



United States Senate
COMMITTEE ON FINANCE

Daniel Patrick Moynihan
Ranking Minority Member

To: Nicole R.

From: Doug Steiger

Total Pages (including cover): 2

Fax #: _____

Date: _____

Time: _____

Comments: FYI - George W.'ll piece on

Wilson's proposals

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THE LAST WORD

A GI BILL FOR MOTHERS

At last, an idea to pour programmatic content into the often hollow phrase 'family values'

BY GEORGE F. WILL

ALTHOUGH HIS CULTURED DESPISERS ARE LOATH TO admit it, and he was probably ambivalent about it, Richard Nixon skimmed more cream off the American professoriate than most presidents have done, packing his administration with, among others, Henry Kissinger and Pat Moynihan (Harvard), James Schlesinger (University of Virginia), George Shultz (University of Chicago) and Arthur Burns (Columbia). Yet Moynihan, Nixon's urban affairs adviser, insistently, and for a long time unsuccessfully, urged Nixon to consult with another professor, then at Harvard. Finally Moynihan prevailed by exclaiming, "Mr. President, James Q. Wilson is the smartest man in the United States. The president of the United States should pay attention to what he has to say."

Since then, many officials, from mayors through presidents, have done so, and recently the large Washington audience at the American Enterprise Institute's annual Francis Boyer Lecture did so. Wilson, who has recently retired from UCLA, gave Washington, a proudly practical city, a demonstration of the unity of theory and practice. He offered a theory about why America is materially better off but spiritually worse off than it was not long ago. And he suggested programmatic responses, one of which has the potential to make "family values" a matter for practical rather than merely rhetorical treatment by the political class.

Wilson's worry, and much of the nation's, is that America is being poisoned by a subculture that is both cause and consequence of many children's being born to unwed girls, raised in neighborhoods where there are more male sexual predators than committed fathers, and who matriculate, as it were, into gang life for protection and self-advancement. It is a subculture "armed to the teeth, excited by drugs, preoccupied with respect, and indifferent to the future. Its children crowd our schools and fill our streets, armed and dangerous." It is dominated by "young, marginally employed, sexually adventuresome, socially aggressive young men who reject the idea of hard work and social conformity that made their elders successful." As "bastardy has become more common, children more criminal, and marriages less secure," policymakers have tried this and that. "Much has happened but little has changed."

However, Wilson does note one change: more than half the public, and 70 percent of Americans under 35, think no shame should attach to having children out of wedlock. That fact is surely related to this one: social pathologies have multiplied during a burst of wealth-creation without precedent in world history. America's poverty problem is not one of material scarcities but of abundant bad behavior. Wilson, seconding William Galston, says there are three simple behavioral rules for avoiding poverty: finish high school, produce no child before

marrying, and no child before age 20. Only 8 percent of families who conform to all three rules are poor; 79 percent of those who do not conform are poor.

In recent decades there has been some pertinent social learning. We have learned that the trajectory of a child's life is largely determined in the earliest years. "The human personality emerges early, if it is to be shaped," Wilson says, "it must be shaped early." The best predictor of a child's flourishing is the fervent devotion of two parents. Wilson warns that if the work requirements of the 1996 welfare reform are implemented, young mothers will be told to spend much of each week away from their children who, "already fatherless, will now not even be raised by their mothers."

Wilson's ameliorative ideas for American families include making adoption easier in order to minimize foster care. ("The average foster child lives with three different families, and ten or more placements are not rare.") Another idea is to require unmarried teenage mothers to live with their babies in a home supervised by experienced mothers. A third idea is this: given that religiosity and decency are correlated, and given that it is a reasonable surmise that the former causes the latter,



and given the remarkable success of a religious-based program like Alcoholics Anonymous, and given the evidence that religious programs in prisons reduce recidivism—given all this, large cities should have "the religious equivalent of the United Fund" to deliver services for the underclass through churches.

However, the most intriguing idea suggested by Wilson, which he credits to Richard and Crandon Gill, pertains to parents outside as well as inside the underclass. It would offer the equivalent of the GI Bill for a parent—usually a mother—who will postpone a career until children reach school age.

No parent, Wilson says, can "have it all," and in the clash between family and work, the former must be favored. "If we care about how children are raised in their early years, and if, as is now the case, how they are raised is left to overwhelmed women or institutional arrangements, the only way we can restore the balance is by committing money to the task of inducing actions that were once the products of spontaneous arrangements." Hence a GI Bill-style educational entitlement that would enable a parent who stays home with a young child to finish school, attend college or graduate school, or take technical training courses after the child's most formative years.

The original GI Bill's benefits were entitlements of a sterner sort than we have become used to. They were linked to services rendered—services of the most serious sort, involving war. A new version of that entitlement would compensate a parent who forgoes earnings in order to render the vital social function of putting children on the path to social competence.

Politics has come to seem demoralizingly disconnected from practicality because leaders have been unable to connect their rhetoric with programs. They have failed to find ways for government to get a grip on the nation's principal problem—the consensuing of the culture that is produced by the brew of toxic behaviors associated with family decomposition. With reference to "family values," Wilson and the social scientists he cites are pointing to a way for the political class to reacquire relevance.

Summary of the Enhancing Family Life Act of 1998

Senator Moynihan introduced the Enhancing Family Life Act of 1998 bill on September 24, 1998. The bill would create a grant program for career development and retraining after a period of child rearing. These grants could be used to pay the cost of attendance at institutions of higher education or for expenses incurred in obtaining a secondary school diploma or recognized equivalent.

TANF or SS?

Any custodial parent of a child under the age of six who has no earned income and is not receiving Social Security benefits is eligible to receive a grant, if his or her yearly income is \$75,000 or less. For parents with incomes of \$50,000 or less, the parent would receive a parent grant equal to the maximum Pell Grant for each child under six. For parents with incomes between \$50,000 and \$75,000, the parent would receive a parent grant equal to 1/2 of the maximum Pell Grant for each child under six.

Parent grants would be disbursed in the same manner as Pell Grants, except that parents who use parent grants to pay for expenses relating to secondary education would obtain the funds directly from the federal government. Eligibility and administration of the parent grant program would be quite different from the Pell Grant program.

Parent grants can be used anytime within 15 years after they are awarded. Multiple grants may be used in the same year, and single grants may be used over multiple years. Parents may not earn parent grants during years in which they use a parent grant.

Issues Raised by the Bill:

- Parent grants are not well targeted. Providing these potentially large grants to families with up to \$75,000 of income makes little sense when funding for highly targeted Pell Grants is limited.
- The program would be difficult for the Department of Education to administer. The program is fundamentally different from the Pell Grant program, because these grants could be used for up to fifteen years. The Department is not in a good position to verify whether parents stayed out of the workforce to take care of their children and what family incomes were up to 15 years ago.
- The program would be subject to abuse. It would be difficult to monitor use of funds up to 15 years later, and it is not clear what happens if accumulated grants exceed total education costs.
- The program requires an appropriation, but nothing in the bill provides how grants would be awarded if an appropriation is insufficient to cover the demand. Although we do not have a cost estimate at this time, this program is potentially very expensive.
- Parent grants would compensate parents heavily for the number of children they have.

rather than the amount of time that they are out of the workforce or their need for further education to later obtain employment. For example, a parent of twins would receive a parent grant that is twice as large as a parent of a single child who stayed out of the workforce for the same amount of time.

- There is no cap on the amount of a parent grant. Accordingly, parents of large families could receive very large grants. For example, a parent of six children could receive 36 times the maximum Pell Grant award -- which is over \$100,000.
- Highly educated parents who do not need education or training to reenter the workforce would be eligible for these grants.
- Providing funding for secondary education is typically a state and local role. Providing federal funds directly to students for this purpose may subject the Department to abuse of the program -- it would be difficult for the Department to verify whether the student actually incurred educational costs and whether the student actually enrolled in a secondary program without school involvement.

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TO: Jen Klein

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PAGES (including cover page): 3

FROM: Pauline Abernathy
Senior Advisor to the Deputy Secretary

RE: Jen -- Attached per your request are some initial comments from staff on the Moynihan proposal. They raise some design concerns, which could likely be addressed, but also raise some more fundamental concerns. For example, I think the higher education community and student groups would raise extremely strong objections to giving middle class parents large grants for education while denying them to others with lower incomes and no children. The community is very concerned that so many families have to take out very large loans for college either because Pell Grants are not large enough or their incomes are above the Pell cut off (generally \$30 k).

This paper does not raise it, but we would also want to think how this interacts with proposals for vouchers for private secondary education -- something the Secretary is very concerned about and Senator Moynihan is not.

Sorry I don't have more positive feedback for you, but hope this is helpful. Please let me know what you think.

September 25, 1998

To: Interested Persons

Fr: Mary Bourdette

Re: Senator Moynihan's Family Policy Bill

S.2518

not in record

Senator Moynihan (D-NY) recently introduced the Enhancing Family Life Act of 1998. Attached is his introductory statement and a short summary of the bill. Please distribute this to interested staff and we will convene a meeting in the near future to discuss it.

Thanks

cc: Rich Tarplin
Lauren Higgins
Olivia Golden
John Monahan
Joan Lombardi
Carol Williams
Maddie Mocko

Doug Steyer <http://Thomas.loc.gov>
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The "Enhancing Family Life Act of 1998"
(Based on the 1997 Francis Boyer Lecture by Professor James Q. Wilson)
Brief Description of Provisions

Section 1. Short Title

This Act may be cited as the "Enhancing Family Life Act of 1998."

Section 2. Findings

The Congressional findings support the importance of families in society and social policy.

Title I — Assistance for Children

Section 101. "Second Chance Homes"

The bill would provide \$45 million annually to establish or expand "second chance" maternity homes for unwed teenage mothers. These are group homes where mothers live with their children under adult supervision and strict rules while learning good parenting skills.

Section 102. Adoption Promotion

The bill would expand the number of "special needs" children in foster care for which federal adoption subsidies are available. It "de-links" eligibility for these subsidies from the income level of the foster child's biological parents. (Under current law, a foster child determined to have special needs only qualifies for a federal adoption subsidy if the child's birth parents are welfare-eligible.) The subsidies would help adoptive parents meet the particular emotional and physical challenges of troubled children and so they can provide the children permanent homes.

In addition, last year's "Adoption and Safe Families Act" authorizes the Department of Health and Human Services to grant child welfare demonstration waivers to ten states each year. The bill would reserve three of each ten waivers to states wishing to test "per capita" approaches to finding permanent homes for children in foster care, as Kansas has done. Under a per capita approach, states or localities contract on a fixed sum basis with agencies to reunite foster children with their biological families or place them with adoptive parents. Because the agency, typically a non-profit social service agency, receives a fixed sum per child (rather than unlimited reimbursement of costs) the agency may settle the child in a permanent home more quickly.

Section 103. Early Childhood Development

The bill provides \$3.75 billion over five years for collaborative early childhood development programs. Recent research has demonstrated the importance of the earliest years in a child's life in the child's intellectual and emotional development. States could use the funds for

home visiting programs, parenting education, high-quality child care, and preventive health services. States would have great flexibility in deciding which services to provide.

Section II -- "Parent Grants"

The bill would create a new education assistance program to provide grants to parents who choose to remain at home with young children. The grants would allow parents to obtain the training, or re-training, needed to prosper and advance careers after a period of time outside the labor force. A custodial parent with children under the age of six and no earned income, welfare, or SSI receipt would be eligible to receive a benefit equivalent to the largest Pell Grant available for that year (about \$2,700 in FY 1998). The benefit -- to be called a "Parent Grant" -- could only be used for expenses associated with post-secondary education or completion of high school. Parents could accumulate grants (one for each year outside of the labor market) but would be required to use the grant within 15 years of the year for which the grant was earned. Eligibility would be subjected to income limits (\$75,000/year maximum, subject to revision on the basis of cost estimates). The program would be administered by the Education Department, in parallel with Pell Grants and other financial aid programs.

**Statement by Senator Daniel Patrick Moynihan
on the Introduction of the Enhancing Family Life Act of 1998**

September 24, 1998

Mr. President:

I rise today to introduce the Enhancing Family Life Act of 1998, a bill inspired by an extraordinary set of proposals by one of our nation's most eminent social scientists, Professor James Q. Wilson. On December 4, 1997, I had the honor of hearing Professor Wilson -- who is an old and dear friend -- deliver the Francis Boyer Lecture at the American Enterprise Institute (AEI). The Boyer Lecture is delivered at AEI's annual dinner by a thinker who has "made notable intellectual or practical contributions to improved public policy and social welfare." Previous Boyer lecturers have included Irving Kristol, Alan Greenspan, and Henry Kissinger. In his lecture, Professor Wilson argued that "two nations" now exist within the United States. He said:

In one nation, a child, raised by two parents, acquires an education, a job, a spouse, and a home kept separate from crime and disorder by distance, fences, or guards. In the

other nation, a child is raised by an unwed girl, lives in a neighborhood filled with many sexual men but few committed fathers, and finds gang life to be necessary for self-protection and valuable for self-advancement.

Sadly, this is an all-too-accurate portrait of the American underclass, the problems of which have been the focus of decades of unsuccessful welfare reform and crime control efforts. We have tried a great many "solutions," as Professor Wilson notes:

Congress has devised community action, built public housing, created a Job Corps, distributed Food Stamps, given federal funds to low-income schools, supported job training, and provided cash grants to working families.

Yet still we are faced with two nations. Professor Wilson explains why: "[t]he family problem lies at the heart of the emergence of two nations." He notes that as our families become weaker -- as more and more American children are born outside of marriage and raised by one, not two, parents -- the foundation of our

society becomes weaker. And it grows increasingly difficult for government to address the problems of that "second nation." Professor Wilson even quotes the Senator from New York to this effect: "If you expect a government program to change families, you know more about government than I do."

Even so, Jim Wilson, quite characteristically, has fresh ideas about what might help. On the basis of recent scholarly research, and common sense, he urged in the Boyer Lecture that we refocus our attention on the vital period of early childhood. I was so impressed with his Lecture that afterward I set about writing a bill to put his recommendations into effect.

The Enhancing Family Life Act of 1998 contains four key elements, all of which are related to families. First, it supports "second chance" maternity homes for unwed teenage mothers. These are group homes where young women would live with their children under strict adult supervision and have the support necessary to become productive members of society. The bill provides \$45 million a year to create such homes or expand existing ones.

Second, it promotes adoption. The bill expands the number of children in foster care eligible for federal adoption incentives. Too many children drift in foster care; we should do more to find them permanent homes. The bill also encourages states to experiment with "per capita" approaches to finding these permanent homes

for foster children, a strategy Kansas has used with success.

Third, it funds collaborative early childhood development programs. Recent research has reminded us of the critical importance of the first few years of a child's life. States would have great flexibility in the use of these funds; for example, the money could be used for pre-school programs for poor children or home visits of parents of young children. It provides \$3.75 billion over five years for this purpose.

Finally, the legislation creates a new education assistance program to enable more parents to remain home with young children. A parent who temporarily leaves the work force to raise a child would be eligible for an educational grant, similar to the Pell Grant, to help the parent enter, or re-enter, the labor market with skills and credentials necessary for success in today's economy once the child is older.

Mr. President, this bill is a starting point. It is what Professor James Q. Wilson and I believe just might make a difference. We would certainly welcome the comments of others. And I would commend to the attention of Senators and other interested persons the full text of Professor Wilson's lecture "Two Nations," which is available from my office or from the American Enterprise Institute. I ask that a summary of the legislation be included in the Record.

105TH CONGRESS
2D SESSION

S. 2518

To enhance family life.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 1998

Mr. MOYNIHAN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To enhance family life.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Enhancing Family Life Act of 1998”.

6 (b) TABLE OF CONTENTS.—The table of Contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—ASSISTANCE FOR CHILDREN

Sec. 101. Second chance homes.

Sec. 102. Adoption promotion.

Sec. 103. Early childhood development.

TITLE II—PARENT GRANTS

Sec. 201. Parent grants.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The family is the foundation of public life.

4 (2) The proportion of illegitimate births to
5 teenagers has increased astronomically from 13 per-
6 cent of such births in 1950 to 76 percent of such
7 births in 1996.

8 (3) Children in one-parent families are more at
9 risk for many types of anti-social behavior.

10 (4) The future of children is crucially deter-
11 mined during the first few years of life.

12 **TITLE I—ASSISTANCE FOR**
13 **CHILDREN**

14 **SEC. 101. SECOND CHANCE HOMES.**

15 (a) IN GENERAL.—Title XX of the Social Security
16 Act (42 U.S.C. 1397–1397f) is amended by adding at the
17 end the following:

18 **“SEC. 2008. SECOND CHANCE HOMES.**

19 **“(a) ENTITLEMENT.—**

20 **“(1) IN GENERAL.—**In addition to any payment
21 under sections 2002 and 2007, beginning with fiscal
22 year 1999, each State shall be entitled to funds
23 under this section for each fiscal year for the estab-
24 lishment, operation, and support of second chance

1 homes for custodial parents under the age of 19 and
2 their children.

3 “(2) PAYMENT TO STATES.—

4 “(A) IN GENERAL.—Each State shall be
5 entitled to payment under this section for each
6 fiscal year in an amount equal to its allotment
7 (determined in accordance with subsection (b))
8 for such fiscal year, to be used by such State
9 for the purposes set forth in paragraph (1).

10 “(B) TRANSFERS OF FUNDS.—The Sec-
11 retary shall make payments in accordance with
12 section 6503 of title 31, United States Code, to
13 each State from its allotment for use under this
14 section.

15 “(C) USE.—Payments to a State from its
16 allotment for any fiscal year must be expended
17 by the State in such fiscal year or in the suc-
18 ceeding fiscal year.

19 “(D) TECHNICAL ASSISTANCE.—A State
20 may use a portion of the amounts described in
21 subparagraph (A) for the purpose of purchasing
22 technical assistance from public or private enti-
23 ties if the State determines that such assistance
24 is required in developing, implementing, or ad-

1 ministering the program funded under this sec-
2 tion.

3 “(3) SECOND CHANCE HOMES.—For purposes
4 of this section, the term ‘second chance homes’
5 means an entity that provides custodial parents
6 under the age of 19 and their children with a sup-
7 portive and supervised living arrangement in which
8 such parents would be required to learn parenting
9 skills, including child development, family budgeting,
10 health and nutrition, and other skills to promote
11 their long-term economic independence and the well-
12 being of their children. A second chance home may
13 also serve as a network center for other supportive
14 services that might be available in the community.

15 “(b) ALLOTMENT.—

16 “(1) CERTAIN JURISDICTIONS.—The allotment
17 for any fiscal year to Puerto Rico, Guam, the United
18 States Virgin Islands, American Samoa, and the
19 Northern Mariana Islands shall be an amount that
20 bears the same ratio to the amount specified under
21 paragraph (3) as the allotment that the jurisdiction
22 receives under section 2003(a) for the fiscal year
23 bears to the total amount specified for such fiscal
24 year under section 2003(c).

1 “(2) OTHER STATES.—The allotment for any
2 fiscal year for each State other than Puerto Rico,
3 Guam, the United States Virgin Islands, American
4 Samoa, and the Northern Mariana Islands shall be
5 an amount which bears the same ratio to—

6 “(A) the amount specified under para-
7 graph (3); reduced by

8 “(B) the total amount allotted for that fis-
9 cal year under paragraph (1),
10 as the allotment that the State receives under sec-
11 tion 2003(b) for the fiscal year bears to the total
12 amount specified for such fiscal year under section
13 2003(c).

14 “(3) AMOUNT SPECIFIED.—The amount speci-
15 fied for purposes of paragraphs (1) and (2) shall be
16 \$40,000,000 for fiscal year 1999 and each succeed-
17 ing fiscal year thereafter.

18 “(c) LOCAL INVOLVEMENT.—Each State shall seek
19 local involvement from the community in any area in
20 which a second chance home receiving funds pursuant to
21 this section is to be established. In determining criteria
22 for targeting funds received under this section, each State
23 shall evaluate the community’s commitment to the estab-
24 lishment and planning of the home.

25 “(d) LIMITATIONS ON THE USE OF FUNDS.—

1 “(1) CONSTRUCTION.—Except as provided in
2 paragraph (2), funds made available under this sec-
3 tion may not be used by the State, or any other per-
4 son with which the State makes arrangements to
5 carry out the purposes of this section, for the pur-
6 chase or improvement of land, or the purchase, con-
7 struction, or permanent improvement (other than
8 minor remodeling) of any building or other facility.

9 “(2) WAIVER.—The Secretary may waive the
10 limitation contained in paragraph (1) upon the
11 State’s request for such a waiver if the Secretary
12 finds that the request describes extraordinary cir-
13 cumstances to justify the waiver and that permitting
14 the waiver will contribute to the State’s ability to
15 carry out the purposes of this section.

16 “(e) TREATMENT OF INDIAN TRIBES.—

17 “(1) IN GENERAL.—An Indian tribe may apply
18 to the Secretary to establish, operate, and support
19 adult-supervised group homes for custodial parents
20 under the age of 19 and their children in accordance
21 with an application procedure to be determined by
22 the Secretary. Except as otherwise provided in this
23 subsection, the provisions of this section shall apply
24 to Indian tribes receiving funds under this sub-
25 section in the same manner and to the same extent

1 as the other provisions of this section apply to
2 States.

3 “(2) ALLOTMENT.—If the Secretary approves
4 an Indian tribe’s application, the Secretary shall
5 allot to such tribe for a fiscal year an amount which
6 the Secretary determines is the Indian tribe’s fair
7 and equitable share of the amount specified under
8 paragraph (3) for all Indian tribes with applications
9 approved under this subsection (based on allotment
10 factors to be determined by the Secretary). The Sec-
11 retary shall determine a minimum allotment amount
12 for all Indian tribes with applications approved
13 under this subsection. Each Indian tribe with an ap-
14 plication approved under this subsection shall be en-
15 titled to such minimum allotment.

16 “(3) AMOUNT SPECIFIED.—The amount speci-
17 fied under this paragraph for all Indian tribes with
18 applications approved under this subsection is
19 \$5,000,000 for fiscal year 1999 and each succeeding
20 fiscal year thereafter.

21 “(4) INDIAN TRIBE DEFINED.—In this section,
22 the term ‘Indian tribe’ means any Indian tribe,
23 band, nation, pueblo, or other organized group or
24 community, including any Alaska Native entity
25 which is recognized as eligible for the special pro-

1 grams and services provided by the United States to
2 Indian tribes because of their status as Indians.

3 “(f) RESEARCH AND EVALUATION.—

4 “(1) IN GENERAL.—The amount appropriated
5 to carry out this section for each fiscal year shall be
6 increased by 2 percent and the Secretary shall re-
7 serve an amount equal to that increase to pay for
8 the costs of conducting, through grant, contract, or
9 interagency agreement, research and evaluation
10 projects regarding the second chance homes funded
11 under this section. In conducting such projects, the
12 Secretary shall give priority to projects that are un-
13 dertaken by independent and impartial organiza-
14 tions.

15 “(2) REPORT.—Not later than 4 years after the
16 date of enactment of this section, the Secretary shall
17 submit a report to Congress on the research and
18 evaluation projects conducted in accordance with
19 this subsection.”.

20 (b) RECOMMENDATIONS ON USE OF GOVERNMENT
21 SURPLUS PROPERTY.—Not later than 6 months after the
22 date of the enactment of this Act, the Secretary of Health
23 and Human Services, after consultation with the Secretary
24 of Defense, the Secretary of Housing and Urban Develop-
25 ment, and the Administrator of the General Services Ad-

1 ministration, shall submit recommendations to Congress
2 on the extent to which surplus properties of the United
3 States Government may be used for the establishment of
4 second chance homes receiving funds under section 2008
5 of the Social Security Act, as added by subsection (a).

6 **SEC. 102. ADOPTION PROMOTION.**

7 (a) ADOPTION OF CHILDREN WITH SPECIAL
8 NEEDS.—

9 (1) IN GENERAL.—Section 473(a) of the Social
10 Security Act (42 U.S.C. 673(a)) is amended by
11 striking paragraph (2) and inserting the following:

12 “(2)(A) For purposes of paragraph (1)(B)(ii), a child
13 meets the requirements of this paragraph if such child—

14 “(i) prior to termination of parental rights and
15 the initiation of adoption proceedings was in the
16 care of a public or licensed private child care agency
17 or Indian tribal organization either pursuant to a
18 voluntary placement agreement (provided the child
19 was in care for not more than 180 days) or as a re-
20 sult of a judicial determination to the effect that
21 continuation in the home would be contrary to the
22 safety and welfare of such child, or was residing in
23 a foster family home or child care institution with
24 the child’s minor parent (either pursuant to such a

1 voluntary placement agreement or as a result of
2 such a judicial determination); and

3 “(ii) has been determined by the State pursuant
4 to subsection (c) to be a child with special needs,
5 which needs shall be considered by the State, to-
6 gether with the circumstances of the adopting par-
7 ents, in determining the amount of any payments to
8 be made to the adopting parents.

9 “(B) Notwithstanding any other provision of law, and
10 except as provided in paragraph (7), a child who is not
11 a citizen or resident of the United States and who meets
12 the requirements of subparagraph (A) shall be treated as
13 meeting the requirements of this paragraph for purposes
14 of paragraph (1)(B)(ii).

15 “(C) A child who meets the requirements of subpara-
16 graph (A), who was determined eligible for adoption as-
17 sistance payments under this part with respect to a prior
18 adoption (or who would have been determined eligible for
19 such payments had the Adoption and Safe Families Act
20 of 1997 been in effect at the time that such determination
21 would have been made), and who is available for adoption
22 because the prior adoption has been dissolved and the pa-
23 rental rights of the adoptive parents have been terminated
24 or because the child’s adoptive parents have died, shall be

1 treated as meeting the requirements of this paragraph for
2 purposes of paragraph (1)(B)(ii).”.

3 (2) EXCEPTION.—Section 473(a) of the Social
4 Security Act (42 U.S.C. 673(a)) is amended by add-
5 ing at the end the following:

6 “(7)(A) Notwithstanding any other provision of this
7 subsection, no payment may be made to parents with re-
8 spect to any child that—

9 “(i) would be considered a child with special
10 needs under subsection (c);

11 “(ii) is not a citizen or resident of the United
12 States; and

13 “(iii) was adopted outside of the United States
14 or was brought into the United States for the pur-
15 pose of being adopted.

16 “(B) Subparagraph (A) shall not be construed as pro-
17 hibiting payments under this part for a child described
18 in subparagraph (A) that is placed in foster care subse-
19 quent to the failure, as determined by the State, of the
20 initial adoption of such child by the parents described in
21 such subparagraph.”.

22 (3) REQUIREMENT FOR USE OF STATE SAV-
23 INGS.—Section 473(a) of the Social Security Act (42
24 U.S.C. 673(a)), as amended by subsection (b), is
25 amended by adding at the end the following:

1 “(8) A State shall spend an amount equal to the
 2 amount of savings (if any) in State expenditures under
 3 this part resulting from the application of paragraph (2)
 4 on and after the effective date of the amendment to such
 5 paragraph made by section 4(a) of the Enhancing Family
 6 Life Act of 1998 to provide to children or families any
 7 service (including post-adoption services) that may be pro-
 8 vided under this part or part B.”.

9 (b) PER CAPITA CHILD WELFARE DEMONSTRATION
 10 PROJECTS.—Section 1130(a)(2) of the Social Security Act
 11 (42 U.S.C. 1320a–9(a)(2)) is amended—

12 (1) by striking “The Secretary” and inserting
 13 the following:

14 “(A) IN GENERAL.—The Secretary”; and

15 (2) by adding at the end the following:

16 “(B) RESERVATION.—Of the 10 dem-
 17 onstration projects authorized under this sub-
 18 section for each of fiscal years 1999 through
 19 2002, the Secretary, upon receipt of an appro-
 20 priate application, shall approve at least 3 dem-
 21 onstration projects in each of such fiscal years
 22 that are designed to test a per capita approach
 23 for the successful resolution of a foster care
 24 placement under which a private entity con-
 25 tracts for a fixed amount to either restore a

1 child in foster care to the child's parent or par-
 2 ents or locate an adoptive placement for the
 3 child.”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall take effect on October 1, 1998.

6 **SEC. 103. EARLY CHILDHOOD DEVELOPMENT.**

7 Title IV of the Social Security Act (42 U.S.C. 601
 8 et seq.) is amended by adding at the end the following:

9 **“PART F—ASSISTANCE FOR YOUNG CHILDREN**

10 **“SEC. 480. DEFINITIONS.**

11 “In this part:

12 “(1) LOCAL EDUCATIONAL AGENCY.—The term
 13 ‘local educational agency’ has the meaning given
 14 that term in section 14101 of the Elementary and
 15 Secondary Education Act of 1965 (20 U.S.C. 8801).

16 “(2) POVERTY LINE.—The term ‘poverty line’
 17 means the poverty line (as defined by the Office of
 18 Management and Budget, and revised annually in
 19 accordance with section 673(2) of the Community
 20 Services Block Grant Act (42 U.S.C. 9902(2)) appli-
 21 cable to a family of the size involved.

22 “(3) STATE BOARD.—The term ‘State board’
 23 means a State Early Learning Coordinating Board
 24 established under section 481(c).

1 “(4) YOUNG CHILD.—The term ‘young child’
2 means an individual from birth through age 5.

3 “(5) YOUNG CHILD ASSISTANCE ACTIVITIES.—
4 The term ‘young child assistance activities’ means
5 the activities described in paragraphs (1) and (2)(A)
6 of section 482(b).

7 **“SEC. 481. ALLOTMENTS TO STATES.**

8 “(a) IN GENERAL.—The Secretary shall make allot-
9 ments under subsection (b) to eligible States to pay for
10 the Federal share of the cost of enabling the States to
11 make grants to local collaboratives under section 482 for
12 young child assistance activities.

13 “(b) ALLOTMENT.—

14 “(1) IN GENERAL.—From the funds appro-
15 priated under section 484 for each fiscal year and
16 not reserved under subsection (i), the Secretary shall
17 allot to each eligible State an amount that bears the
18 same relationship to such funds as the total number
19 of young children in poverty in the State bears to
20 the total number of young children in poverty in all
21 eligible States.

22 “(2) YOUNG CHILD IN POVERTY.—In this sub-
23 section, the term ‘young child in poverty’ means an
24 individual who—

25 “(A) is a young child; and

1 “(B) is a member of a family with an in-
2 come below the poverty line.

3 “(c) STATE BOARDS.—

4 “(1) IN GENERAL.—In order for a State to be
5 eligible to obtain an allotment under this part, the
6 chief executive officer of the State shall establish, or
7 designate an entity to serve as, a State Early Learn-
8 ing Coordinating Board, which shall receive the al-
9 lotment and make the grants described in section
10 482.

11 “(2) ESTABLISHED BOARD.—A State board es-
12 tablished under paragraph (1) shall consist of the
13 chief executive officer of the State and members ap-
14 pointed by such chief executive officer, including—

15 “(A) representatives of all State agencies
16 primarily providing services to young children
17 in the State;

18 “(B) representatives of business in the
19 State;

20 “(C) chief executive officers of political
21 subdivisions in the State;

22 “(D) parents of young children in the
23 State;

1 “(E) officers of community organizations
2 serving low-income individuals, as defined by
3 the Secretary, in the State;

4 “(F) representatives of State nonprofit or-
5 ganizations that represent the interests of
6 young children in poverty, as defined in sub-
7 section (b), in the State;

8 “(G) representatives of organizations pro-
9 viding services to young children and the par-
10 ents of young children, such as organizations
11 providing child care, carrying out Head Start
12 programs under the Head Start Act (42 U.S.C.
13 9831 et seq.), providing services through a fam-
14 ily resource center, providing home visits, or
15 providing health care services, in the State; and

16 “(H) representatives of local educational
17 agencies.

18 “(3) DESIGNATED BOARD.—The chief executive
19 officer of the State may designate an entity to serve
20 as the State board under paragraph (1) if the entity
21 includes the chief executive officer of the State and
22 the members described in subparagraphs (A)
23 through (G) of paragraph (2).

24 “(4) DESIGNATED STATE AGENCY.—The chief
25 executive officer of the State shall designate a State

1 agency that has a representative on the State board
2 to provide administrative oversight concerning the
3 use of funds made available under this part and en-
4 sure accountability for the funds.

5 “(d) APPLICATION.—To be eligible to receive an allot-
6 ment under this part, a State board shall annually submit
7 an application to the Secretary at such time, in such man-
8 ner, and containing such information as the Secretary may
9 require. At a minimum, the application shall contain—

10 “(1) sufficient information about the entity es-
11 tablished or designated under subsection (c) to serve
12 as the State board to enable the Secretary to deter-
13 mine whether the entity complies with the require-
14 ments of such subsection;

15 “(2) a comprehensive State plan for carrying
16 out young child assistance activities;

17 “(3) an assurance that the State board will pro-
18 vide such information as the Secretary shall by regu-
19 lation require on the amount of State and local pub-
20 lic funds expended in the State to provide services
21 for young children; and

22 “(4) an assurance that the State board shall
23 annually compile and submit to the Secretary infor-
24 mation from the reports referred to in section

1 482(d)(2)(F)(iii) that describes the results referred
2 to in section 482(d)(2)(F)(i).

3 “(e) FEDERAL SHARE.—

4 “(1) IN GENERAL.—The Federal share of the
5 cost described in subsection (a) shall be—

6 “(A) 85 percent, in the case of a State for
7 which the Federal medical assistance percent-
8 age (as defined in section 1905(b)) is not less
9 than 50 percent but is less than 60 percent;

10 “(B) 87.5 percent, in the case of a State
11 for which such percentage is not less than 60
12 percent but is less than 70 percent; and

13 “(C) 90 percent, in the case of any State
14 not described in subparagraph (A) or (B).

15 “(2) STATE SHARE.—

16 “(A) IN GENERAL.—The State shall con-
17 tribute the remaining share (referred to in this
18 paragraph as the ‘State share’) of the cost de-
19 scribed in subsection (a).

20 “(B) FORM.—The State share of the cost
21 shall be in cash.

22 “(C) SOURCES.—The State may provide
23 for the State share of the cost from State or
24 local sources, or through donations from private
25 entities.

1 “(f) STATE ADMINISTRATIVE COSTS.—

2 “(1) IN GENERAL.—A State may use not more
3 than 5 percent of the funds made available through
4 an allotment made under this part to pay for a por-
5 tion, not to exceed 50 percent, of State administra-
6 tive costs related to carrying out this part.

7 “(2) WAIVER.—A State may apply to the Sec-
8 retary for a waiver of paragraph (1). The Secretary
9 may grant the waiver if the Secretary finds that un-
10 usual circumstances prevent the State from comply-
11 ing with paragraph (1). A State that receives such
12 a waiver may use not more than 7.5 percent of the
13 funds made available through the allotment to pay
14 for the State administrative costs.

15 “(g) MONITORING.—The Secretary shall monitor the
16 activities of States that receive allotments under this part
17 to ensure compliance with the requirements of this part,
18 including compliance with the State plans.

19 “(h) ENFORCEMENT.—If the Secretary determines
20 that a State that has received an allotment under this part
21 is not complying with a requirement of this part, the Sec-
22 retary may—

23 “(1) provide technical assistance to the State to
24 improve the ability of the State to comply with the
25 requirement;

1 “(2) reduce, by not less than 5 percent, an al-
2 lotment made to the State under this section, for the
3 second determination of noncompliance;

4 “(3) reduce, by not less than 25 percent, an al-
5 lotment made to the State under this section, for the
6 third determination of noncompliance; or

7 “(4) revoke the eligibility of the State to receive
8 allotments under this section, for the fourth or sub-
9 sequent determination of noncompliance.

10 “(i) RESERVATION OF FUNDS.—

11 “(1) TECHNICAL ASSISTANCE.—From the funds
12 appropriated under section 484 for each fiscal year,
13 the Secretary shall reserve not more than 1 percent
14 of the funds to pay for the costs of providing tech-
15 nical assistance. The Secretary shall use the re-
16 served funds to enter into contracts with eligible en-
17 tities to provide technical assistance to local
18 collaboratives that receive grants under section 482
19 relating to the functions of the local collaboratives
20 under this part.

21 “(2) RESEARCH AND EVALUATION.—

22 “(A) IN GENERAL.—From the funds ap-
23 propriated under section 484 for each fiscal
24 year, the Secretary shall reserve 2 percent of
25 the funds to pay for the costs of conducting,

1 through grant, contract, or interagency agree-
2 ment, research and evaluation projects regard-
3 ing the young child assistance activities funded
4 with amounts made available in accordance with
5 the requirements of this part. In conducting
6 such projects, the Secretary shall give priority
7 to projects that are undertaken by independent
8 and impartial organizations.

9 “(B) REPORT.—Not later than 4 years
10 after the date of enactment of this part, the
11 Secretary shall submit a report to Congress on
12 the research and evaluation projects conducted
13 in accordance with this paragraph.

14 **“SEC. 482. GRANTS TO LOCAL COLLABORATIVES.**

15 “(a) IN GENERAL.—A State board that receives an
16 allotment under section 481 shall use the funds made
17 available through the allotment, and the State contribu-
18 tion made under section 481(e)(2), to pay for the Federal
19 and State shares of the cost of making grants, on a com-
20 petitive basis, to local collaboratives to carry out young
21 child assistance activities.

22 “(b) USE OF FUNDS.—A local collaborative that re-
23 ceives a grant made under subsection (a)—

1 “(1) shall use funds made available through the
2 grant to provide, in a community, activities that con-
3 sist of education and supportive services, such as—

4 “(A) home visits for parents of young chil-
5 dren;

6 “(B) services provided through community-
7 based family resource centers for such parents;
8 and

9 “(C) collaborative pre-school efforts that
10 link parenting education for such parents to
11 early childhood learning services for young chil-
12 dren; and

13 “(2) may use funds made available through the
14 grant—

15 “(A) to provide, in the community, activi-
16 ties that consist of—

17 “(i) activities designed to strengthen
18 the quality of child care for young children
19 and expand the supply of high quality child
20 care services for young children;

21 “(ii) health care services for young
22 children, including increasing the level of
23 immunization for young children in the
24 community, providing preventive health
25 care screening and education, and expand-

1 ing health care services in schools, child
2 care facilities, clinics in public housing
3 projects (as defined in section 3(b) of the
4 United States Housing Act of 1937 (42
5 U.S.C. 1437a(b))), and mobile dental and
6 vision clinics;

7 “(iii) services for children with disabil-
8 ities who are young children; and

9 “(iv) activities designed to assist
10 schools in providing educational and other
11 support services to young children, and
12 parents of young children, in the commu-
13 nity, to be carried out during extended
14 hours when appropriate; and

15 “(B) to pay for the salary and expenses of
16 the administrator described in subsection (e)(4),
17 in accordance with such regulations as the Sec-
18 retary shall prescribe.

19 “(c) MULTI-YEAR FUNDING.—In making grants
20 under this section, a State board may make grants for
21 grant periods of more than 1 year to local collaboratives
22 with demonstrated success in carrying out young child as-
23 sistance activities.

1 “(d) LOCAL COLLABORATIVES.—To be eligible to re-
2 ceive a grant under this section for a community, a local
3 collaborative shall demonstrate that the collaborative—

4 “(1) is able to provide, through a coordinated
5 effort, young child assistance activities to young chil-
6 dren, and parents of young children, in the commu-
7 nity; and

8 “(2) includes—

9 “(A) all public agencies primarily providing
10 services to young children in the community;

11 “(B) businesses in the community;

12 “(C) representatives of the local govern-
13 ment for the county or other political subdivi-
14 sion in which the community is located;

15 “(D) parents of young children in the com-
16 munity;

17 “(E) officers of community organizations
18 serving low-income individuals, as defined by
19 the Secretary, in the community;

20 “(F) community-based organizations pro-
21 viding services to young children and the par-
22 ents of young children, such as organizations
23 providing child care, carrying out Head Start
24 programs, or providing pre-kindergarten edu-

1 cation, mental health, or family support serv-
2 ices; and

3 “(G) nonprofit organizations that serve the
4 community and that are described in section
5 501(c)(3) of the Internal Revenue Code of 1986
6 and exempt from taxation under section 501(a)
7 of such Code.

8 “(e) APPLICATION.—To be eligible to receive a grant
9 under this section, a local collaborative shall submit an
10 application to the State board at such time, in such man-
11 ner, and containing such information as the State board
12 may require. At a minimum, the application shall con-
13 tain—

14 “(1) sufficient information about the entity de-
15 scribed in subsection (d)(2) to enable the State
16 board to determine whether the entity complies with
17 the requirements of such subsection; and

18 “(2) a comprehensive plan for carrying out
19 young child assistance activities in the community,
20 including information indicating—

21 “(A) the young child assistance activities
22 available in the community, as of the date of
23 submission of the plan, including information
24 on efforts to coordinate the activities;

1 “(B) the unmet needs of young children,
2 and parents of young children, in the commu-
3 nity for young child assistance activities;

4 “(C) the manner in which funds made
5 available through the grant will be used—

6 “(i) to meet the needs, including ex-
7 panding and strengthening the activities
8 described in subparagraph (A) and estab-
9 lishing additional young child assistance
10 activities; and

11 “(ii) to improve results for young chil-
12 dren in the community;

13 “(D) how the local cooperative will use at
14 least 60 percent of the funds made available
15 through the grant to provide young child assist-
16 ance activities to young children and parents
17 described in subsection (f);

18 “(E) the comprehensive methods that the
19 collaborative will use to ensure that—

20 “(i) each entity carrying out young
21 child assistance activities through the col-
22 laborative will coordinate the activities with
23 such activities carried out by other entities
24 through the collaborative; and

1 “(ii) the local collaborative will coordi-
2 nate the activities of the local collaborative
3 with—

4 “(I) other services provided to
5 young children, and the parents of
6 young children, in the community;
7 and

8 “(II) the activities of other local
9 collaboratives serving young children
10 and families in the community, if any;
11 and

12 “(F) the manner in which the collaborative
13 will, at such intervals as the State board may
14 require, submit information to the State board
15 to enable the State board to carry out monitor-
16 ing under section 481(g), including the manner
17 in which the collaborative will—

18 “(i) evaluate the results achieved by
19 the collaborative for young children and
20 parents of young children through activi-
21 ties carried out through the grant;

22 “(ii) evaluate how services can be
23 more effectively delivered to young children
24 and the parents of young children; and

1 “(iii) prepare and submit to the State
2 board annual reports describing the re-
3 sults;

4 “(3) an assurance that the local collaborative
5 will comply with the requirements of subparagraphs
6 (D), (E), and (F) of paragraph (2), and subsection
7 (g); and

8 “(4) an assurance that the local collaborative
9 will hire an administrator to oversee the provision of
10 the activities described in paragraphs (1) and (2)(A)
11 of subsection (b).

12 “(f) DISTRIBUTION.—In making grants under this
13 section, the State board shall ensure that at least 60 per-
14 cent of the funds made available through each grant are
15 used to provide the young child assistance activities to
16 young children (and parents of young children) who reside
17 in school districts in which half or more of the students
18 receive free or reduced price lunches under the National
19 School Lunch Act (42 U.S.C. 1751 et seq.).

20 “(g) LOCAL SHARE.—

21 “(1) IN GENERAL.—The local collaborative shall
22 contribute a percentage (referred to in this sub-
23 section as the ‘local share’) of the cost of carrying
24 out the young child assistance activities.

1 “(2) PERCENTAGE.—The Secretary shall by
2 regulation specify the percentage referred to in para-
3 graph (1).

4 “(3) FORM.—The local share of the cost shall
5 be in cash.

6 “(4) SOURCE.—The local collaborative shall
7 provide for the local share of the cost through dona-
8 tions from private entities.

9 “(5) WAIVER.—The State board shall waive the
10 requirement of paragraph (1) for poor rural and
11 urban areas, as defined by the Secretary.

12 “(h) MONITORING.—The State board shall monitor
13 the activities of local collaboratives that receive grants
14 under this part to ensure compliance with the require-
15 ments of this part.

16 **“SEC. 483. SUPPLEMENT NOT SUPPLANT.**

17 “Funds appropriated under this part shall be used
18 to supplement and not supplant other Federal, State, and
19 local public funds expended to provide services for young
20 children.

21 **“SEC. 484. AUTHORIZATION OF APPROPRIATIONS.**

22 “There are authorized to be appropriated to carry out
23 this part—

24 “(1) \$250,000,000 for fiscal year 1999;

25 “(2) \$500,000,000 for fiscal year 2000;

1 “(3) \$1,000,000,000 for each of fiscal years
2 2001 through 2003; and

3 “(4) such sums as may be necessary for fiscal
4 year 2004 and each subsequent fiscal year.”.

5 **TITLE II—PARENT GRANTS**

6 **SEC. 201. PARENT GRANTS.**

7 (a) PURPOSE.—It is the purpose of this section to
8 provide parents with grants for career development and
9 retraining after a period of child rearing.

10 (b) PROGRAM AUTHORITY AND METHOD OF DIS-
11 TRIBUTION.—

12 (1) IN GENERAL.—From amounts appropriated
13 under subsection (f), the Secretary of Education (in
14 this section referred to as the “Secretary”) may pay
15 to each eligible institution such sums as may be nec-
16 essary to pay to each qualifying parent for each aca-
17 demic year that the qualifying parent is in attend-
18 ance at an institution of higher education, a parent
19 grant, in an amount determined in accordance with
20 subsection (c), for each child for which the qualify-
21 ing parent remains outside the labor force.

22 (2) QUALIFYING PARENT.—In this section, the
23 term “qualifying parent” means an individual who—

24 (A) is the custodial parent of a child under
25 the age of 6;

1 (B) has no earned income as defined in
2 section 32(c)(2) of the Internal Revenue Code
3 of 1986; and

4 (C) is not receiving assistance under a
5 State program funded under part A of title IV
6 of the Social Security Act (42 U.S.C. 601 et
7 seq.) or supplemental security income benefits
8 under title XVI of the Social Security Act (42
9 U.S.C. 1381 et seq.).

10 (3) DISTRIBUTION.—Funds under this section
11 shall be disbursed and made available to qualifying
12 parents in the same manner as Federal Pell Grants
13 are disbursed and made available to institutions of
14 higher education and students under subpart 1 of
15 part A of title IV of the Higher Education Act of
16 1965 (20 U.S.C. 1070a et seq.), except that in the
17 case of a parent grant awarded to a qualifying par-
18 ent for expenses incurred in obtaining a secondary
19 school diploma or its recognized equivalent, the Sec-
20 retary shall make the grant funds available to the
21 qualifying parent.

22 (c) AMOUNT.—

23 (1) IN GENERAL.—Subject to paragraph (2),
24 the amount of a parent grant for which a qualifying

1 parent is eligible under this section for an academic
2 year is equal to—

3 (A) in the case of a qualifying parent with
4 an annual income of \$50,000 or less, the maxi-
5 mum amount of the Federal Pell Grant award-
6 ed under subpart 1 of part A of title IV of the
7 Higher Education Act of 1965 for such year;
8 and

9 (B) in the case of a qualifying parent with
10 an annual income of more than \$50,000 but
11 not more than \$75,000, $\frac{1}{2}$ of the maximum
12 amount of the Federal Pell Grant so awarded
13 for such year.

14 (2) SPECIAL RULES.—

15 (A) CALENDAR YEAR AWARDS.—A qualify-
16 ing parent is eligible for a parent grant under
17 this section for each complete calendar year the
18 parent is outside the labor force, except that
19 the Secretary shall prorate the amount for
20 which the qualifying parent is eligible for the
21 first year in which a child is born if the qualify-
22 ing parent is outside the labor force for at least
23 4 months of the calendar year in which the
24 child is born.

1 (B) SIMULTANEOUS AWARDS.—A qualify-
 2 ing parent is eligible for a parent grant simulta-
 3 neously for each child for which the parent re-
 4 mains outside the labor force.

5 (C) LIMITATION.—The Secretary shall not
 6 award a qualifying parent a parent grant for
 7 any period the parent remains outside the labor
 8 force to pursue education with a parent grant
 9 awarded under this section.

10 (d) USES.—

11 (1) IN GENERAL.—A parent grant awarded
 12 under this section—

13 (A) shall be used not later than 15 years
 14 after the year for which the grant is awarded;
 15 and

16 (B) shall be used to pay—

17 (i) the cost of attendance (as deter-
 18 mined in accordance with section 472 of
 19 the Higher Education Act of 1965 (20
 20 U.S.C. 1087ll)) at an institution of higher
 21 education (as defined in section 481 of
 22 such Act (20 U.S.C. 1088)); or

23 (ii) for expenses incurred in obtaining
 24 a secondary school diploma or its recog-
 25 nized equivalent.

1 (2) AGGREGATION OF AWARDS.—A qualifying
2 parent may aggregate parent grants awarded for
3 more than 1 year or more than 1 child for use in
4 a single academic year.

5 (3) ROLLOVER.—A qualifying parent may use
6 any grant funds awarded for an academic year that
7 are not used in the academic year, for use in a sub-
8 sequent academic year, subject to paragraph (1)(A).

9 (e) RESEARCH AND EVALUATION.—

10 (1) IN GENERAL.—From the amounts appro-
11 priated to carry out this section for each fiscal year,
12 the Secretary shall reserve 2 percent of such
13 amounts to pay for the costs of conducting, through
14 grant, contract, or interagency agreement, research
15 and evaluation projects regarding the parent grants
16 awarded in accordance with the requirements of this
17 section. In conducting such projects, the Secretary
18 shall give priority to projects that are undertaken by
19 independent and impartial organizations.

20 (2) REPORT.—Not later than 4 years after the
21 date of enactment of this section, the Secretary shall
22 submit a report to Congress on the research and
23 evaluation projects conducted in accordance with
24 this subsection.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 such sums as may be necessary for fiscal year 1999 and
4 each succeeding fiscal year. . .

○

~~Conrad~~

Conrad welfare bill '96

Kerry / Bond

- insured - finance

No Dear Colleagues

Jan re-intro

Adoption

* few hundred mil.

450 mil /

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Kansas - priv. - 3 waivers - each yr.

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disconnect - child welfare

Orle saving

welfare

philosophical change

Second Chance Homes

Teen Living Program:

2007/5

Florence Crittenton homes (MA)

subsidy

Wilson cited

* states -

Danville

(Salvatore)
Amy

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- turn of life, first. 1 ant - ab - in.

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Conrad welfare bill '96

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George Will - column - education

Parent Grant

no idea - cost

no pricing



United States Senate
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So should we all. AEI's 1997 Boyer Award is presented—

To James Q. Wilson
Exemplary student and proponent
Of the American experiment in self-government
From its moral foundations to its practical operations
Which, he has shown, must be understood together.

1. "A Guide to Reagan Country: The Political Culture of Southern California," *Commentary* (May 1967), reprinted in *On Character: Essays by James Q. Wilson*, AEI Press (exp'd. ed. 1995), pp. 75, 89.

TWO NATIONS

James Q. Wilson

1997 Francis Boyer Lecture
Delivered at the Annual Dinner of the
American Enterprise Institute
December 4, 1997

We live in a nation confident of its wealth and proud of its power, yet convinced that this wealth cannot prevent and this power cannot touch a profound corrosion of our cultural soul. We are materially better off than our parents but spiritually worse off.

The poorest Americans today live a better life than all but the richest persons a hundred years ago. But despite this great wealth we inhabit, as Disraeli said a century ago, "two nations, between whom there is no intercourse and no sympathy; who are as ignorant of each other's habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets." The two nations of which he wrote were the rich and the poor. But the great production and more even distribution of wealth that we achieved have altered the principle on which our nation is divided. Our money, our generosity, and our public spending have left us still with two nations, but separated by law and custom more than by wealth or favor. As Disraeli said, these worlds are "ordered by different manners, and are not governed by the same laws."

The American sociologist, Elijah Anderson, has put the matter more bluntly: In our big cities, the middle-class, both white and black, thinks of itself as the outcome of the great tradition of Western culture, but nearby, there is a second culture of young, marginally employed, sexually adventuresome, socially aggressive young men who reject the idea of hard work and social conformity that made their elders successful. For some, decent jobs are hard to find, but for at least as many the effort to find and hold such jobs as exist has disappeared.

In one nation, a child, raised by two parents, acquires an education, a job, a spouse, and a home kept separate from crime and disorder by distance, fences, or guards. In the other nation, a child is raised by an unwed girl, lives in a neighborhood filled with many sexual men but few committed fathers, and finds

gang life to be necessary for self-protection and valuable for self-advancement. In the first nation, children look to the future and believe that they control what place they will occupy in it; in the second, they live for the moment and think that fate, not plans, will shape their lives. In both nations, harms occur, but in the second they proliferate—child abuse and drug abuse, gang violence and personal criminality, economic dependency and continued illegitimacy.

For decades our society has tried to make one nation out of two by changing everything—except the family. We have transferred money from the young to the old to make retirement easier and from rich to poor to make poverty bearable. Congress has devised community action, built public housing, created a Job Corps, distributed Food Stamps, given federal funds to low-income schools, supported job training, and provided cash grants to working families. States have created new approaches to reducing welfare rolls and bureaucrats have designed affirmative action programs. We are still two nations.

Consider our efforts to rebuild families by training mothers to finish school and get jobs. When the programs were evaluated, not much had happened. The effects on the mothers were modest. Most stayed on welfare and new pregnancies were not reduced. Even tougher programs have slight effects. When Florida imposed a two-year time limit on welfare, there was a small increase in employment but no reduction in welfare payments.

Our frequent bursts of good intentions have had little discernible effect on the central problems of our time. Bastardy has become more common, children more criminal, and marriages less secure. Much has happened but little has changed. The rate at which teenage girls produced out-of-wedlock births was 13 percent in 1950, 30 percent in 1970, 67 percent in 1990, and 76 percent in 1994.

The family problem lies at the heart of the emergence of two nations. We wish people to work and to learn more in school. But there have been times in our history when unemployment was high and public schools barely existed. Yet in those days we were not two culturally opposed nations. Boys did not carry guns on the street, people were not shot to get expensive sneakers, drugs did not dominate our urban life, and students who had gone to school could actually read and write. Today, we are vastly richer, but the money has not purchased public safety, racial comity, or educational achievement.

The reason, I think, is clear: it is not money but the family that is the foundation of public life. As it has become weaker, every structure built upon that foundation has become weaker. When our cultural framework is sagging, the foundation must first be fixed.

The evidence as to the powerful effect of this familial foundation is now so strong that even some sociologists believe it. Children in one-parent families, compared to those in two-parent ones, are twice as likely to drop out of school. Boys in one-parent families are much more likely than those in two-parent ones to be both out of school and out of work. Girls in one-parent families are twice as likely as those in two-parent ones to have an out-of-wedlock birth. These differences are not explained by income. Children in one-parent families are much worse off than those in two-parent families even when both families have the same earnings.

When the Department of Health and Human Services studied some thirty thousand American households, it found that for whites, blacks, and Hispanics and for every income level save the very highest, children raised in single-parent homes were more likely to be suspended from school, to have emotional problems, and to behave badly. Another study showed that white children of an unmarried woman were much more likely than those in a two-parent family to become a delinquent, even after controlling for income.

There is little point in dwelling on these facts; almost every American already understands them. Perhaps because of this understanding, the 1996 Welfare Reform Act is popular. But it not obvious why our fears

about families should make that law seem a solution. If implemented as intended, it will tell young mothers to be working, away from their children for much of each week. These children, already fatherless, will now not even be raised by their mothers.

But though changing welfare is popular, stigmatizing illegitimacy is not. Over half the public, and 70 percent of those under age 35, think that no shame should attach to having an out-of-wedlock child. The stigma that once constrained bastardy has all but disappeared. Because of this, no one should be surprised that no matter how public policy has changed and the business cycle has moved, illegitimacy in the last three decades has increased.

William Galston, a senior White House adviser to President Clinton now teaching at the University of Maryland, has pointed out that you need only do three things to avoid poverty in this country--finish high school, marry before having a child, and produce the child after the age of twenty. Only 8 percent of families who do this are poor; 79 percent of those who fail to do this are poor.

What is to be done? Social science, which for decades denied the importance of the family, may now have a partial answer. Everything we have learned in the last decade about the future of children suggests that the course is largely set in the earliest years. I doubt that many parents would disagree. If you wish to make a lasting difference in a child's life, start very early and intervene quite massively. So popular has this idea become that it has been the subject of television specials and White House pronouncements. The results of these enthusiasms have so far been quite modest. But if early family life is crucial, little will result from installing V chips in television sets or giving tuition tax credits to the families of college students.

Let us begin with a few fundamentals. Children are not raised by programs, governments, or villages; they are raised by two parents who are fervently, even irrationally, devoted to their children's well-being. Though the benefits of two parents are beyond dispute, many children--in some communities, most children--are raised by one parent.

There is, however, evidence that early, intensive intervention can help even the children of single moms. It comes from small, experimental programs that have been competently evaluated. In Ypsilanti, Michigan, the Perry Preschool Project increased the chances that low-income children of welfare mothers would graduate from high school, gain employment, avoid teen pregnancies, and reduce criminality. In North Carolina, the Abecedarian Project found that poor children who received infant day care and family aid services did better in school tests.

These programs are much more intensive than what typically occurs in Project Head Start. In general, they involve both child care, parent training, and home visitations. We are not certain why they are effective or for what kinds of children they are most effective. There are indications they work best for the most disadvantaged children and least well for better-off ones.

We are also uncertain whether one feature of these programs, infant day care, helps or hurts every child. The most recent studies suggest that overall day care does not weaken the attachment between mother and child. But there is evidence that if the mother is doing a poor job of raising the child, some forms of day care may make matters worse.

We don't know whether programs that were successful in the 1960s or 1970s will be equally successful today in cities that have been devastated by drug abuse and gang warfare. And we don't know whether large-scale efforts will produce the same gains as small-scale experiments.

But even after allowing for what we don't know, the striking feature of the best of these small programs is that they produced large and lasting effects on children. They do not make children brighter, but they

make them nicer. They may do this by forging stronger bonds to parents or inculcating a greater confidence in the future. And they do so more effectively than almost any program that tries to change grown children by altering their school experience, providing them with counseling, or sending them to special training programs.

Social science has also begun to suggest that a subject about which social scientists are notoriously reluctant to write--religion--has a significant effect, independent of economic status, in keeping children out of trouble.

Evidence has begun to accumulate that in the inner city, church going males are less likely to commit crimes than are others of the same economic status. There is evidence, suggestive though not yet conclusive, that religious programs in prison reduce criminal recidivism for prison inmates more than what one would find among similar inmates in the same prison.

We do not know whether fostering religion in a child or supporting the youth-saving work of churches will produce the same effects that we now observe in the simple connection between religiosity and decency. But religiosity and decency are correlated; in time we may learn that the former causes the latter.

Let me suggest five things that might be done to enhance family life and thereby reduce the size of the underclass. Each idea is directed at one critical step in family life.

First, the new born child. The infants of unmarried mothers require a home and truly adult care. Suppose that unmarried teenage mothers and their babies were required to live in a home under the supervision of experienced mothers. Some might be the mother's own mother, but many would not because their neglect has fostered their daughter's willingness to produce an illegitimate child. These young mothers would live in homes paid for with public funds but managed by private groups. No alcohol or drugs would be allowed. Boy friends could only visit during approved hours. Every mother would attend school. Learning effective child care would be the central goal; staying off the street would be the central constraint. We would aim at teaching, not self-esteem, but self-respect.

One version of this is now in effect in Massachusetts. Called the Teen Living Program, it enrolls 120 teenage mothers in small residential homes. One is run by the Salvation Army, others by the YWCA, and another by the Crittenton association. A girl can enter in the third trimester of her pregnancy. The average entering girl is fifteen; the average age of a child in it is two years. The girls can leave when they are eighteen and claim regular welfare benefits, but if they leave before they are eighteen, no such benefits are available. While in the program, the young mothers pay into the homes a portion of their welfare benefits and all of their food stamps.

The young mothers are selected because their own mothers cannot provide suitable shelters owing to child abuse, drug problems, or the like. Most fathers are older than the girls and they rarely visit. Some of the girls don't like the rules and leave these homes, but others stay to the limit and come back as alumni. The homes work hard at teaching girls how to be mothers, how to deal effectively with other people, why it is important to get an education, and how to cope with the temptation of drugs.

The program costs \$38,000 per mother, and because the program is new, we don't know whether it makes a difference. These two facts--high costs and unknown results--would doom this program for policy wonks. But it has one great attraction. It directs our energies at infants in the critical years of their lives, when a chance--perhaps the best chance, possibly the only chance--exists for saving them from reproducing the life of abuse and dependency that they would otherwise inherit.

Second, adoption. There are more parents seeking an adopted child than there are children to be adopted.

Research shows that adoptive parents do a better job in raising children than do foster parents. Yet foster care survives, at high cost, while adoption languishes. The reason is the usual combination of bureaucratic inertia and misguided ideology. Most social service bureaucrats have no incentive quickly to place an abandoned child with adoptive parents, many are devoted to the discredited doctrine of family preservation at all costs, and some oppose transracial adoptions.

Foster care--which in many states cost over \$17,000 a year per child--makes little sense. And a good thing, too. The average foster child lives with three different families, and ten or more placements are not rare. Children do this to escape natural parents who are criminals, drug users, or child abusers. Meanwhile thousands of American parents try to adopt children from abroad in order to avoid the miasmic sloth in which domestic adoptions are sunk.

There is an alternative, and Kansas has embraced it. It contracts with private firms to manage child care under a fixed price model that gives each firm a powerful incentive either to restore the child to its natural parents or to find an adoptive home, and to do it quickly.

Third, the child just before school. If the lessons of the Perry preschool program can be generalized to many children, some combination of day care and home visitations may produce the same lasting benefits. We ought to find out.

Fourth, parents who are married. Many need or want to combine a career with a child. To help, I suggest a plan designed by Richard and Grandon Gill. It would offer to a parent (typically, a mother) who wished to work the equivalent of the G.I. Bill of Rights. If you postpone your career and care for the child first--at least until it reaches school age--you will receive an educational benefit. It would enable you to finish high school, or attend college or graduate school, or take technical training courses. People--chiefly, mothers--would be paid a public subsidy for discharging a vital social function. The gains to the recipient's earning powers that flow from greater education would partially compensate the economy--and through higher taxes, the government--for the cost of the subsidy.

Fifth, restoring the force of religion. Religion, independent of social class, reduces deviance. It lies at the heart of programs such as Alcoholics Anonymous, an extraordinary success that no government could have produced and no business could have sold. Hundreds of churches and synagogues across the country already try to produce better people out of discarded humans. Many provide aid to unmarried mothers, picket crack houses, recruit boys into anti-crime activities, and require men to acknowledge the paternity of their children.

It is hard to raise money for religious programs. The government worries about church-state issues that the Supreme Court, without historical warrant, has imposed on it. And when the government does give money to churches, it often attaches to every federal dollar its full litany of rules, demands, and oversight. Business firms do not ordinarily give money to churches at all. Many would rather spend it on associations that attack capitalism.

There are good preachers and bad preachers, church programs that work and ones that do not. We have no way of finding out which is which save by intense personal inquiry.

What we need are privately funded groups that would evaluate the fiscal soundness and programmatic intensity of church efforts, distribute to firms and foundations lists of apparently worthwhile programs, and help raise money for ones that pass this initial screening. We need in each large city the religious equivalent of the United Fund, but one that, unlike the Fund, is focused chiefly on solving the problems of the underclass with church-related activities. Corporate funds would support the healing role of churches.

The policies I have described cost money and have unknown effects. How can I tell the guests of the American Enterprise Institute to spend more money on things about which we know so little?

In a rational world we would take money back from failed programs. Despite the absence of any evidence that federal spending helps schools, we spend over six billion federal dollars a year on schools. Federal job training programs have, at best, modest effects; cut back on them. Nicholas Eberstadt of the American Enterprise Institute has calculated that in 1992 we spent \$290 billion on persons with low incomes--\$5,600 for every man, woman, and child in the lowest fifth of the nation's income ladder. Money exists, but this is a political world, and wasted money is rarely recaptured. But even if more money is required, recall the message of John DiIulio: if you find a man with a knife in his back, you don't make him better just by pulling the knife out. The American people have rejected the welfare state, not because it costs too much, but because it has not helped people.

Our goal is not to enlarge the welfare system but to change it. All about us lies the wreckage of the therapeutic state. It has created, not self-respect, but social dependency. When asked what the government should do to change family structure, Senator Moynihan answered this way: if you expect a government program to change families, you know more about government than I do. Governments can transfer money; they cannot build character. Our best hope is to transfer the money to private agencies--churches, voluntary associations--that have shown in the past a capacity to change people.

The tougher question is what will work. Will anything I have suggested make a difference? I do not know. In my defense I remind you that these policies are consistent with what every parent already knows and what social science belatedly recognizes. The human personality emerges early; if it is to be shaped, it must be shaped early. Investing in early childhood is the most important investment any society can make. We have known that for centuries, but only in modern times have we led many parents--and by money subsidies, encouraged some parents--to avoid making this investment.

No parent, whether father or mother, can "have it all." Choices must be made between family and work. The first must take priority over the second. This choice affects women more profoundly than men because women are closer to their children. The vast majority of all single-parent homes are female headed. This is not the result of a legal arrangement but of human choice. If we care about how children are raised in their early years, and if, as is now the case, how they are raised is left to overwhelmed women or institutional arrangements, the only way we can restore the balance is by committing money to the task of inducing actions that were once the product of spontaneous arrangements.

Religion shapes lives in every culture that has ever existed, and does so more powerfully than the mass media or government programs. Throughout the Western world, political and intellectual elites have abandoned interest in, or acquired a deep hostility to, the force that has given meaning to Western life. To a degree, this was understandable. The Enlightenment, of which we all are part, was created by thinkers who wished to end religious warfare and sectarian authority. But we have done more than end religious warfare; we have tried hard to end religion itself, thereby subjecting much of mankind to a new form of warfare--the hopeless struggle of lonely souls against impulses they can neither understand nor control.

This is a feature of almost all of the western world, and it helps explain why crime rates and illegitimate births have been rising rapidly almost everywhere and not just here.

We live today with the advantages of three centuries of political and intellectual emancipation, but those advantages were purchased at a price. Most of us do not feel that price because we have transformed the teachings of the Enlightenment into personal wealth, political power, social advantage, or intellectual accomplishment. Those who have done so are part of one nation, proud of what freedom has allowed us to achieve.

But there is a second nation, growing more rapidly than the first. It is the nation that has paid heavily the high price of freedom. It is armed to the teeth, excited by drugs, preoccupied with respect, and indifferent to the future. Its children crowd our schools and fill our streets, armed and dangerous.

Cultures grow up out of the countless small choices of millions people. To restore a culture, we must do it retail, not wholesale. We are not fighting the Second World War, we are trying to retake a captured city where the struggle goes on person by person, block by block, building by building.

That struggle may be lost. When a culture changes, policy can rarely change it back. But I am an optimist. America has been told that it would be destroyed by slavery, alcohol, subversion, immigration, civil war, economic collapse, and atom bombs, and it has survived them all. Most people wish to be part of one family and one nation. If we wish to be one nation again, we must make the second one part of the first. We have tried almost everything to do this except for the one thing that matters most--rebuilding the family. However difficult, it is what there is left to try.

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