

We are at a bit of a crossroads," Mr. Grimm said.

Even in states already operating under sweeping settlements, damage suits are playing a more prominent role. In New York City, where an ambitious child welfare consent decree imposed a moratorium on new class-action lawsuits, the Administration for Children's Services has paid hundreds of thousands of dollars in settlements to fathers who were not notified that their children were in foster care. And city lawyers are negotiating to settle a multi-million-dollar lawsuit over a toddler who was beaten to death by foster parents with a known history of abuse.

But there are perils to trying to turn such cases into a broader crusade in the absence of national allies or deep pockets, said Lawrence Berlin, an Arizona lawyer who has won settlements averaging \$250,000 for a dozen children sexually abused in foster care. His motion to turn the cases of some children into a more powerful class action was denied in federal court after six years of litigation that consumed his practice, he said. The state rejected his offer to settle for systemic changes.

"I'm not saying children haven't been abused," said Tom Prose, an assistant Arizona attorney general in charge of liability cases, who emphasized that the current administration had made child protection a top priority. "The issue is, is it pervasive and are we ignoring it? And my answer to you is, in Arizona, it's neither."

In Florida, where the number of children in foster care has nearly doubled since 1998, to 15,000, the class-action suit contends that foster children are now in greater danger of emotional and physical injury from the state than from the families from which they were taken.

"We had a toddler in a foster home so overcrowded the kid spent the weekend strapped into a car seat," said Marcia Robinson Lowry, the director of Children Rights, a national advocacy organization based in New York, which recently joined the Florida class action.

Among the companion damage suits in Florida are some that highlight the harm flowing from one bad foster home, that of a couple in Hillsborough County. After the couple were arrested in May on 40 felony charges of child abuse and neglect, it emerged that the state had entrusted them with 28 foster children over four years, even as caseworkers recorded their abusive practices.

"My brother has severe problems because of what happened in that home," said Ashley Rhodes-Courter, now 14, who entered foster care at 3 because of her mother's drug problems, and endured 14 placements. She was 7 and her brother 4 during their year in the couple's home.

"He was abused," she said. "He had hot sauce put on his tongue; he was dunked in a bathtub until he was nearly drowned. It was very frightening to watch someone you love being mistreated and you being able to do nothing about it."

For Ashley, a resilient and academically gifted child, there was a happy ending. A family with the love, money and persistence to extract her from the system adopted her in 1998. But her brother, who entered foster care at birth, lives in a treatment center, still waiting for a family capable of coping with the damage he suffered. He is one of 22 plaintiffs in the class action.

Separately, he and Ashley are plaintiffs in damage suits brought or planned against the

state on behalf of all the Hillsborough County couple's former foster children, including the 23 that the state has refused to identify, and 8 the couple adopted with state subsidies who are now back in the foster care system.

Proponents of double-edged litigation say that even if institutional change remains elusive, at least financial help can be won for a few of the children the system has wronged—children like the two Florida sisters, now 17 and 18, who are both literate and both mothers.

"You all hurt me all my life," the older sister told officials in a deposition last year, declaring her determination to keep her own baby daughter out of foster care. "I hate every last one of you."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. REID. Mr. President, parliamentary inquiry. If the bill has not come from the House by the time the Senator from Iowa completes his statement, I ask unanimous consent that the Senator from New York be recognized for 10 minutes. He has been waiting for most of the morning.

The PRESIDING OFFICER. Without objection, it is so ordered. The majority has 5 minutes remaining.

Mr. GRASSLEY. Mr. President, I believe morning business is going to expire at 10:30. Do I need to ask unanimous consent to extend morning business?

The PRESIDING OFFICER. The situation is that the majority has an additional 5 minutes for morning business, after which the Senator from New York will be recognized for 10 minutes.

#### ADOPTION TAX CREDIT

Mr. GRASSLEY. Mr. President, I come to the floor today to discuss a critical issue: adoption of children with special needs. I appreciate the work of my Senate colleagues who cochair the Congressional Coalition on Adoption, Senators CRAIG and LANDRIEU. I thank them for their dedication in furthering adoption. Both have demonstrated their commitment to adoption through word and deed. I respect their efforts and look forward to working with them in the coming years to increase adoptions and to improve the lives of vulnerable children.

The adoption tax credit which passed in 1996 was a step in the right direction. It provided a 5-year credit for adoptions of nonspecial needs children. It provided a permanent credit for adoptions of children with special needs. I commend Senator CRAIG for his efforts to extend the provision relating to nonspecial needs adoptions. As Senator CRAIG mentioned on the floor earlier today, while extending the credit is another step in the right direction, we must not rest on our laurels. There is more to be done especially as it relates to adoption of special needs children. The cost of adoption varies widely. Private or international adoptions can cost as much as \$30,000 per child. In contrast, adoptions

from foster care are often subsidized by the government.

Parents who choose to adopt a child from foster care or through a public agency incur little, if any, expenses related directly to the adoption process. However, they incur a great deal of "incidental" expense related to adoption. The adoption tax credit is available only for "adoption related expenses" which include necessary adoption fees, court costs, and attorneys' fees. This limitation works directly to the disadvantage of families adopting children with special needs, because the credit does not recognize the overwhelming indirect expenses associated with adopting such a child. These expenses might include fitting the home with a ramp for a wheelchair bound child, to cite one example.

When Congress passed the tax credit in 1996, it also directed the U.S. Department of the Treasury to issue a report on the effect of the credit. According to the Treasury report released this month, for tax year 1998, 77,000 adoptions were eligible for a tax credit—31,000 for special needs and 46,000 for non-special needs adoptions. However, of the 31,000 eligible special needs adoptions, only 4,700 received benefits from the tax credit. Compare that with 45,700 of the eligible 46,000 adoptions of non-special needs children that received benefits from the tax credit.

Let me put it another way. The Treasury Department reports 15 percent of eligible special needs adoptions received tax benefits compared with 99 percent of eligible non-special needs adoptions which received tax benefits for 1998. For those wondering why so few special needs adoptions benefited from the tax credit in 1998, here is one reason. Average expenses—allowed by current law—were reported for tax year 1998 as \$3,540 per special needs adoption and \$5,890 per nonspecial needs adoption. When you look at these expenses, it is clear that increasing the amount of the tax credit for special needs adoptions will have little to no impact on families seeking to adopt special needs children.

I view this as one of the flaws in current law that must be fixed. Let me be clear: I support the extension of the tax credit for non-special needs adoption. I also support taking a hard look at how the current tax credit impacts special needs adoptions. I urge my colleagues to consider the impact of the tax credit on families adopting special needs children. Again, I commend Senators CRAIG and LANDRIEU for their efforts on behalf of vulnerable children.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like to associate myself with the remarks of my friends from Iowa and Louisiana on this matter. The Finance Committee is very much concerned