which the recipient may withdraw or use grant money to pay for the applicable expenditures and by which a certified organization may credit a post-adoption assistance grant recipient's account with grant money awarded by the organization; and
- an authorization for a grant recipient, each state fiscal year, to carry over to the next year funds remaining in the recipient's account in an amount not to exceed 50 percent of the amount credited to the account for that state fiscal year.