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{ REPORT  
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### INTERCOUNTRY ADOPTION UNIVERSAL ACCREDITATION ACT OF 2012

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NOVEMBER 13, 2012.—Ordered to be printed

Mr. KERRY, from the Committee on Foreign Relations,  
submitted the following

### REPORT

[To accompany S. 3331]

The Committee on Foreign Relations, having had under consideration the bill S. 3331, to provide for universal intercountry adoption accreditation standards, and for other purposes, reports favorably thereon without amendment and recommends that the bill do pass.

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#### I. PURPOSE

The purpose of S. 3331 is to provide for universal intercountry adoption accreditation standards, and for other purposes.

#### II. COMMITTEE ACTION

S. 3331 was introduced by Senators Kerry, Lugar, Landrieu, and Inhofe on June 21, 2012. On September 19, 2012, the committee ordered the bill reported favorably by voice vote.

#### III. DISCUSSION

The purpose of S. 3331 is to provide for universal intercountry adoption accreditation standards. The bill will require any person offering or providing adoption services in connection with a child from a country that is not a party to the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption, done at The Hague on May 29, 1993 (“the Convention”) to adhere to accreditation standards described in the Intercountry Adoption

Act of 2000 (42 U.S.C. 14943) and required previously of any person offering or providing adoption services in connection with a child from a country that is a party to the Convention.

This provision of the bill will be effective 18 months after the date of enactment.

The bill also eliminates section 403, subsection (c) in the Inter-country Adoption Act of 2000 (42 U.S.C. 14943). Striking this section would remove a restriction on funding for an accrediting entity.

#### IV. COST ESTIMATE

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides this estimate of the costs of this legislation prepared by the Congressional Budget Office.

UNITED STATES CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 17, 2012.*

Hon. JOHN F. KERRY,  
*Chairman, Committee on Foreign Relations,  
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3331, the Inter-country Adoption Universal Accreditation Act of 2012.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

DOUGLAS W. ELMENDORF,  
*Director.*

Enclosure.

#### *S. 3331—Inter-country Adoption Universal Accreditation Act of 2012*

S. 3331 would expand the accreditation standards in the Inter-country 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 Inter-country 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 Assist-

ance 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.

## V. EVALUATION OF REGULATORY IMPACT

In accordance with Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has concluded that there will be minimal regulatory impact from this legislation because most of the agencies providing intercountry adoption services have already obtained accreditation by virtue of their work in countries that are parties to the Convention. The State Department estimates that approximately 200 adoption agencies will seek to attain accreditation as a result of this legislation. The committee also notes that the legislation provides for delayed implementation of accreditation requirements.

## VI. CHANGES IN EXISTING LAW

In compliance with Rule XXVI, paragraph 12 of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

**INTERCOUNTRY ADOPTION ACT OF 2000**

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**SEC. 403. AUTHORIZATION OF APPROPRIATIONS; COLLECTION OF FEES**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—(1) **IN GENERAL.**—There are authorized to be appropriated such sums as may be necessary to agencies of the Federal Government implementing the Convention and the provisions of this chapter.

(2) **AVAILABILITY OF FUNDS.**—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(b) **ASSESSMENT OF FEES.**—(1) The Secretary may charge a fee for new or enhanced services that will be undertaken by the Department of State to meet the requirements of this chapter with respect to intercountry adoptions under the Convention and comparable services with respect to other intercountry adoptions. Such fee shall be prescribed by regulation and shall not exceed the cost of such services.

(2) Fees collected under paragraph (1) shall be retained and deposited as an offsetting collection to any Department of State appropriation to recover the costs of providing such services. Such fees shall remain available for obligation until expended.

[(c) **RESTRICTION.**—No funds collected under the authority of this section may be made available to an accrediting entity to carry out the purposes of this chapter.]