**Lisa M. Brown@OVP**

**09/28/99 04:03:53 PM**

Record Type: Record

To: Lisa Green/OPD/EOP@EOP
cc:
bcc:
Subject: Re: Charitable Choice

sorry -- I have been swamped. Yes, I'm more than happy to talk to you. either after 6 today or set up a time with Lon my assistant -- he knows my schedule for the next few days better than I do. thx!
Lisa Green@EOP

Lisa Green@EOP
09/28/99 01:03:07 PM

Record Type: Record

To: Lisa M. Brown/OVP@OVP
cc:
Subject: Charitable Choice

When you have a moment I was hoping you might be able to give me some guidance on Charitable Choice. I understand that you are the policy person on this issue for the Vice President and I just had a few questions related to work I'm doing on the New Markets Initiative. If there is someone else in the VP's office that you think I should talk with instead I'd appreciate your passing on that person's contact information.

I will try to reach you again by phone this week. If you have an opportunity to call me I can be reached at 456-2803.

Thank you.

# Taking a Leap of Faith

## Gore joins the choir, saying that faith has a role in public life. How did the idea go mainstream?

By **KAREN TUMULTY** WASHINGTON

AL GORE HAS BEEN SOUNDING POSITIVELY soulful lately. Yes, *that* Al Gore. In campaign appearances the former divinity student talks about the struggle between good and evil, and invokes Jesus Christ's parable of the sower to explain how media violence subverts children. In New Hampshire, Gore compared the alienation of Cain—the first murderer—with the forces that drove two teenagers to commit the same sin in Colorado. He mused to a Washington *Post* columnist that society has finally reached "the end of a 400-year period of allergy to faith."

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George W.'s father might have called them points of light. So how did the approach that Democrats once ridiculed become part of their dogma? It probably happened with the passage in 1996 of welfare reform, a law that shifted government's mission from providing for people to changing them. Included in that law, with quiet support from the White House, was an amendment by Republican Senator John Ashcroft that let churches and religious groups bid on government contracts to provide job training and other services. Since then, Gore has highlighted many of those efforts in his travels as Vice President, touting the prayer and Bible study included in a job-training program in San Antonio, Texas, and the spiritual component in a San Francisco initiative to get welfare mothers off drugs.

Civil liberties groups have raised predictable warnings about introducing religion into government services. But the more interesting criticism comes from some religious organizations themselves, which are worried that they will lose their sense of mission once they have to compete for federal dollars and abide by federal regulations. A Gore supporter put it to him bluntly last week in a letter. "I know you. I like you. You mean well. But this time, as we say in Tennessee and Texas, you've ripped your britches," wrote James Dunn of the Baptist Joint Committee, whose group favors a clear separation between church and state. "The notion that public funds will not alter the religious character of faith-based programs requires a leap of faith that even Kierkegaard could not negotiate."

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PHOTOS: KRAFT—SYGMA (3); FEANNY—SABA; KATZ—GAMMA LIAISON

**DRAFT MEMORANDUM TO GENE SPERLING**

LG — Need to know what was in VP's speech on faith-based organization & what is their view

GS 9/23/99

DATE: September 23, 1999

FROM: LISA GREEN

SUBJECT: CHARITABLE CHOICE and THE AMERICAN COMMUNITY RENEWAL ACT OF 1999 (H.R. 815) - The Talent-Watts Bill

The purpose of this memorandum is to provide an analysis of charitable choice as it relates to the above referenced Talent-Watts bill.

**Background on Charitable Choice**

***Definition:*** Charitable Choice permits congregations or religious organizations to receive funds from the government for the provision of social services without forming independent non profit or 501c3 organizations. The term is also used by some as a reference for any legislative proposal that raises issues of church and state, such as the Religious Liberty Protection Act, which affirms the right to exercise faith even in cases where it conflicts with state or local laws. Legislative proposals that allow prayer in school and posting of the Ten Commandments in public buildings have also been associated with Charitable Choice.

***Charitable Choice and Welfare Reform:*** Charitable Choice is closely identified with the provision outlined in Section 104 of the 1996 welfare reform legislation, the Personal Responsibility and Work Opportunities ~~Reconciliation~~ Act (aka the Welfare Reform Act). Conservative Republican, Senator John Ashcroft from Missouri was the primary advocate for Section 104 when the welfare system was overhauled. Section 104, often referred to as the Charitable Choice provision, permits and requires the following:

- Charitable, religious or private organizations may receive ~~government contracts,~~ vouchers or other funding to ~~provide services~~ under Temporary Assistance for Need Families (TANF), Medicaid, Supplemental Security Income and Food Stamps.
- Religious organizations are permitted to receive such funding on the same basis as any other non-governmental provider. In other words, if a state elects to allow independent social service providers to be an eligible recipient of funds for such programs, then it may not exclude providers because of their religious practices.
- If a faith based organization is selected as a provider of government-financed social services, its religious expression and identity may not be censored or otherwise diminished on account of its participation in the welfare program. A series of specific protections are provided to ensure that the religious character of the provider is not impaired as it may relate to
    1) employment policy (i.e. exemption from the ban against religious discrimination in hiring);
    2) maintenance of religious environment (i.e. religious art, icons, scripture or other symbols); and
    3) control over the definition, development, practice and expression of religious beliefs.

**Charitable Choice Provisions in the American Community Renewal Act**

***Summary:*** As you know, The American Community Renewal Act would provide for up to 100 renewal communities designated through a competitive process similar to that of the current Empowerment Zone and Enterprise Community (EZ/EC) Programs. Renewal Communities would be eligible for grants numerous tax incentives including zero percent capital gains, commercial revitalization tax credits, expensing for small businesses and Brownfields, expansion of the work opportunity tax credit, and family development accounts.

In addition, the bill provides for Charitable Choice, by allowing religious organizations to:

1) be a provider of services for substance abuse programs that receive federal funds
2) be designated as award recipients for grants outlined in the bill
3) make designated sub-awards to other public or private entities
4) provide for the provision of program service (for substance abuse) through the use of voucherized assistance

The bill also includes the same rights for a religious organization that are contained in Section 104 of the Welfare Reform Act, as outlined above.

**The Current Debate on Charitable Choice**

***Opposing Viewpoints:*** The current debate centers primarily around these two opposing views:

1) Charitable Choice weakens restrictions on evangelism by tax-supported charities and allows for discrimination of protected groups. Thus, it threatens the ability of social services (funded or supported by the government) to be equitably distributed to those in need without infringement on their personal beliefs.
2) Charitable Choice is a way to encourage and expand the involvement of the independent sector (including faith-based organizations) in the delivery of government supported social services. Religious charities are very effective service providers and their efforts to solve social welfare problems should be supported by the federal government.

***Legal Issues:*** There are several legal issues raised by Charitable Choice. The goal in section 104 of the Welfare Reform Act was to strike a balance between protections for both religious organizations and welfare recipients. Issues include:

1) First Amendment. Constitutional and case law deal extensively with the question of whether providing government funding to religious organizations violates the First Amendment. Many hold firm that section 104 complies with the law. However, there have not yet been court challenges to the law.
2) Rights of Beneficiaries. Section 104 does include a provision that if a beneficiary objects to receiving social services from a religious provider he or she has the right to receive services from another provider. The state must ensure that alternative assistance is of no lesser value and that beneficiaries are aware of the range of providers. **This provision is not included in the American Community Renewal Act.**

3) Preemption of State Law. There are many states with constitutions that restrict the expenditure of public funds by religious organizations. The Supremacy Clause of the U.S. Constitution, provides that rights granted by congressional action preempt any state or local laws to the contrary.

***Advocates:*** Both liberal Democrats and conservative Republicans have supported Charitable Choice. Supporters include some religious organizations that currently provide social services in poor and distressed communities, although the reactions of faith based institutions have been mixed. A poll of 1,200 religious groups showed that while only 3 percent receive government funding now, 36 percent would consider applying for it under Charitable Choice.

***Opponents:*** Critics of Charitable Choice believe that it blurs the separation of church and state and that it allows government funded church programs to practice religious discrimination. Not suprisingly, the American Civil Liberties Union is firmly against Charitable Choice. There are also some religious organizations that believe Charitable Choice threatens their autonomy and the secular nature of state-run agencies. Others are concerned that faith-based institutions will be left holding the bag if government transfers its social service responsibilities and then withdraws financial support when the economy runs into trouble. Charitable Choice is also opposed by gay rights activists who argue that it allows religious organizations to discriminate on a religious basis for employment purposes. As an example, a Catholic social service agency could give certain jobs only to priests or require heterosexual marriage for employees.

## States and Charitable Choice

There are many states that have chosen to create their own local versions of Charitable Choice as it relates to funding of religious organizations. Attached is an article that summarizes some of these programs. Texas has been one of the most proactive states in encouraging state agencies to allow Charitable Choice.

## Conclusions and Next Steps

I have requested additional information from several Charitable Choice "experts" within the Administration. We will convene a group next week to specifically address the Charitable Choice provisions in the American Community Renewal Act. In addition I have asked Cynthia Rice, from DPC to review the American Community Renewal Act and outline how it compares to Section 104 of the Welfare Reform Act as soon as possible. My understanding is that an interagency working group (which included Justice) underwent a painstaking clearance process for Section 104, prior to the introduction of the Welfare Reform Act. There continue to be mixed opinions among and within agencies about the legal and policy issues presented by Charitable Choice. However, it is noteworthy that in our initial analysis of the American Renewal Act, none of the agencies involved in the New Markets Initiative (HUD, Treasury, and SBA) raised Charitable Choice as a concern. I recommend that I continue to do research prior to our reaching any conclusions on an Administration position on this issue. Please advise.

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# A Guide to Charitable Choice

## *An Overview of Section 104*

## Responding to a Need

The goal of Section 104 of the 1996 federal welfare-reform legislation is to expand the involvement of the independent sector, including faith-based organizations, in the delivery of government-supported social services. A large proportion of nongovernmental providers of assistance to the needy are faith-based nonprofit organizations. Some are affiliated with churches, synagogues, mosques, or temples. Others, though self-standing, are inspired by religious beliefs and were established to carry out a religious mission of care for the poor and needy.

These religious charities are among the most effective providers of help and are typically willing to serve even the most distressed families and neighborhoods. They are flexible, take a personal approach, are deeply committed to the needy, and provide help that is guided by a moral code and evokes personal responsibility. Such assistance is particularly important when individuals, families, and communities are mired in long-term poverty and self-destructive patterns of behavior.[1]

Many faith-based providers currently participate in government-funded programs. However,they have been subject to governmental pressures to downplay or discard their religious emphases. Many other faith-based organizations are wary about involvement with the government because they fear they might lose their religious character and independence.[2] Section 104 invites the increased involvement of religious organizations in the provision of social services while safeguarding their religious character, which is the very source of their genius and success.

## General Principles

Four basic principles undergird the provisions of Section 104:

1. In seeking to help the needy, government may and should involve nongovernmental organizations. Government is not the only source of services for the public. Civil society is comprised of many independent organizations, including secular and religious nonprofit organizations, that serve public purposes. Today, as well as in the past, a large part of the independent sector consists of faith-based charities and congregations that operate programs of service to the poor. Government should support the efforts of such nongovernmental organizations, which are close to those needing help and able to provide assistance that is personal, morally grounded, efficient, and successful. As long as the nongovernmental organizations further public purposes of fighting poverty, government violates no constitutional rule by including faith-based providers in the mix of independent-sector organizations that collaborate with its programs.

2. When government arranges payment to nongovernmental organizations for the provision of services to the needy, such providers do not thereby become "beneficiaries" of "governmental assistance." Rather, it is the poor and needy whom they serve who are the beneficiaries of the governmental assistance. Government's intention, and its chief effect, in involving faith-based as well as nonreligious charities in its welfare programs, is to more effectively and efficiently help those in need.

3. Government is constitutionally required not to "establish" any church or faith. It must not take the side of any one of the many faiths of its citizens. However, the establishment clause of the First Amendment does not require, and has not been interpreted by the Supreme Court to mean, that faith-based social-service organizations must censor their religious expression or give up their religious identity in order to take part in government programs. Indeed, the First Amendment secures the right of religious expression, which may not be subjected to discriminatory treatment by government. Thus, so long as a welfare program has as its object the public purpose of society's betterment, and so long as the program is equally open to all providers, faith-based and nonreligious, then the constitutional requirement that the law be neutral is fully satisfied.

4. In addition to protecting the religious character of providers of services, the First Amendment protects the religious liberties of beneficiaries of such services. Beneficiaries may not be compelled to turn to faith-based providers in order to receive authorized services. To protect beneficiaries, the government should provide an alternative for those who object to faith-based providers.

# Basic Rules

In order to fulfill these general guidelines for expanding the involvement of faith-based and nonreligious organizations in the provision of social services, Section 104 sets down four practical rules of law:

1. If a state elects to involve independent-sector providers in the delivery of social services, then it may not exclude providers because of their religious character.

2. If a faith-based organization is selected as a provider of government-financed social services, its religious expression and identity may not be censored or otherwise diminished on account of its participation in the welfare program

3. A faith-based provider may not discriminate against a beneficiary on the basis of religion nor require the beneficiary to actively participate in religious practices.

4. If a beneficiary objects to receiving social services from a faith-based provider, then he or she has a right to obtain services from another provider.

# Detailed Analysis

In this analysis, the eleven subsections of Section 104 are arranged under eight subject headings. References in brackets are to specific subsections of Section 104. The full text of Section 104 is printed in the Appendix.

1. **Programs Covered**
   Section 104 applies most notably to state programs implemented under the Temporary Assistance for Needy Families (TANF) program, which is the replacement for Aid to Families with Dependent Children (AFDC) [see subsection (a)(2)(A)].[3] TANF replaces AFDC with a framework in which states receive federal funds through block grants to design and operate their own welfare programs, consistent with certain federal rules, including Section 104. TANF involves more than just certifying eligibility for, and disbursing, welfare checks. The intent is that states will develop a range of programs to assist the poor and needy to become self-sufficient. The goals of TANF are well suited to extensive involvement by nongovernmental organizations, including churches and

other faith-based organizations, that have been successful in moving people from dependence to self-reliance. Section 104 also applies to the food stamp, Medicaid, and Supplemental Security Income (SSI) programs to the extent that these can be implemented by the states through purchase-or-service contracts or voucher arrangements with nongovernmental service providers.[1] (Contracts and vouchers are discussed in the next part.)

Under the Charitable Choice provision, states may contract with, or develop a voucher system involving, both secular and faith-based organizations that provide a wide range of services, such as

- Work. Faith-based providers or neighborhood groups could provide subsidized jobs or community service positions, on-the-job training, job-search help, job-readiness preparation, job-skills training, vocational education training, or GED programs.
- Food. Churches, synagogues, or other religious institutions could provide subsidized meals, operate food pantries, or offer nutrition, shopping, or food-budgeting help.
- Maternity Homes. For unmarried minor mothers and expectant mothers who cannot remain with their parents, states may collaborate with nongovernmental groups to provide maternity homes, adult-supervised residential care, second-chance homes, or other suitable living arrangements.
- Medical and Health Services. Faith-based providers and other nongovernmental organizations could provide abstinence education, drug- and alcohol-treatment programs, vocational rehabilitation services, or health clinics.

## 2. Financial Arrangements with Service Providers

Section 104 authorizes two types of governmental financial arrangements with independent providers [see subsection (a)(1)]. One is **purchase-of-service** contracts by which government pays providers to deliver specified services. Such contracts involve governmental provision of assistance to beneficiaries by means of the government dealing "directly" with providers. The other type of financial arrangement consists of government-provided **certificates, vouchers, or other forms of disbursement** which a needy person may redeem for services at whichever eligible provider he or she may choose. In this second case, government is providing assistance to beneficiaries by dealing "indirectly" with independent providers and directly with beneficiaries.

In the case of TANF, states are authorized to use both "direct" and "indirect" means of paying for services provided by independent organizations [subsection (a)(2)(A)]. For other programs subject to Section 104, the provisions of the respective programs determine whether states are authorized to use "direct," "indirect," or both forms of financial relations [subsection (a)(2)(B)].2.

## 3. Inclusion of Faith-based Providers

Section 104 leaves it up to the states whether to involve independent-sector providers of social services or to provide all services through government agencies [subsection (a)(1)]. However, if a state elects to involve any independent-sector providers, then it may not exclude religious providers from consideration. Section 104 requires that in selecting providers the state may not discriminate on account of a potential provider's religious character [subsection (c)].

## 4. Rights of Faith-based Providers

A primary purpose of Section 104 is to permit states to involve faith-based providers of social services "on the same basis as any other nongovernmental provider" and "without impairing [their] religious character" [subsection (b)]. Section 104 also protects the religious freedom of beneficiaries, but does so in a manner that does not harm the religious character of faith-based organizations.

A series of specific protections are established for faith-based organizations:

- Institutional Autonomy and Control of Mission. Section 104 explicitly protects the autonomy of any faith-based provider carrying out programs funded under PRWOR by providing that it "retain[s] its independence from Federal, State, and local governments," including its "control over the definition, development, practice, and expression of its religious beliefs" [subsection (d)( 1)]. This language emphasizes that a participating faith-based provider does not become a "state actor" nor relinquish its religious autonomy.

- Control of Governance. Faith-based providers may not be required to alter their form of internal governance to be eligible for participation [subsection (d)(2)] The structural form of religious organizations is often dictated by religious doctrine, and ecclesiastical polity is here protected.[5] Similarly, states may not require a faith-based provider to change its officers or directors on the grounds that they do not reflect a particular religious, ethnic, racial, or gender mix, nor may states exclude a faith-based provider from eligibility on such grounds.

- Maintenance of Religious Environment. No state may require a faith-based provider, in order to be eligible to participate, to remove from its property "religious art, icons, scripture, or other symbols" [subsection (d )( 2)]. Participating faith-based providers need not strip their facilities of crosses, Stars of David, scriptural quotations, religious apparel, or other visual signs of religious commitment.

- Control of Employment Policy. Section 104 affirms the right of faith-based providers to utilize religious standards in the terms and conditions of their personnel policies [subsection (f)]. Title VII of the Civil Rights Act of 1964 established an exemption for religious organizations from the general ban against religious discrimination in hiring.[6] That exemption is here explicitly affirmed for faith-based organizations participating in federally funded welfare programs covered under Section 104.

  Faith-based organizations remain subject to other applicable nondiscrimination laws. The anti-discrimination requirements of federal civil-rights laws regarding age, sex, disability, race, color, and national origin remain in force.[7] In addition, state and local anti-discrimination laws are still applicable and are unaffected by Section 104, unless they infringe the religious autonomy of providers secured by the Section.[8]

- Limited Audits. Section 104 further secures the autonomy of participating faith-based organizations by giving them the opportunity to limit the scope of fiscal audits. If they choose, they may establish separate accounts for the receipt of federal monies under these programs, segregating such funds from other income, especially nongovernmental funds. If they do so, then only the accounts that receive or disburse federal funds are subject to audit [subsection (h)]. It would be prudent for providers to take advantage of this option and not commingle private donations and grants with government funds

### 5. Restrictions on Funding

#### a. Purchase-of-Service Contracts

One goal of Charitable Choice is to involve faith-based providers in delivering welfare services "without impairing the religious character of such organizations" [subsection (b)]. Section 104 explicitly provides that a participating faith-based organization shall retain its independence from Federal, State, and local governments," including maintaining its "control over the definition, development, practice, and expression of its religious beliefs" [subsection (d)(1)].

In enacting Section 104, the object of Congress was the public purpose of helping the poor and needy, not the advancement of religion. Section 104 anticipates and intends that states will contract with faith-based providers that manifest a distinct religious identity on an equal basis with other independent providers. However, what states are purchasing through contracts with faith-based providers are services which fulfill the public purpose of PRWOR to aid the needy in specific ways

When a state makes a purchase-of-service contract with a faith-based provider, none of the federal funds transferred to the provider may be "expended for sectarian worship, instruction, or proselytization" [subsection (j)]. This prohibition reflects the constitutional requirement that government may not establish religion and ensures that federal funds are not used in a manner that suggests that the government is endorsing the religion of a faith-based organization. The prohibition should not be construed to require that a faith-based provider diminish or eliminate its religious character or its religiously inspired way of providing services. The key is that government funds the religious organization in order to provide services that satisfy the public secular purpose of PRWOR.

Charitable Choice implements the governmental neutrality mandated by the Constitution by requiring that a state treat equally all providers, faith-based or secular, if it decides to turn to the independent sector to provide services to the needy.[9] It protects the religious liberty of beneficiaries, some of whom may object to receiving services from a faith-based provider, by ensuring that they have a choice of a different provider [subsection (e), discussed below].

In deciding whether to contract with a faith-based provider to deliver a service, a state should focus not on the religion of the provider but rather on its record or prospects of successfully providing the authorized welfare service. As with any other provider, the chief concern of the state is whether the program of the faith-based organization fulfills the public purpose of helping the poor and needy.[10]

#### b. Voucher Funds

PRWOR funds that are indirectly received by faith-based organizations by means of vouchers, certificates, and other redeemable disbursements are explicitly not subjected to the restriction against being expended for worship or proselytization [subsection (j)].

The key difference is that the flow of federal funds to a faith-based provider is direct in the case of contracts and indirect when it is due to a beneficiary's decision to redeem a voucher with such a provider.[11] An explicit prohibition on expending federal funds for sectarian religious activities is not needed with vouchers because there cannot be even the appearance of a government establishment of religion when it is the beneficiary who, free to choose among providers, decides to redeem a voucher at a faith-based provider.[12]

A state, of course, will only authorize a faith-based provider to redeem vouchers if that organization provides authorized services to the needy. The absence of the subsection (j) prohibition does not change the public purpose to be served by the use of vouchers provided to beneficiaries.

6. **Rights of Beneficiaries**

Section 104 secures the religious rights of beneficiaries primarily by ensuring a choice of providers. When a state enables a beneficiary to secure benefits by means of a voucher, certificate, or another form of indirect payment, then it is the disbursement mechanism itself that secures to beneficiaries the opportunity to choose between different service providers.

In the case of purchase-of-service contracts, Section 104 specifies that a beneficiary who objects to receiving social services from a religious provider has the right to receive services from another provider [subsection (e)].[13] The state must ensure that the alternative assistance is of no lesser value, that it is available within a reasonable period of time, and that the alternative provider is accessible to the beneficiary. States should ensure that beneficiaries are aware of the range of providers and of their right to receive services from a non-religious provider.

Section 104 further protects the religious rights of beneficiaries by requiring that religious providers may not discriminate against beneficiaries "on the basis of religion, a religious belief, or refusal to actively participate in a religious practice" [subsection (g)]. This requirement applies to all faith-based providers, whether they redeem vouchers or have contracted to provide services. Thus, a provider may not exclude from its programs beneficiaries belonging to other denominations, churches, or religions. A provider cannot require a beneficiary to adopt a particular religious creed or tenet of faith. A provider cannot deny services to a beneficiary who refuses to participate in a treatment activity that is religious.

Beneficiaries who do not wish to participate in religious activities may not disrupt such activities, impede other beneficiaries from taking part in them, or demand that the faith-based organization refrain from engaging in such activities. Faith-based providers have the right to offer such activities. Disruption may be construed as an objection to the religious nature of the provider, and the beneficiary should be directed to an alternative source of services.

7. **Preemption of State Law**

All federal block-grant funds subject to Section 104 must be administered in accord with the principles of Charitable Choice. If a state commingles such federal funds with state funds, then all of the funds must be administered in accord with the principles of Section 104. This follows from the Supremacy Clause of the U.S. Constitution, which provides that rights granted by congressional action preempt any state or local laws to the contrary.

Section 104 includes an option for states with constitutions that restrict the expenditure of public funds at faith-based organizations [subsection (k)]. In such a case, state authorities have the option of segregating the federal funds from state funds, administering the former in accord with the requirements of Section 104 while administering the state monies in accord with the state's own more restrictive laws.[14] However, Congress intended to discourage segregation of funds.[15] The option exists only to accommodate states with restrictive constitutions. The intent is to maximize the equal opportunity for faith-based organizations to participate in federally funded welfare programs under PRWOR, and not to enable restrictive state rules to be used to disallow participation by religious providers.

## 8. Legal Action to Secure Rights

Both providers and beneficiaries who believe that their Section 104 rights have been violated may bring a civil lawsuit asking the court to order the alleged governmental violator to comply with the requirements of Section 104 [subsection (i)]. State courts have exclusive jurisdiction.[16]

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Return to The Center for Public Justice Home Page

# Partnerships with the Faith Community in Welfare Reform

by Jessica Yates, Welfare Information Network

March 1998

## Background

Faith-based organizations and religious congregations have traditionally been very active in providing services to low-income individuals. These services include ad hoc crisis intervention, food pantries, day care, assistance for the homeless, refugee resettlement and substance abuse treatment programs. Some congregations seek and accept government funding for service provision, though most do not and instead leave that role to religiously affiliated non-profit organizations, such as Catholic Charities, Jewish Family Services and Lutheran Services in America, or independent religious organizations in their communities. In addition, many government agencies have not pursued contracting with congregations and other faith-based organizations to avoid complications with First Amendment constitutional issues that prohibit government from establishing religion.

Federal welfare reform legislation may affect the extent and nature of relationships between organizations of faith and governmental agencies. Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), the so-called "Charitable Choice" provision, specifically addresses the use of contracts, vouchers and other funding to arrange for "charitable, religious or private organizations" to provide services under Temporary Assistance for Needy Families, Medicaid, Supplemental Security Income and Food Stamps (and has been interpreted as applying to certain other programs as well). The statute also requires that religious organizations be permitted to receive such funding "on the same basis as any other non-governmental provider." In addition, the interim regulations for the new Welfare-to-Work Program explicitly permit faith-based organizations to apply for and receive competitive grants. Private Industry Councils and other entities administering the formula Welfare-to-Work grants are required to coordinate those activities with faith-based organizations.

Nationally, much of the debate around Section 104 has centered around the financial ties between government and religion. While Charitable Choice has not yet resulted in a dramatic increase in contracting with religious organizations, its supporters argue that the statute was not intended to restructure service delivery systems but instead to provide new opportunities to the faith community. The more immediate impact of Charitable Choice has been to highlight the issues of how state and local agencies can involve congregations and faith-based organizations in welfare reform, and how congregations can respond to the changing needs in their communities.

In October 1997, the Howard University Divinity School's Information Services Clearinghouse held a conference, co-sponsored by the Welfare Information Network and the Alliance for Redesigning Government, featuring workshops designed to bring these government and the faith community together to discuss specific welfare-related issues. The Christian alliance Call to Renewal has asked governors to meet with religious leaders to develop government-church partnerships, including contracting.

Anecdotal evidence suggests that state and local governments and faith entities are increasingly communicating and forming partnerships, both financial and non-financial in nature, to assess and address the needs of welfare recipients. This Issue Note examines options for and examples of such partnerships, looking most closely at issues related to congregations but also arrangements with other types of religious organizations.

## Policy Issues

In thinking about the potential partnerships state and local agencies and faith organizations could have in addressing welfare reform, officials may want to consider the following questions.

**How does a state or local welfare agency begin the process of involving the faith community?** One option is to establish a forum at the state and/or local levels to promote dialogue on what the faith community and government agency would like to accomplish by partnering in welfare reform and what each partner would be able and willing to contribute. While government agencies frequently hold such meetings or conferences with established non-profit organizations or businesses, agencies will need to be aware of how organizational and/or financial capacity will be a factor in the faith community's response. Issues of capacity can include a congregation's willingness to accept government funds, its other financial commitments, its organizational priorities, its number of paid and volunteer staff hours, and its experience in adhering to government accounting requirements. Agencies may also broaden this strategy to reach out to small non-profits more generally, since congregations often already have good working relationships with community-based organizations.

**What type of arrangement would best serve these partnerships and best use the strengths of the faith community and welfare agency?** Partnerships between congregations and welfare agencies generally will be formed at the local rather than state level. Therefore, welfare officials may need to conduct a community needs assessment to find out what types of services or assistance would be most valuable if provided by faith entities. Such an assessment also can suggest opportunities for: inter-faith efforts in welfare reform; congregations' participation in existing community-based networks; or welfare agency support of an existing program of a religious organization.

Different facets of these partnerships include the services provided, the compensation given to a congregation, the extent to which other organizations are involved and the role of the welfare agency in the arrangement. Among the options are organized referral networks, adopt-a-family programs, having a church be the third-party administrator of a welfare recipient's benefits, mentoring, workshops for recipients, volunteering for supportive services (e.g. transportation to a job interview), offering space in a church facility, and contracting for employment and other welfare services. A welfare agency may have the role of a funder, facilitator/coordinator, provider of technical assistance or information, or supplier of in-kind donations.

**What are the legal issues around government-faith partnerships that need to be addressed?** Section 104 (the Charitable Choice provisions) of P.L. 104-193 includes various protections for both religious organizations and welfare recipients in an attempt to find a balance between the rights and religious liberties of both parties. Any state or local welfare agency considering a financial arrangement with a religious organization for welfare or certain related programs must follow the requirements of Section 104, which include arranging for alternative providers if welfare recipients request them and not discriminating against religious organizations in contracting procedures.

Constitutional and case law deal extensively with the question of whether providing government funding to religious organizations violates the First Amendment. Often distinctions are made between "pervasively sectarian" institutions, including churches, and "religiously-affiliated" organizations, which are non-profits associated with a religion but operated separately from religious worship services. An analysis of the legal requirements, constitutional implications and case law is beyond the scope of this paper.

The Center for Public Justice and the Christian Legal Society have published a brief guide of the statutory provisions. It holds that Section 104 is constitutional and offers guidance to both government agencies and congregations on complying with the law. Americans United for the Separation of Church and State also has analyses of Section 104 available. These summaries express doubt over the constitutionality of the provisions and advocate a more cautious approach to implementing Charitable Choice. One option suggested by Americans United is for a congregation to establish a separate, "religiously affiliated" non-profit to administer government-funded programs, provide social services without a religious message, and keep distinct accounting records. (See the Publications section of this paper for more information.)

**How will the partners monitor and gauge the successfulness of these arrangements?** Experience shows that many programs administered by congregations are fairly small and therefore have only a marginal impact on a state's welfare caseload. State and local agencies may need to require some reporting and record-keeping by a congregation to comply with federal requirements, especially when arrangements are financial. Alternative or supplemental approaches to monitoring and evaluating a congregation's program include holding periodic problem-solving brainstorm sessions with program administrators, surveying some of the welfare client participants, or holding focus groups with volunteers who are offering their time. A welfare agency and congregation may decide that a government/faith partnership itself, with its emphasis on community involvement in welfare reform, is a measure of the arrangement's success.

### *Research Findings*

Although little research exists specific to the involvement of the faith community in welfare reform, several studies have looked at how congregations provide social and human services more generally. In 1997, the Center on Nonprofits and Philanthropy (CNP) at the Urban Institute and the University of Pennsylvania School of Social Work separately released two studies that surveyed congregations about the content, beneficiaries and costs of their social services. Both studies found that nearly all congregations do provide social services, with most providing a range of services targeted at low-income people. The research also sheds light on the faith community's capacity and/or interest in formally being involved in welfare reform.

CNP's project included information from a random sample of 266 congregations from all faiths and sizes in one metropolitan area. The study found that professional and capital-intensive services were the types of services least frequently provided by congregations. Services much more frequently provided were emergency food or financial aid, counseling, clothing, child care and senior services. Less than 5% of the congregations reported receiving any government funding to provide community and social services. About 40% of congregations reported that requests for services were increasing. When asked how they would respond to an increased demand for programs and services, most congregations did not feel they had adequate resources or were able to raise additional funds. However, nearly half said they would collaborate with other congregations or secular organizations if financial resources decreased.

The University of Pennsylvania study, funded by Partners for Sacred Places, surveyed 111 congregations that were housed in historic properties (churches built prior to 1940) in six urban areas (these congregations tended to be older and relatively established). The study found that of the 449 programs offered by the congregations in its sample, 165 had been initiated to respond to a change in the community. The study also found that in the past nearly half (48.65%) of the congregations had "spun off" one or more of their programs to become independent, free-standing programs or organizations. The older the congregation, the more likely that it had spun off such an organization. The fact that some congregations have this experience may become more relevant with the implementation of Charitable Choice, since congregations who are awarded welfare contracts may try to build their organizational capacity – or avoid government "intrusion" – by establishing a separate non-profit entity to administer the contracted programs.

Of the numerous welfare reform tracking studies throughout the country, most are not looking specifically at how state and local policy-makers are involving the faith community in welfare reform or implementing the Charitable Choice provisions. The Center for Public Justice is monitoring state-level news and information services for the status of Charitable Choice implementation, and researchers will survey congregations about their experiences. The study will focus on nine states, with a final report expected in late 1999.

### *Innovative Practices*

As noted above, options for involving the faith community in welfare reform range from informal collaborations to contracts for service provision. Examples from these state and local agencies, while not exhaustive, show the varying approaches to faith-government partnerships in welfare reform.

#### State-Wide Strategies

**Texas** has stepped up efforts to involve the faith community and implement Section 104 of PRWORA. Starting with a December 1996 executive order from the governor encouraging state agencies to use this provision, the Texas Department of Human Services (DHS) established a workgroup to examine the agency's current extent of contracting with the faith community, identify barriers to doing so and suggest ways to best implement Charitable Choice. The workgroup held a state-wide conference in 1997 and used recommendations from participants to issue a report.

The workgroup also focused on ways to make the contracting process more accessible to all non-profit organizations, and on non-contractual options for partnering with congregations and other non-profits. These include informal collaborations, such as information-sharing to prevent duplicative services, or formal memoranda of understanding, such as client referral arrangements that define each organization's role and responsibilities. Regional DHS offices have been asked to start reporting on a quarterly basis any new partnerships related to the implementation of Charitable Choice. Contact Sharon Rowley, Texas DHS, (512) 438-4037.

With an eye toward involving the faith community in welfare reform, **Maryland's legislature** defined specific opportunities for congregations and other non-profits in welfare reform legislation in 1996 (SB 778) and 1997 (SB 499). The laws provided that non-profit organizations can receive benefits on behalf of welfare recipients who are receiving up to three months of transitional assistance subsequent to being terminated from the regular welfare program. The 1996 law provided that a non-profit acting as an intermediary for transitional assistance can use that funding to provide counseling, child care, housing, household supplies and other non-monetary aid to the welfare client. Faced with insufficient numbers of non-profit organizations coming forward to administer these benefits, the 1997 legislation broadened the eligibility of entities to "third party payees" rather than specifying "non-profit organizations" and provided that third party payees could receive an administrative fee to cover related costs. Many of the participating non-profits have been congregations, which typically are less concerned with being compensated.

In addition to implementing the basic thrust of Section 104 of PROWRA (non-discrimination for both religious organizations and welfare recipients), Maryland's legislation includes other safeguards for recipients. SB 499 requires the Department of Human Resources to provide recipients with "clear and timely notice" of their rights under Section 104, such as the right to request an alternative provider. Contact Yolanda Parker, Office of Policy and Research, Department of Human Resources, (410) 767-7259.

**Community Coordination**

The **San Diego County, California**, Department of Social Services (DSS) created the All Congregations Together (ACT) initiative in 1996 as a way to involve congregations in the county's response to community need. The first ACT team, which include DSS, congregations and other non-profit agencies, compiled a community resource manual for congregations, provided training regarding welfare reform, and established an ACT desk in the lobby of the local welfare office. The ACT desk, staffed by faith community volunteers, provides information to people in crisis and helps refer them to appropriate public and private resources. Some individuals and families may be diverted from welfare or general assistance, but ACT currently does not track this data. Congregations benefit by having a coordinated, efficient response to serving the needy, rather than individual congregations reacting each time a person contacts them for help. The congregations and the partnership have expressed interest in contracting opportunities as well. ACT is in the process of being incorporated as a 501(c)(3) non-profit. The county DSS has assisted Mecklenburg County, N.C., in starting an ACT team. Contact the Rev. Rolland Slade, Faith Community Mobilization Coordinator, at (619) 338-2132

When **Fauquier County, Virginia**, was designated to be one of the first counties to implement the state's welfare reform initiative in 1995, the county, in partnership with the local Virginia Cooperative Extension Unit and Department of Social Services, held a meeting for congregations and non-profit organizations to obtain their input, and later conducted workshops for religious leaders to help them understand welfare reform and coordinate their response. These efforts helped stimulate the formation of an inter-faith coalition that meets twice a month to continue assessing the community's needs and to coordinate their resources. Contact Beverly Butterfield, Virginia Extension Unit, at (540) 341-3950.

## Contracting with Religious Organizations

As part of the Project Zero pilot, **Ottawa County, Michigan**, contracted with Good Samaritan Ministries – a religious non-profit service provider – in July 1996 to recruit, train and monitor congregations that "adopt" families on welfare. The contract was renewed in July 1997. Good Samaritan had already been facilitating adopt-a-family programs for the homeless on a smaller scale and without public funding. The county Family Independence Agency (FIA) then approached the organization about utilizing congregational resources for local welfare reform efforts as well.

The FIA agency refers to Good Samaritan welfare clients who have their initial job placements, want to be mentored by a congregation and do not have serious impediments to successful adopt-a-family participation. The agency's $100,000 contract with Good Samaritan lays out expectations on how families will be paired with congregations and how congregations will be trained. Good Samaritan then establishes a non-financial agreement with each congregation and family, which describes family goals, needs, strengths and concerns, and includes a "plan of action" outlining what the ministry team and family will do to attain the goals. A congregation reports back to Good Samaritan on the family's progress, which Good Samaritan reports back to the welfare agency. Congregations also make financial and in-kind donations to Good Samaritan's program. Approximately 150 out of 1,000 families in the county's cumulative caseload were referred the first year. Contact Loren Snippe, Director of the Ottawa County FIA, (616) 394-7200, and Goodwill Samaritan Ministries, at (616) 392-7159. Also see: *http://www.mibusiness.com/gsm/* and

*http://www.mfia.state.mi.us/projzero/projzero.htm*

**Cuyahoga County, Ohio,** recently awarded welfare contracts to two well-established, religiously affiliated service providers, the local Catholic Charities and the Jewish Family Services Association (JFSA). The welfare agency's decision to contract with these organizations was based on their capacity, interest, ability, track record and other typical criteria in human services contracting. Catholic Charities has a performance-based contract and receives its initial payment for placing a welfare recipient when he or she stays in the job for 30 days with the final payment received at attaining 90-day job retention. The county's partnership with JFSA builds upon previous contracts for refugee resettlement programs. The contract is cost-reimbursement rather than performance-based, since JFSA is providing a wide range of services – not just job placement – under the contract. One question raised has been the extent to which a religiously affiliated organization can "market" its publicly funded services to populations of a particular faith. The county has restricted such targeting to avoid constitutional entanglements, but simultaneously recognizes that welfare contracts may affirm the strengths of organizations that provide culturally relevant and specific services that are needed. Contact Joe Gauntner, Cuyahoga County Health and Nutrition, (216) 987-6640.

## Using Congregations to "Pass Through" Welfare Payments

In July 1994, the **Anne Arundel County, Maryland**, Department of Social Services began a pilot project offering welfare recipients the option of forgoing their direct cash welfare benefits and instead getting assistance passed through a community organization, which spends the money on behalf of the recipient. The pilot, called the Community-Directed Assistance Program (C-DAP), aimed to recruit all types of community non-profits to act as sponsors. So far, all 27 of the sponsors far have been congregations, which receive no monetary compensation. Participating organizations receive an up-front payment equal to six months of welfare benefits. The congregations are directed to work closely with the family for at least six months in providing supportive services, financial and job counseling, and related help. Congregations may not require that the family attend religious services. The county DSS provides technical assistance to the congregations throughout the process, and has started matching new sponsors with experienced congregations to promote the sharing of "best practices" and problem-solving techniques. In addition, potential referrals to C-DAP are now screened more thoroughly for criminal backgrounds and other "red flags." During the program's first three years, 33 families were referred to C-DAP, and 29 completed the program. Contact Christine Poulsen, Anne Arundel County DSS, at (410) 269-4460.

### Non-Financial Arrangements with Congregations

State and local agencies increasingly are establishing **adopt-a-family and mentoring programs** that are formal but non-financial arrangements. This approach builds on traditions within the faith community of assisting individuals and families through personal guidance and support. State welfare agencies and their local offices in **Connecticut, Louisiana, Michigan, Mississippi, North Carolina, Texas and Virginia** are among those that have initiatives linking welfare families with congregations. These initiatives are voluntary for both congregations and welfare recipients.

Typically, the welfare agency has the role of a technical assistance provider to the congregation and may request a written agreement outlining each party's responsibilities and goals. The congregation provides volunteer assistance that can include helping a welfare recipient budget his or her income, providing transportation to a job interview, aiding the recipient in finding child care and giving emotional support during difficult times. While most agencies tell participating congregations they cannot insist that a welfare recipient attend their houses of worship, agencies generally do not place restrictions on other conversations pertaining to religion.

**Working relationships and informal agreements** between religious organizations providing services and local welfare caseworkers also can be fruitful. The Jobs Partnership of Raleigh in **North Carolina** is a non-profit alliance of congregations and businesses, and currently does not receive government funding. Individuals can participate in the 12-week program by their own volition or through referral from the local welfare agency. As the Jobs Partnership is assisting a client who is being considered for termination from welfare, often Partnership staff and volunteers are successful in requesting that the county welfare caseworker continue the client's benefits while the individual is participating in the program. Contact Skip Long, Director of the Jobs Partnership in Raleigh, at (919) 571-8614, ext. 251, or see *http://www.ccmangum.com/tjp*.

### *For More Information . . .*

RESOURCE CONTACTS

Alliance for Redesigning Government, (202) 347-3190,
*http://www.alliance.napawash.org/alliance/index.html*

American Jewish Congress, Marc Stern, (212) 879-4500, *http://www.ajcongress.org*

American Muslim Council, (202) 789-2262

Americans United for Separation of Church and State, Julie Segal, (202) 466-3234,
*http://www.au.org/leg-issu.htm*

Call to Renewal, (202) 328-8842

Catholic Charities, (703) 549-1390, *http://www.catholiccharitiesusa.org/*

Center for Public Justice, Stanley Carlson-Thies, (410) 571-6300, *http://www.cpjustice.org/~cpjustice/*

Center on Nonprofits and Philanthropy at the Urban Institute, Tobi Printz, (202) 828-1821,
*http://nccs.urban.org*

Congress of National Black Churches, Sullivan Robinson, Interim Executive Director, (202) 371-1091,
*http://www.cnbc.org*

Information Services Clearinghouse, Howard University Divinity School, (202) 806-0736

International Union of Gospel Missions, (816) 471-8020, *http://www.iugm.org*

Jim Castelli, Independent Writer/Researcher, (703) 250-3099, *http://members.aol.com/jimcast/welcome.htm*

Presbyterian Church (USA) Washington Office, The Rev. Elenora Giddings-Ivory, (202) 543-1126

PUBLICATIONS

"A Guide to Charitable Choice: The Rules of Section 104 of the 1996 Federal Welfare Law Governing State Cooperation with Faith-Based Social Service Providers," by the Center for Public Justice and the Christian Legal Society's Center for Law and Religious Freedom, January 1997. (410) 571-6300 or see *http://www.cpjustice.org/~cpjustice/CGuide/Guide.html*

"Arise, Take up Thy Mat, and Walk," by the Rev. Steven Burger, Policy Review: The Journal of American Citizenship, No. 79, Heritage Foundation, September-October 1996. (202) 546-4400 or see *http://www.heritage.org/heritage/p_review/sept96/burger.html*

"Church-Based Mentoring: A Program for Mentoring Ministries," United Way of Southeastern Pennsylvania, 1994. Contact the Points of Light Foundation, (800) 272-8306.

"Churches Help Make Welfare Reform Work," by Jay Hein, Hudson Institute Welfare Policy Center, 1997. (317) 549-4164 or see *http://www.a1.com/hudson/wpc/articles/church.htm*

"Constitutional and Policy Problems with Senator Ashcroft's 'Charitable Choice' Provisions," by Daniel E. Katz, ACLU, and Julie A. Segal, Americans United for Separation of Church and State, March 11, 1996. (202) 466-3234, *http://www.aclu.org/congress/asherft.html*

"Faith-Based Social Services: A Blessing, Not a Miracle," by Jim Castelli, for the Progressive Policy Institute, Policy Report No. 27, December 1997. (202) 547-0001 or see *http://members.aol.com/jimcast/ppi.htm*

"Guidelines for Constitutional Implementation of Welfare Reform by Religious Organizations," by the Working Group for Religious Freedom in Social Services, Americans United for the Separation of Church and State, 1998. (202) 466-3234 or see *http://www.au.org/ash-imp.htm*

"How to Think About Public Partnerships with Religious Organizations," by Jim Castelli, *forthcoming*, for the Alliance for Redesigning Government's Public/Nonprofit High Performance Partnerships Program. (202) 347-3190.

"Implementation of Charitable Choice," Presbyterian Church (USA) Washington Office, 1998. Contact Douglas Grace at (202) 543-1126.

"Implementing 'Charitable Choice' Provisions of Welfare Reform," Report of the Texas Department of Human Services 'Charitable Choice' Workgroup, May 1, 1997. (512) 438-4037 or see *http://www.dhs.texas.gov/regops/charitable/char1.htm*

"New Hope for Gospel Missions? Devils in the Details," by the Rev. Stephen Burger, International Union of Gospel Missions, Sept. 3, 1996. (816) 471-8020 or see *http://www.iugm.org/news/usatoday.html*

"Religion-Sponsored Social Service Providers: The Not-So-Independent Sector," by Jim Castelli and John D. McCarthy, for the Aspen Institute Nonprofit Sector Research Fund, 1997. (410) 820-5236 or see *http://members.aol.com/jimcast/recent.htm#Aspen*

"Services and Capacity of Religious Congregations in the Metropolitan Area," Center on Nonprofits and Philanthropy, The Urban Institute, 1998. (202) 857-8687 or (202) 828-1821.

"Social and Community Involvement of Religious Congregations Housed in Historic Religious

Properties: Findings from a Six-City Study," Final Report to Partners for Sacred Places, by Ram A. Cnaan, School of Social Work, University of Pennsylvania, Dec. 2, 1997. (215) 898-5523.

"Wichita's Medical Missionaries," by Steve Rabey, Policy Review: The Journal of American Citizenship, No. 86, Heritage Foundation, November-December 1997. (202) 546-4400 or see *http://www.policyreview.com/heritage/p_review/nov97/nation.html*

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## Special Announcement on Welfare Reform and Social Policy Conferences

The Welfare Reform Academy, a project of the University of Maryland School of Public Affairs, is holding a series of conference on topics of welfare reform. On the first Friday of each month through June 1998, the Welfare Reform Academy will broadcast live, 1 p.m. to 4 p.m. EST, from the American Enterprise Institute in Washington, D.C. The conferences will be satellite broadcast to sites around the country.

There is no cost to participants, but they are requested to register via the Academy web site at: **http://www.welfare-reform-academy.org**. The web site also includes upcoming conference agendas and presentation summaries from previous conferences.

The conferences will address the following topics:

March 6 – Preventing Second Births to Teenage Mothers: Demonstration Findings

April 3 - Child Care and Welfare Reform

May 1 – Teenage Sexual Activity and Contraceptive Use: An Update

June 5 – Implementing the "Illegitimacy" and Teen Parent Provisions of Welfare Reform

To locate a broadcast site in your area and to register for the conferences, please see the Academy web site at **http://www.welfare-reform-academy.org** or contact John Buckley at the American Enterprise Institute, (202) 862-7162.

**For more information on faith-government partnerships**

**and other welfare related issues and initiatives,**

**contact WIN at (202) 628-5790.**

**See our web site at:**

**www.welfareinfo.org**

6TH STORY of Level 1 printed in FULL format.


THE INDIANAPOLIS STAR

June 14, 1999 Monday CITY FINAL EDITION

SECTION: EDITORIAL; Pg. A08

LENGTH: 384 words

HEADLINE: Solutions of **faith-based** groups

BODY:

Republican conservatives are well known for their opposition to big government solutions to social problems.

They took over Congress in 1994 with promises of cutting back on the federal government's pretensions to having the answers to all problems.

But U.S. Rep. **J.C. Watts,** R-Okla., wants to work on what the Republicans hope to substitute for traditional government programs.

Elected House Republican conference chairman late last year, Watts has offered the American Community Renewal Act, which combines tax-free zones in low-income areas with support for **faith-based** approaches to social issues.

These zones, which have been tried on the state level in a limited manner, are designed to attract business and job opportunities to areas of high unemployment.

The **faith-based** part of the legislation is designed to allow churches and other religious groups to compete for drug rehabilitation and other social service contracts.

There is an assumption that groups such as rescue missions or the Salvation Army already provide these services very effectively and should not be denied government support for solutions to these problems.

That part of Watts' proposal attracted an interesting endorsement recently from Vice President Al Gore, who spoke at a Salvation Army center in Atlanta. The vice president said that bureaucratic hurdles need to be removed so that **faith-based** groups can help provide social services with government support.

"For too long, **faith-based** organizations have wrought miracles on a shoestring," Gore said.

Some critics have argued that Gore's new position is politically motivated. Or that he could be responding to the school shootings in Littleton, Colo., which have prompted recognition of

the role of religious faith in addressing the roots of violence.
Whatever his reasons, though, Gore's position is a welcome one.

Watts has been offering his proposals for several years in Congress. Former Sen. Dan Coats, R-Ind., initiated similar ideas during his time in the Senate and House.

Perhaps a consensus can develop among all the political parties that **faith-based** groups, such as missions or the Salvation Army, ought to be able to compete for federal dollars to offer remedies to various social problems.

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St. Louis Post-Dispatch

August 1, 1999, Sunday, FIVE STAR LIFT EDITION

SECTION: NEWS, Pg. A8

LENGTH: 829 words

HEADLINE: ASHCROFT'S "CHARITABLE CHOICE" CATCHES ON WITH PRESIDENTIAL CANDIDATES

BYLINE: Deirdre Shesgreen

BODY:

When Sen. John Ashcroft first touted "charitable choice," it sparked heated debate and opposition from Democrats and liberal advocacy groups.

A part of the 1996 welfare reform law, Ashcroft's charitable choice legislation allows churches and other faith-based organizations to apply for government funding to provide social services, such as helping welfare recipients get job training.

Some Democrats and moderate Republicans worried the new law would blur the separation of church and state and that it could allow government-funded church programs to practice religious discrimination.

But the political landscape has shifted since 1996. In recent months, the Democratic and Republican presidential front-runners -- Al Gore, Bill Bradley and George W. Bush -- have all rushed to embrace the idea.

And just last week, a Senate committee approved an Ashcroft-sponsored amendment that would expand charitable choice to all federally funded drug abuse programs.

Even the senator who led the opposition in the committee, Jack Reed, a Democrat from Rhode Island, said he supports allowing faith-based groups to participate in federally funded programs. He's just concerned that Ashcroft is pushing the boundaries too far.

So why is charitable choice suddenly the policy du jour?

"There's a quick assumption that charitable choice is an attempt by politicians to court the conservative religious vote," said Amber Kahn, a spokeswoman for the Interfaith Alliance, an umbrella group that represents more than 40 denominations.

But Kahn believes that answer is too simplistic -- and actually contradicts some research on the subject. A 1998 study of attitudes about charitable choice found that conservative denominations were more skeptical of charitable choice and less inclined to apply for federal dollars than more liberal denominations.

The author of that study, Mark Chives, a sociology professor at the

University of Arizona, said he was very surprised by his findings, especially because the leaders of the movement were conservatives like Ashcroft. Chives speculates that Gore and Bradley, in their recent endorsements of the charitable choice, may have discovered that it plays well in traditional Democratic constituencies.

Ashcroft says charitable choice has taken off simply because people realized that it's a good idea, "a way of saying that if we want everyone to move forward in the prosperity of the country, we are going to have to bring every resource to bear."

Of course, opposition to charitable choice still exists, and some of it comes from the religious institutions that charitable choice is designed to benefit.

"We live in a very diverse society with over 2,000 religions," said Kahn, whose group has not taken a stand on specific proposals but has raised concerns about the concept.

"Is there going to be a litmus test set in terms of whether or not someone gets service?" Kahn asks.

She points to a recent incident in Fayetteville, N.C., where officials discovered that a church that won federal funds to help the homeless was asking applicants whether they considered themselves saved from eternal damnation and whether they would go to heaven. The government quickly rescinded the funding.

Religious leaders have also expressed concerns about what impact taking federal money might have on their institutions, Kahn said. "Tax dollars are often followed by federal regulation that can alter and jeopardize the religious nature of programs," she said.

Ashcroft said he is acutely aware of the potential dangers of his proposal. "There are two things that we desperately need to avoid, and that's to contaminate the religious institutions of America by inordinate governmental interference," he said. "And the other thing is to somehow impose on the individual integrity and freedom of the people."

Ashcroft said that in crafting his proposals, he has taken great care to protect both the churches and their prospective clients.

But where Ashcroft sees protection, Reed sees the potential for government-sponsored discrimination. Ashcroft's amendment to the drug abuse legislation explicitly states that churches can make hiring decisions based on whether a potential employee adheres to the churches' "tenants and teachings." It also includes an exemption from civil rights laws that prohibit discrimination based on religion, a provision that also was in the welfare reform legislation.

Reed unsuccessfully tried to strip both provisions in committee; he has pledged to try again on the Senate floor.

"No one denies the important role that faith communities play in providing services," Reed said. "But we don't want to do it in such a way that we make profession of a particular religious faith a condition for employment supported by public funds. . . . It's totally contrary to our Constitution and to our sense of the appropriate separation of religion and publicly supported enterprises."

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HEADLINE: New U.S. Law Loosens Reins On Charities;

Internal operations off-limits to anti-discrimination rules

BYLINE: Don Lattin, Chronicle Religion Writer

BODY:
San Francisco's crusade to promote gay rights in religious charities may soon collide with the new federal welfare law.

Mostly unnoticed amid the major overhaul of the welfare system is the "charitable choice" provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Pushed through by Senator John Ashcroft, R-Missouri, the law loosens previous restrictions on evangelism by tax-supported charities, and it limits government attempts to control their internal operations or religious character.

That last provision appears to conflict directly with the recent attempts of the San Francisco Human Rights Commission and Board of Supervisors to influence the hiring, benefits and promotion practices of religious charities that do business with the city.

The new law says the government cannot require a religious charity to "alter its form of internal governance." It goes on to say that "religious organizations may discriminate on a religious basis in terms and conditions they establish for their employees."

In other words, the city may not be able to stop Catholic social service agencies from giving certain jobs only to priests or forbid a conservative evangelical charity to require heterosexual marriage for noncelibate employees.

"That will be a problem for us," said Larry Brinkin, coordinator of the Lesbian, Gay, Bisexual, Transgender and HIV Unit of the city Human Rights Commission.

"It definitely conflicts with San Francisco ordinances," Brinkin said. "It's a challenge to our anti-discrimination efforts. We shouldn't be spending our money on institutions that discriminate -- including churches."

Under the new law, churches getting government money are still forbidden to discriminate on religious grounds against those who receive their services. Needy clients who object to the religious nature of a charity must be given the choice of getting service from a secular organization.

Currently, the "charitable choice" rules apply only to the new Temporary Assistance for Needy Families program, which replaced two multibillion-dollar federal programs: Aid to Families with Dependent Children and Supplemental Security Income.

In May, Ashcroft introduced new legislation, the Charitable Choice Expansion Act, which would apply the new rules to most social services for which federal law allows the government to enter into a partnership with private organizations.

"The Charitable Choice protections now in law encourage successful charitable and faith-based organizations to expand their services without the fear that they will have to extinguish their religious character," Ashcroft said.

Under welfare reform, federal money is now sent to the states in the form of block grants, giving state and local governments more flexibility to get people off welfare and into jobs.

In California, counties are just now signing the first contracts under the new system. Many churches, charities and other nonprofit groups are considering starting programs in job training, mentoring and child care for former welfare recipients.

"We are just at the threshold of this," said Scott Anderson, executive director of the California Council of Churches. "This is not just about big charities, but ordinary congregations who can bring a sense of family. A lot of people are on welfare because they don't have extended family."

At the same time, Anderson said, "The vast majority of congregations in this state have no experience taking money from the government."

Meanwhile, serious constitutional questions must be answered about whether the new law violates the Constitution's guarantee of the separation of church and state.

"Charitable choice," Anderson said, "is a lawsuit waiting to happen."

LOAD-DATE: July 10, 1998

# NATIONAL NEWS



BY MICHAEL CONROY—ASSOCIATED PRESS

**·tial hopeful George W. Bush said he wants to encourage ·ious groups to get involved with social issues.**

## Bush Outlines Charity-Based Social Policies

By TERRY M. NEAL
*Washington Post Staff Writer*

INDIANAPOLIS, July 22—Texas Gov. George W. Bush today offered the most elaborate definition to date of his "compassionate conservatism" credo, unveiling a series of policies to confront social problems through religious and community groups rather than government bureaucracies.

Speaking before a racially diverse crowd of several hundred people at Indianapolis's Metro Church, the Republican presidential frontrunner proposed $8 billion in tax incentives to encourage charitable giving, as well as other policies intended to rally "little armies of compassion" across the country.

"In every instance where my administration sees a responsibility to help people, we will look first to faith based organizations, charities and community groups that have shown their ability to save and change lives," Bush said.

Bush has been accused by Republican and Democratic rivals alike of offering little more than vague platitudes and foggy notions on the campaign trail. He sought to dispel that opinion today, proposing policies that he said were guided by the principle that government resources and responsibilities should be "devolved" not only to the states but also to "charities and neighborhood healers."

Both President Clinton and Vice President Al Gore, the likely Democratic nominee, have also called for a greater public role for faith based groups. But Bush's speech is sure to generate discussion and perhaps controversy as the most extensive set of recommendations for how government could work directly with religious institutions to solve social problems.

Bush said he would dedicate $8 billion—10 percent of the non-Social Security surplus—for tax incentives to encourage people to contribute to charities and community groups that offer social services, from prison and drug rehabilitation to job training, mentoring and adult education programs.

He also proposed allowing people age 59 and older to withdraw money from IRA accounts without penalty to contribute to charitable groups. And he said he would encourage states to take advantage of unused federal welfare dollars to offer individuals a tax credit for giving to charities that offer services related to welfare reform.

But at least as significant as the proposals was the rhetoric he used to dispel the image some voters hold of the Republican party as cold and mean-spirited. "In this campaign, I bring a message to my own party," he declared. "We must apply our conservative and free-market ideas to the job of helping real human beings, because any ideology, no matter how right in theory, is sterile without that goal."

It is not enough, Bush said, for politicians to merely advocate tax cuts without proposing solutions for social problems, he said. And it is not enough just to promote values. Government, he insisted, has a clear role and it should be to promote community solutions. In doing so, he seemed to clearly reject the free-market libertarian orthodoxy that has dominated his party's politics this decade while steering clear of promoting liberal big government ideas.

Roy Romer, the chairman of the Democratic National Committee and former governor of Colorado, responded to Bush's speech by arguing that most people in both parties already agreed that religious groups should play a larger role in solving social problems and accusing Bush of continuing to duck major policy questions. "Where are you on the minimum wage?" he said. "Where are you on tax cuts? Where are you on gun control? You can't leave that to faith-based institutions."

Bush's advisers rejected suggestions that Bush had deliberately chosen the political stronghold of presidential candidate Dan Quayle to deliver a speech heavy on faith and values—long integral parts of Quayle's message. Even though Quayle moved to Arizona several years ago, he's still considered a popular native son in Indiana.

Bush aides said the main reason he came to Indianapolis was Mayor Stephen Goldsmith, considered by many Republicans to be one of the most innovative leaders in the party because of his partnerships with faith based groups. Goldsmith, who is serving as Bush's top domestic policy adviser, shadowed him most of the day.

Following the speech at the Metro Church, Bush attended a $1,000 per plate fund raiser at the Indiana Roof Ballroom that some party officials predicted would provide one of the largest hauls in state history. Many of those helping Bush were former Quayle loyalists, including Al Hubbard, who served as a top aide to Quayle when he was vice president. "They originally called me and asked me if I could help them raise $100,000," Hubbard said yesterday before the fund raiser. "Now I think we're going to do something between $600,000 and $800,000 and possibly upward of that. The response has been unbelievable."

Quayle campaign chairman Kyle McSlarrow attributed Bush's success in Indiana to the party establishments selling out substance for polls. "Governor Bush is going to Dan Quayle's back yard, appealing to Dan Quayle's friends with Dan Quayle's message. Why settle for the imitation when you can get the real thing for a whole lot less money?" he said.

## CORRECTIONS

·terday incorrectly identified Demo- ·r Eli Broad. He is chairman and ·fficer of SunAmerica in California.

·terday incorrectly described Archie · died in 1993 after he was shot 14 ·olice officers while he was sitting ·patrol car, as a criminal suspect. Au- ·ice stopped Elliott for driving errat- ·d him after he failed a sobriety test.

·terday incorrectly described the re- ·een Science Applications Interna- ·l Network Solutions Inc. As an in- ·npany, Network Solutions entered ·e agreement with the National Sci- ·n in 1992 to assign and manage ·in" addresses. SAIC acquired Net- ·in March 1995 and spun it off as a publicly traded company in September 1997.

The music review in yesterday's District Weekly contained incorrect information about the National Symphony Orchestra's appearances at Carter Barron Amphitheater. The NSO will perform at Carter Barron next Thursday, Friday and Saturday (July 29, 30 and 31), not this weekend. The concerts are free.

Statements in an article in Wednesday's Prince George's Extra and yesterday's Maryland Weekly were attributed to the wrong person. Vicki Fretwell, spokeswoman for Senate President Thomas V. Mike Miller Jr., said the new Senate office annex in Annapolis will make the Senate's business "more orderly and predictable," that it will not be decorated like "a country club" and that the old hearing rooms are cramped and inaccessible.

## INSIDE



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*Melissa Rogers*

# The Wrong Way to Do Right

## *Church and state can work together without being tied by funding strings.*

Vice President Al Gore and Texas Gov. George W. Bush are receiving some glowing reviews for their proposals to address social problems through new partnerships between faith-based organizations and government. On this page on June 11, Jim Wallis of Call to Renewal noted that Gore and Bush may be part of "an awakening" to "a new vision of real social change." On May 28, also on this page, E. J. Dionne Jr. wrote that Gore "scored his point for God."

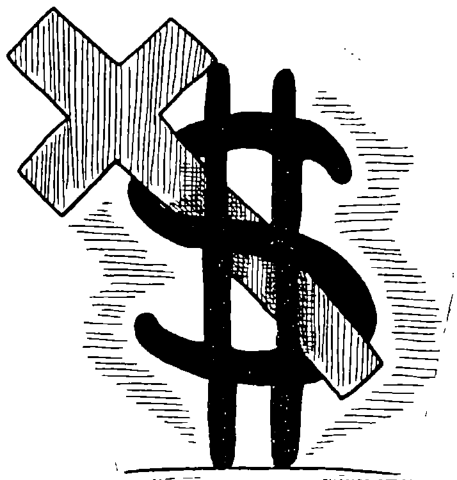
Without doubt, government and religion can do much good together to address the pressing needs of our times. It has long been permissible, for example, for the government to fund groups that have ties to religion but are set up to perform secular social services, such as Catholic Charities and Lutheran Services in America. But Gore and Bush have taken this idea a giant step further by advocating "charitable choice," a plan whereby tax subsidies might flow to houses of worship and other thoroughly religious entities that perform social services.

In a speech in Atlanta last month, Gore deemed charitable choice (which first appeared in the 1996 welfare reform law) a "carefully tailored approach" and proposed extending it "to other vital services where faith-based organizations can play a role—such as drug treatment, homelessness and youth violence prevention." Gore's potential competitor for the White House, Gov. Bush, also supports charitable choice and made the concept a focal point of his maiden stump speech in Iowa.

But charitable choice threatens to damage the very things Gore and Bush say they treasure—religion and religious liberty. Put simply, charitable choice is the wrong way to do right.

For one thing, religious ministries would be regulated by the government, which would mean audits and, probably, tedious reporting, intrusive compliance reviews and even the subordination of religious principles to government policies and objectives.

Gore and Bush have emphasized that the charitable choice law attempts to protect the religious character and autonomy of providers, but whether these protections would survive judicial scrutiny is questionable. For example, is it constitutional to allow a religious



BY MARGARET SCOTT

ministry to insist that no Jews or Muslims need apply for jobs that are tax-funded? One federal district court has already refused to allow the Salvation Army to fire an employee whose salary was paid substantially with tax money simply because the employee was a Wiccan.

Second, under charitable choice, religious ministries could become administrative centers of government benefits and services and

### Taking Exception

gain associated duties such as terminating benefits, reporting on beneficiaries and otherwise policing the system. Instead of being known as sanctuaries, churches could come to be viewed essentially as arms of the state. If tax subsidies flow to churches and other religious ministries, the role of religion as prophetic critic of government also will be diminished.

Finally, despite Gore's insistence that "government must never promote a particular religious view," charitable choice would force the government to pick and choose among religions—it cannot fund them all. Religions might compete for government grants before elected legislators, thereby fanning the fires of religious division and giving representatives yet another opportunity to turn religion into a political tool.

The vice president believes that imposing certain "clear and strict safeguards" will obviate religious liberty problems. He states that government must never "try to force anyone to receive faith." He also cautions that "we must ensure that there is always a high-quality secular choice available . . . [and] continue to prohibit direct proselytizing as part of any publicly funded efforts."

But some of these safeguards are impossible to administer. How does one define "direct proselytizing," much less ensure that a church isn't using public money to do it? Moreover, Gore's safeguards are insufficient. Tax money simply should not flow through the church house door, because stifling, intrusive government regulation will quickly follow. These are some of the reasons the Supreme Court has ruled that tax funds should not flow to thoroughly religious entities such as churches.

Church and state can work cooperatively without being tied together with funding strings. Houses of worship and governmental officials can and should share information about needs and programs. The government can highlight the good work that religious missions and other social service groups are doing and make referrals to these groups when appropriate.

Government also can encourage increased private subsidies for religious ministries, as Gore did in some of his remarks. Legislatures can help by passing tax incentives for charitable giving, such as the bipartisan Charitable Giving Tax Relief Act, which would allow non-itemizers to deduct 50 percent of their charitable gifts over $500.

Another way for church and state to cooperate is for churches and other religious missions to form separate entities to provide secular social services with tax money.

Religion in America is robust precisely because it relies on the strength of its message and voluntary gifts, rather than compulsory tax funds, for its support. Religion in America is vital precisely because it is largely free from government direction and regulation.

*The writer is associate general counsel for the Baptist Joint Committee.*

*Robert Kuttner*

# Bitter Pills for the Elderly Poor

The legislative battle to provide insured Americans with prescription drugs at reasonable cost is

can be devastating. Roughly half the prescrip-

runaway costs will be the inevitable price contro

NCCED — National Congress for Community Economic Development

# FAITH-BASED COMMUNITY ECONOMIC DEVELOPMENT BULLETIN

August, 1999 Vol. 1, No.1

# Religious Access to Government Funds: Church-State Issues

Faith-based community development is on the rise. As it grows, so do questions—sometimes misunderstandings—about religious access to federal and state community development dollars.

Political statements and press reports at times suggest an easier religious road to public community development resources than may be the case. The following information is intended to lift up some of the issues and questions that faith-based groups will want to ask as they consider relations with government funders of community development.

The term "religion" is used here rather than the more generic "faith-based" because the latter term does not appear in most laws and government regulations dealing with community development.

**Community development is a process through which residents and other community stakeholders engage in social, economic, housing and other asset development. The goal is to build and sustain healthy communities through the creation of jobs and businesses; the production of decent, affordable housing, and the forging of enduring institutions—both physical and social—which educate and support families and individuals. Faith-based community development engages in this process as the expression of religious or spiritual ministry, calling or beliefs.**



## Q. What is government's role in Community Development?

While community development is a grassroots activity, federal, state and local governments play important roles in policy-formation, regulation and funding. For example, many federal departments (including Housing and Urban Development, Commerce, Transportation, Labor, Justice and Agriculture) provide community development dollars. In fact, the federal government plays a big role in setting the terms under which most community development occurs. Federal funds are increasingly channeled through states or regional offices. HUD funds are dispersed entirely on the regional and state levels. States, counties and cities usually have some CD money of their own. Most government CD grants are made available on a competitive basis.

## Q. What role does religion play in CD?

Religious developers have a proven track record in every aspect of community development. They influence, initiate, and build. They manage housing, commercial ventures and jobs programs. Hundreds of religiously motivated community organizations engage in development across the country. They represent every segment of religion and funding comes from many sources.

**Published by the Faith-based Program of the National Congress for Community Economic Development, 1030 15th St. NW, Suite 325, Washington, D.C. 20005**
**202 289-9020, Fax 202 289-7051**
**ncced.org.**

# A Guide to Charitable Choice

## *An Overview of Section 104*

## Responding to a Need

The goal of Section 104 of the 1996 federal welfare-reform legislation is to expand the involvement of the independent sector, including faith-based organizations, in the delivery of government-supported social services. A large proportion of nongovernmental providers of assistance to the needy are faith-based nonprofit organizations. Some are affiliated with churches, synagogues, mosques, or temples. Others, though self-standing, are inspired by religious beliefs and were established to carry out a religious mission of care for the poor and needy.

These religious charities are among the most effective providers of help and are typically willing to serve even the most distressed families and neighborhoods. They are flexible, take a personal approach, are deeply committed to the needy, and provide help that is guided by a moral code and evokes personal responsibility. Such assistance is particularly important when individuals, families, and communities are mired in long-term poverty and self-destructive patterns of behavior.[1]

Many faith-based providers currently participate in government-funded programs. However, they have been subject to governmental pressures to downplay or discard their religious emphases. Many other faith-based organizations are wary about involvement with the government because they fear they might lose their religious character and independence.[2] Section 104 invites the increased involvement of religious organizations in the provision of social services while safeguarding their religious character, which is the very source of their genius and success.

## General Principles

Four basic principles undergird the provisions of Section 104:

1. In seeking to help the needy, government may and should involve nongovernmental organizations. Government is not the only source of services for the public. Civil society is comprised of many independent organizations, including secular and religious nonprofit organizations, that serve public purposes. Today, as well as in the past, a large part of the independent sector consists of faith-based charities and congregations that operate programs of service to the poor. Government should support the efforts of such nongovernmental organizations, which are close to those needing help and able to provide assistance that is personal, morally grounded, efficient, and successful. As long as the nongovernmental organizations further public purposes of fighting poverty, government violates no constitutional rule by including faith-based providers in the mix of independent-sector organizations that collaborate with its programs.

2. When government arranges payment to nongovernmental organizations for the provision of services to the needy, such providers do not thereby become "beneficiaries" of "governmental assistance." Rather, it is the poor and needy whom they serve who are the beneficiaries of the governmental assistance. Government's intention, and its chief effect, in involving faith-based as well as nonreligious charities in its welfare programs, is to more effectively and efficiently help those in need.

3. Government is constitutionally required not to "establish" any church or faith. It must not take the side of any one of the many faiths of its citizens. However, the establishment clause of the First Amendment does not require, and has not been interpreted by the Supreme Court to mean, that faith-based social-service organizations must censor their religious expression or give up their religious identity in order to take part in government programs. Indeed, the First Amendment secures the right of religious expression, which may not be subjected to discriminatory treatment by government. Thus, so long as a welfare program has as its object the public purpose of society's betterment, and so long as the program is equally open to all providers, faith-based and nonreligious, then the constitutional requirement that the law be neutral is fully satisfied.

4. In addition to protecting the religious character of providers of services, the First Amendment protects the religious liberties of beneficiaries of such services. Beneficiaries may not be compelled to turn to faith-based providers in order to receive authorized services. To protect beneficiaries, the government should provide an alternative for those who object to faith-based providers.

# Basic Rules

In order to fulfill these general guidelines for expanding the involvement of faith-based and nonreligious organizations in the provision of social services, Section 104 sets down four practical rules of law:

1. If a state elects to involve independent-sector providers in the delivery of social services, then it may not exclude providers because of their religious character.

2. If a faith-based organization is selected as a provider of government-financed social services, its religious expression and identity may not be censored or otherwise diminished on account of its participation in the welfare program.

3. A faith-based provider may not discriminate against a beneficiary on the basis of religion nor require the beneficiary to actively participate in religious practices.

4. If a beneficiary objects to receiving social services from a faith-based provider, then he or she has a right to obtain services from another provider.

# Detailed Analysis

In this analysis, the eleven subsections of Section 104 are arranged under eight subject headings. References in brackets are to specific subsections of Section 104. The full text of Section 104 is printed in the Appendix.

1. **Programs Covered**
   Section 104 applies most notably to state programs implemented under the Temporary Assistance for Needy Families (TANF) program, which is the replacement for Aid to Families with Dependent Children (AFDC) [see subsection (a)(2)(A)].[3] TANF replaces AFDC with a framework in which states receive federal funds through block grants to design and operate their own welfare programs, consistent with certain federal rules, including Section 104. TANF involves more than just certifying eligibility for, and disbursing, welfare checks. The intent is that states will develop a range of programs to assist the poor and needy to become self-sufficient. The goals of TANF are well suited to extensive involvement by nongovernmental organizations, including churches and

other faith-based organizations, that have been successful in moving people from dependence to self-reliance. Section 104 also applies to the food stamp, Medicaid, and Supplemental Security Income (SSI) programs to the extent that these can be implemented by the states through purchase-or-service contracts or voucher arrangements with nongovernmental service providers.[1] (Contracts and vouchers are discussed in the next part.)

Under the Charitable Choice provision, states may contract with, or develop a voucher system involving, both secular and faith-based organizations that provide a wide range of services, such as:

- Work. Faith-based providers or neighborhood groups could provide subsidized jobs or community service positions, on-the-job training, job-search help, job-readiness preparation, job-skills training, vocational education training, or GED programs
- Food. Churches, synagogues, or other religious institutions could provide subsidized meals, operate food pantries, or offer nutrition, shopping, or food-budgeting help
- Maternity Homes. For unmarried minor mothers and expectant mothers who cannot remain with their parents, states may collaborate with nongovernmental groups to provide maternity homes, adult-supervised residential care, second-chance homes, or other suitable living arrangements.
- Medical and Health Services. Faith-based providers and other nongovernmental organizations could provide abstinence education, drug- and alcohol-treatment programs, vocational rehabilitation services, or health clinics.

## 2. Financial Arrangements with Service Providers

Section 104 authorizes two types of governmental financial arrangements with independent providers [see subsection (a)(1)]. One is **purchase-of-service** contracts by which government pays providers to deliver specified services. Such contracts involve governmental provision of assistance to beneficiaries by means of the government dealing "directly" with providers. The other type of financial arrangement consists of government-provided **certificates, vouchers, or other forms of disbursement** which a needy person may redeem for services at whichever eligible provider he or she may choose. In this second case, government is providing assistance to beneficiaries by dealing "indirectly" with independent providers and directly with beneficiaries

In the case of TANF, states are authorized to use both "direct" and "indirect" means of paying for services provided by independent organizations [subsection (a)(2)(A)]. For other programs subject to Section 104, the provisions of the respective programs determine whether states are authorized to use "direct," "indirect," or both forms of financial relations [subsection (a)(2)(B)].2.

## 3. Inclusion of Faith-based Providers

Section 104 leaves it up to the states whether to involve independent-sector providers of social services or to provide all services through government agencies [subsection (a)(1)]. However, if a state elects to involve any independent-sector providers, then it may not exclude religious providers from consideration. Section 104 requires that in selecting providers the state may not discriminate on account of a potential provider's religious character [subsection (c)].

## 4. Rights of Faith-based Providers

A primary purpose of Section 104 is to permit states to involve faith-based providers of social services "on the same basis as any other nongovernmental provider" and "without impairing [their] religious character" [subsection (b)]. Section 104 also protects the religious freedom of beneficiaries, but does so in a manner that does not harm the religious character of faith-based organizations

A series of specific protections are established for faith-based organizations:

- Institutional Autonomy and Control of Mission. Section 104 explicitly protects the autonomy of any faith-based provider carrying out programs funded under PRWOR by providing that it "retain[s] its independence from Federal, State, and local governments," including its "control over the definition, development, practice, and expression of its religious beliefs" [subsection (d)(1)]. This language emphasizes that a participating faith-based provider does not become a "state actor" nor relinquish its religious autonomy

- Control of Governance. Faith-based providers may not be required to alter their form of internal governance to be eligible for participation [subsection (d)(2)] The structural form of religious organizations is often dictated by religious doctrine, and ecclesiastical polity is here protected.[5] Similarly, states may not require a faith-based provider to change its officers or directors on the grounds that they do not reflect a particular religious, ethnic, racial, or gender mix, nor may states exclude a faith-based provider from eligibility on such grounds

- Maintenance of Religious Environment. No state may require a faith-based provider, in order to be eligible to participate, to remove from its property "religious art, icons, scripture, or other symbols" [subsection (d)(2)]. Participating faith-based providers need not strip their facilities of crosses, Stars of David, scriptural quotations, religious apparel, or other visual signs of religious commitment.

- Control of Employment Policy. Section 104 affirms the right of faith-based providers to utilize religious standards in the terms and conditions of their personnel policies [subsection (f)]. Title VII of the Civil Rights Act of 1964 established an exemption for religious organizations from the general ban against religious discrimination in hiring.[6] That exemption is here explicitly affirmed for faith-based organizations participating in federally funded welfare programs covered under Section 104.

  Faith-based organizations remain subject to other applicable nondiscrimination laws. The anti-discrimination requirements of federal civil-rights laws regarding age, sex, disability, race, color, and national origin remain in force.[7] In addition, state and local anti-discrimination laws are still applicable and are unaffected by Section 104, unless they infringe the religious autonomy of providers secured by the Section.[8]

- Limited Audits. Section 104 further secures the autonomy of participating faith-based organizations by giving them the opportunity to limit the scope of fiscal audits. If they choose, they may establish separate accounts for the receipt of federal monies under these programs, segregating such funds from other income, especially nongovernmental funds. If they do so, then only the accounts that receive or disburse federal funds are subject to audit [subsection (h)]. It would be prudent for providers to take advantage of this option and not commingle private donations and grants with government funds.

## 5. Restrictions on Funding

### a. Purchase-of-Service Contracts

One goal of Charitable Choice is to involve faith-based providers in delivering welfare services "without impairing the religious character of such organizations" [subsection (b)]. Section 104 explicitly provides that a participating faith-based organization shall retain its independence from Federal, State, and local governments," including maintaining its "control over the definition, development, practice, and expression of its religious beliefs" [subsection (d)(1)].

In enacting Section 104, the object of Congress was the public purpose of helping the poor and needy, not the advancement of religion. Section 104 anticipates and intends that states will contract with faith-based providers that manifest a distinct religious identity on an equal basis with other independent providers. However, what states are purchasing through contracts with faith-based providers are services which fulfill the public purpose of PRWOR to aid the needy in specific ways

When a state makes a purchase-of-service contract with a faith-based provider, none of the federal funds transferred to the provider may be "expended for sectarian worship, instruction, or proselytization" [subsection (j)] This prohibition reflects the constitutional requirement that government may not establish religion and ensures that federal funds are not used in a manner that suggests that the government is endorsing the religion of a faith-based organization. The prohibition should not be construed to require that a faith-based provider diminish or eliminate its religious character or its religiously inspired way of providing services The key is that government funds the religious organization in order to provide services that satisfy the public secular purpose of PRWOR.

Charitable Choice implements the governmental neutrality mandated by the Constitution by requiring that a state treat equally all providers, faith-based or secular, if it decides to turn to the independent sector to provide services to the needy.[9] It protects the religious liberty of beneficiaries, some of whom may object to receiving services from a faith-based provider, by ensuring that they have a choice of a different provider [subsection (e), discussed below]

In deciding whether to contract with a faith-based provider to deliver a service, a state should focus not on the religion of the provider but rather on its record or prospects of successfully providing the authorized welfare service. As with any other provider, the chief concern of the state is whether the program of the faith-based organization fulfills the public purpose of helping the poor and needy. [10]

### b. Voucher Funds

PRWOR funds that are indirectly received by faith-based organizations by means of vouchers, certificates, and other redeemable disbursements are explicitly not subjected to the restriction against being expended for worship or proselytization [subsection (j)].

The key difference is that the flow of federal funds to a faith-based provider is direct in the case of contracts and indirect when it is due to a beneficiary's decision to redeem a voucher with such a provider [11] An explicit prohibition on expending federal funds for sectarian religious activities is not needed with vouchers because there cannot be even the appearance of a government establishment of religion when it is the beneficiary who, free to choose among providers, decides to redeem a voucher at a faith-based provider.[12]

A state, of course, will only authorize a faith-based provider to redeem vouchers if that organization provides authorized services to the needy. The absence of the subsection (j) prohibition does not change the public purpose to be served by the use of vouchers provided to beneficiaries.

### 6. Rights of Beneficiaries

Section 104 secures the religious rights of beneficiaries primarily by ensuring a choice of providers. When a state enables a beneficiary to secure benefits by means of a voucher, certificate, or another form of indirect payment, then it is the disbursement mechanism itself that secures to beneficiaries the opportunity to choose between different service providers.

In the case of purchase-of-service contracts, Section 104 specifies that a beneficiary who objects to receiving social services from a religious provider has the right to receive services from another provider [subsection (e)].[13] The state must ensure that the alternative assistance is of no lesser value, that it is available within a reasonable period of time, and that the alternative provider is accessible to the beneficiary. States should ensure that beneficiaries are aware of the range of providers and of their right to receive services from a non-religious provider.

Section 104 further protects the religious rights of beneficiaries by requiring that religious providers may not discriminate against beneficiaries "on the basis of religion, a religious belief, or refusal to actively participate in a religious practice" [subsection (g)]. This requirement applies to all faith-based providers, whether they redeem vouchers or have contracted to provide services. Thus, a provider may not exclude from its programs beneficiaries belonging to other denominations, churches, or religions. A provider cannot require a beneficiary to adopt a particular religious creed or tenet of faith. A provider cannot deny services to a beneficiary who refuses to participate in a treatment activity that is religious.

Beneficiaries who do not wish to participate in religious activities may not disrupt such activities, impede other beneficiaries from taking part in them, or demand that the faith-based organization refrain from engaging in such activities. Faith-based providers have the right to offer such activities. Disruption may be construed as an objection to the religious nature of the provider, and the beneficiary should be directed to an alternative source of services.

### 7. Preemption of State Law

All federal block-grant funds subject to Section 104 must be administered in accord with the principles of Charitable Choice. If a state commingles such federal funds with state funds, then all of the funds must be administered in accord with the principles of Section 104. This follows from the Supremacy Clause of the U.S. Constitution, which provides that rights granted by congressional action preempt any state or local laws to the contrary.

Section 104 includes an option for states with constitutions that restrict the expenditure of public funds at faith-based organizations [subsection (k)]. In such a case, state authorities have the option of segregating the federal funds from state funds, administering the former in accord with the requirements of Section 104 while administering the state monies in accord with the state's own more restrictive laws.[14] However, Congress intended to discourage segregation of funds.[15] The option exists only to accommodate states with restrictive constitutions. The intent is to maximize the equal opportunity for faith-based organizations to participate in federally funded welfare programs under PRWOR, and not to enable restrictive state rules to be used to disallow participation by religious providers.

**8. Legal Action to Secure Rights**

Both providers and beneficiaries who believe that their Section 104 rights have been violated may bring a civil lawsuit asking the court to order the alleged governmental violator to comply with the requirements of Section 104 [subsection (i)]. State courts have exclusive jurisdiction.[16]

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3RD STORY of Focus printed in FULL format.


Newsday

August 22, 1999, Sunday

SECTION: NEWS;

LENGTH: 1096 words

HEADLINE: CONGRESS IS KEEPING THE FAITH / DIVISION BETWEEN STATE AND CHURCH HAS BEEN BLURRED

BYLINE: By Jenn Abelson. WASHINGTON BUREAU

DATELINE: Washington Page A27

BODY:

Washington - As a Stuyvesant High School undergraduate in the 1960s, Jerry Nadler bristled at "a constant, coercive assault" he received in homeroom. It wasn't bullies that bothered him, but rather passages from the Bible that the dean read over the loudspeaker every morning.

Nadler, who is Jewish, recalled his sense of relief in 1962 when the Supreme Court outlawed officially sponsored and organized prayer in public schools. Nearly 40 years later, Nadler (D-Manhattan) finds himself embroiled in another bitter church-state debate.

Prompted by religious activists and buoyed by shifting national attitudes, the House has embraced a series of ideas to strengthen faith's muscle in the public arena.

In addition to adopting the Religious Liberty Protection Act last month, a narrower version of a law judged unconstitutional in 1997, the House in June approved a measure, 248-180, to allow the posting of the Ten Commandments in public buildings.

Members of Congress also galvanized support for proposals allowing religious tributes to students on school grounds and forbidding adults from taking minors across state lines to get an abortion if their home state requires parental notification. Prospects for those measures remain cloudy in the Senate. But as Congress considers annual appropriations bills, there will be wide support for adding funds for religious-affiliated institutions that provide social services, an idea endorsed by Republican and Democratic presidential candidates.

"We are witnessing a popularly driven rebellion against government run by secular experts," said Father Richard John Neuhaus, president of the Institute on Religion and the Public Life.

Barry Lynn, executive director of Americans United for the Separation of Church and State, agrees that the debate has intensified and the agenda has grown. "This has been one of the most religion-focused Congresses," he said. But Lynn and other critics contend that social conservatives successfully exploited tragedies - such as the school shootings in Colorado - to promote religious-based legislation. After the Columbine High School massacre that left 15 people dead in April, the House rejected gun-control restrictions passed by the Senate and instead voted for an array of measures pushed by social conservatives, including the Ten Commandments provision - a measure proposed only twice in the past three decades. And in May although the House defeated a separate bill that proposed a national day of prayer, fasting and humility, it amended the juvenile justice bill to prohibit people who successfully challenge the constitutionality of religion in public places from receiving attorney fees.

"Public schools are being intimidated into suppressing religious expression by the threat of costly litigation," said Rep. Jim DeMint (R-S.C.), who sponsored that measure.

Isaac Kramnick, a professor of government at Cornell University, disagreed. He called the restriction on attorney's fees "a vindictive move by the religious right."Amber Kahn, spokeswoman for the Interfaith Alliance, described the juvenile justice bill and abortion measure as byproducts of conservative groups, including the Christian Coalition and the Family Research Council.

According to Kahn, these organizations "seized upon the fear and suffering of Americans to impose their narrow and exclusionary agenda through the legislative process on the American people."Rep. Bob Barr (R.-Ga.) denied that conservatives manipulated the Littleton tragedy to foster the Christian right's movement.

"If focusing on reminding children of the need for moral underpinning and reaffirming religious beliefs when we have a tragedy of this nature is cynical, then we have indeed become a society too callous to even help itself," he said.

Randy Tate, senior vice president of the Christian Coalition, insisted that Congress legislation provided a response to the school shootings not a religious litmus test for the coalition's evaluation of candidates in next year's elections.

While he admits the government is a poor instrument for inculcating religious values, Tate said posting the Ten Commandments will help fill the "spiritual vacuum that exists in our schools." Nadler described the Ten Commandments proposal as the work of "irresponsible politicians misunderstanding the role of religion in government."All members of the Queens and Long Island delegation except Reps. Rick Lazio (R-Brightwaters) and Michael Forbes (D-Quogue), voted against the attorney fees and Ten Commandments provisions.

Although conservatives controlling the House may account in part for the proliferation of religious legislation, changing public attitudes can also be pegged to these faith-based solutions.

A Gallup Poll of 1,014 adults reported in May that 66 percent believe that religion can answer all or most of today's problems, up 3 percent from June, 1998, and up 10 percent from 1984. At the same time, 62 percent of those surveyed believe religion as a whole is losing its influence on American life, compared with 56 percent in June, 1998, and 39 percent in 1984.

These figures may explain the growing political support for increasing specific roles for faith-based institutions in public life. First championed by Republicans in the 1996 welfare overhaul, legislation to federally fund religious-affiliated organizations for programs aimed at vexing social problems has multiplied over the past several years.

This type of legislation, known as charitable choice, has attracted supporters across the political spectrum.

Liberal Democratic presidential front-runner Vice President Al Gore recently called for expanding charitable choice to include services addressing drug addiction, homelessness and youth violence.

Boasting liberal and conservative support as well, the Religious Liberty Protection Act, which passed in the House last month, 306-118, affirms the right to exercise faith even in cases where it conflicts with state or local laws.

A broad coalition representing the major religions endorsed the measure, citing government's encroaching presence on students disciplined for wearing yarmulkes in school and houses of worship prohibited from residential neighborhoods by zoning laws.

Marty Martin, director of the Public Religion Project, touted the bill as a victory for religious liberty and for having the government serve as an outlet for the national revival of faith. "America thought it was very secular," Martin said. "We're finding out that just isn't the case."

GRAPHIC: AP Photos - 1) Rep. Jerry Nadler (D-Manhattan), above, is upset because of the shifting boundry line between church and state in Congress, where a variety of religious-related bills are surfacing. 2) But Rep. Bob Barr (R-Ga.), left, denies that conservatives have used tragedies such as Littleton, Colo., school massacre to foster the Christian right. CONGRESS. JERRY NADLER. POLITICS. RELIGION. GOVERNMENT.

LANGUAGE: ENGLISH

LOAD-DATE: August 22, 1999 ALL EDITIONS

13TH STORY of Focus printed in FULL format.


Sacramento Bee

June 6, 1999, METRO FINAL

SECTION: MAIN NEWS; Pg. A1

LENGTH: 1572 words

HEADLINE: FAITH A RISING FACTOR IN PRESIDENTIAL BIDS

BYLINE: Dennis Love, Bee Capitol Bureau

BODY:

Everyone knows there are two topics discussed only at great peril: religion and politics. And pity the fool who mixes the two.

Or so goes the conventional wisdom. But there in Atlanta two weeks ago was Vice President Al Gore, already pavement-pounding for the presidency, talking about how Americans must "dare to embrace faith-based approaches that advance our shared goals."

And there in Texas is Gov. George W. Bush, the early front-runner for the GOP presidential nomination, who launched a "Faith In Action" initiative in 1996 that has "put Texas at the vanguard of the faith-based welfare movement," according to Bush's official state Web site.

And there in Sacramento last week was state office worker Faye Rowe, 47, sitting alone in a K Street deli near the Capitol, eating a sandwich and leafing through a dog-eared pocket Bible.

"I think people are realizing government can't solve all our problems in this country," she said. "I think people are realizing that God might have some ideas."

In the early going of the 2000 presidential campaign, there are distinct indications that the traditionally distant relationship between church and state is in play -- a development that heartens many like Rowe, but disturbs many others.

"There seems to be this ground swell out there that the faith-based community can save the world," said Scott Anderson, executive director of the California Council of Churches. "And we do have some awesome resources we can bring to the table. But we also have to step back and ask what is really being asked of us."

What Gore, Bush and others are specifically suggesting is that government should note the success of social programs undertaken by religious organizations and find ways for government to help. But the obvious comfort with which these politicians have begun to invoke religious themes has some observers wondering if they are signaling a national sea change -- one in which religion plays a more formal role in government, and vice versa.

In his Atlanta address, Gore lauded efforts and organizations such as church soup kitchens, the Salvation Army, Christ House and the Christian Women's Job Corps. Declaring that "freedom of religion need not mean freedom from religion," he argued for government funding for faith-based groups attempting to deal with problems such as homelessness and youth violence -- without, he said, "having to alter the religious character that is so often the key to their effectiveness."

In Texas, Bush has promoted a series of state-funded programs to encourage churches, synagogues and other faith-based groups to offer child care, job training and other social services without jeopardizing their religious mission.

He also has championed an experimental prison program called InnerChange, which has been described by advocates as "the nation's first-ever, 24 hours a day, Bible- and values-based pre-release program, aimed at helping inmates achieve spiritual and moral transformation."

"In the final analysis, there is no overcoming anything without faith," Bush has said, "be it drugs or alcohol or poverty or selfishness or flawed social policy."

All this qualifies as fairly startling rhetoric from the two most formidable-looking contenders for their respective parties' presidential nominations. Even though surveys show the United States remains a country where high value is placed on religion and church attendance -- a recent national Gallup Poll found that 71 percent of respondents said they were members of a church or synagogue, up from a 60-year low of 64 percent in 1996 -- there has always been squeamishness about combining policy and parish.

"America has been a deeply religious society throughout its history," said Rebecca Klatch, a sociology professor at the University of California, San Diego, and the author of two books on conservative politics. "But parallel to that has been a constant concern about separation of church and state. Many politicians have found that if you cross a certain line, you can get into trouble."

At the core, both Bush and Gore essentially want to expand the "charitable choice" provision of the 1996 federal welfare overhaul, engineered by conservative Republican Sen. John Ashcroft of Missouri, which allowed faith-based groups to operate welfare-to-work programs with government money.

"Charitable choice" was considered a landmark piece of legislation by many because it let religious organizations receive state contracts for social services without having to remove their religious symbols or change their internal governance structure or hiring practices.

There have been successes. Anderson of the California Council of Churches points to a consortium of 21 Sacramento-area churches that contracted with county government to provide job training, job placement and day care at church sites for welfare recipients.

In Indiana, the Marion County juvenile court sends troubled children to a

Christian-based alternative to state detention centers. Youthful offenders rise at 5:30 a.m. and read from the Old Testament book of Proverbs, in addition to other Bible-based regimens.

Other examples are plentiful. But there are concerns about the trend from faith-based institution advocates and civil libertarians.

"How can a religious institution counsel without proselytizing?" asked Terri Schroeder, a First Amendment legal analyst at the American Civil Liberties Union.

Capt. Stephen Smith, Sacramento divisional secretary for the Salvation Army, raised a different concern: "For a long time, we have wanted to become more integrated with other agencies and government entities. But at the same time, here at the Salvation Army, we don't want to compromise what we do. We have a strong Christian belief system and we like to practice that."

And Anderson fears faith-based institutions could be left holding the bag if government transfers its social service responsibilities and then withdraws financial support when the economy inevitably hits a snag.

"With all this talk there is a real worry that it could result in an unfunded mandate placed by the state on the faith-based community," Anderson said. As a result of those concerns, some 20 Northern California religious leaders will gather this week to issue what Anderson calls a "major report" that will recommend strategies for, among other things, "realistic parameters for the faith community's participation in the new welfare system."

There are, as always, some purely political considerations within the "faith-based" debate. The notion of private citizens and organizations -- as opposed to government -- solving social problems is a long-standing and firmly held conservative principle that has been argued about since the days of President Franklin D. Roosevelt's New Deal.

President Reagan was a staunch advocate of a diminished government role in welfare. President George Bush's "Thousand Points of Light" initiative, which highlighted volunteerism, was a more moderate nod to the same philosophy.

What makes Gore's Atlanta pronouncement all the more intriguing to observers like Klatch at UCSD is that it may augur a continuation of President Clinton's push of the Democratic Party toward the political center, annexing some traditionally Republican territory along the way.

It may also provide Gore with an antidote to a potentially powerful issue for Bush.

"I think Gore is smart to take on the (faith-based) issue from a different political perspective," Klatch said. "Right-wing Republicans such as (former Vice President Dan) Quayle often are viewed with suspicion when they talk about these matters because of their association with the Christian right, which makes a lot of people uncomfortable."

And GOP presidential hopeful Quayle, for one, certainly hasn't been shy about his views of religion and its role in society.

"I just do not see any harm at all in posting the 10 commandments on the bulletin board," he said recently in San Francisco. "I don't want our teachers to be religious leaders . . . but there's nothing wrong with understanding why this country was founded. All the major movements in America -- from the American Revolution to the abolition of slavery to women's suffrage to the civil rights movement -- all had a spiritual foundation."

But comments like that can be politically treacherous -- especially in California, said David Puglia, a Sacramento-based strategist who directed GOP nominee Dan Lungren's unsuccessful campaign for governor last year. Lungren's campaign suffered, Puglia said, when the candidate suggested that people "look to God" in moments of crisis.

"I would advise caution to any Republican candidate who wants to come into California and deliver a message that may be interpreted as dragging religion into government or politics," he said. "It is unfair but true in California that Republican candidates will have an extra hurdle if they wish to discuss faith and religion, simply because they are Republicans."

But recent events like the Columbine High School shootings in Colorado may have voters looking for larger answers, and could make the going easier for candidates who wish to talk about faith on the stump. Said Puglia: "It's conceivable that these tragedies have made people a little more willing to listen to a discussion of spiritual values in politics. It will be interesting."

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1ST STORY of Level 1 printed in FULL format.


The Buffalo News

July 10, 1999, Saturday, FINAL EDITION

SECTION: NEWS, Pg. 1A

LENGTH: 1174 words

HEADLINE: BUFFALO MEETS CRITERIA TO BE POVERTY POCKET

BYLINE: JERRY ZREMSKI; News Washington Bureau

DATELINE: WASHINGTON

BODY:

President Clinton's tour of impoverished pockets of America didn't include a visit to Buffalo, but it could have.

Clinton administration officials said Friday that parts of Buffalo and many other upstate New York cities would qualify for the new aid programs that the president pushed in his visits to Appalachia, inner-city Los Angeles and other depressed corners of the nation.

Republicans, meanwhile, said Western New York would qualify for aid, too, under a GOP growth initiative that's suddenly developed new momentum in Congress.

Together, Clinton and the Republican Congress are both showing a newfound interest in helping parts of the country that have been left behind by the historic economic boom of the 1990s. Both sides said they're interested in striking a deal on aid to those areas, and local members of Congress said that can only be good for Buffalo.

"I've got to believe that given where the president is and where the Congress is, we can work something out," said Rep. Jack Quinn, R-Hamburg, who represents two-thirds of Buffalo.

Both initiatives target the nation's most impoverished neighborhoods rather than broad swaths of territory such as upstate New York that have experienced slow job growth during the 1990s. Then again, upstate is home to plenty of those downtrodden neighborhoods.

Clinton's "New Markets Initiative" proposes massive new tax breaks for business investment in census tracts that either have poverty rates of 25 percent or more, or where median income is less than 80 percent of the regional average.

While the Clinton administration did not indicate exactly how many neighborhoods would stand to benefit in each metro area, it's clear that there's no shortage of them upstate. In fact, the administration said six upstate cities -- Newburgh, Elmira, Syracuse, Utica Rochester and Buffalo -have citywide poverty rates of more than 25 percent, meaning much of those cities would qualify for the new tax breaks for investors.

"Parts of Buffalo would certainly be eligible," said Susan Wachter, a consultant with the U.S. Department of Housing and Urban Development who is working on the New Markets Initiative. "Many census tracts would qualify and not only the deepest poverty areas."

The Republican urban initiative, dubbed the American Community Renewal Act, proposes narrower requirements for neighborhoods that would be eligible for similar investment tax breaks.

Under that bill, HUD would designate 100 "renewal communities" that would include census tracts where the poverty rate is at least 20 percent, unemployment is at least 11/2 times the national average, and at least 70 percent of households have incomes no more than 80 percent of the local average.

Based on current statistics, 51 census tracts in Erie County would be eligible to be included in a local "renewal community," and those neighborhoods have approximately 185,000 residents. An aide to Rep. **J.C. Watts** of Oklahoma, the GOP bill's main sponsor, said nine census tracts in Niagara County would qualify, and that about 27,000 people live there.

Watts stressed that his bill is designed to have a broad-ranging impact all across the country.

"Workers and families in America's forgotten communities are missing out on economic prosperity and are in fact struggling to make ends meet," said Watts, chairman of the House Republican Conference. "We need a new model to give them the tools to build a better life and share in the American dream."

That's the one point that Clinton and an increasing number of House Republicans agree upon. Their approaches to helping distressed neighborhoods differ in many ways, but at the center, they're very similar: both are built around huge tax breaks for investors in poor neighborhoods.

Under Clinton's plan, a "New Markets Tax Credit" would save investors up to 25 percent on taxes if they put their money in community development banks, venture capital funds or corporations that aim to serve poorer neighborhoods. The administration said that all sorts of investments -- from high-tech firms to shopping centers to manufacturers -- would qualify for tax breaks under the program.

The Republican plan simply offers investors a different, and potentially more lucrative, tax break. Investors in "renewal communities" would be totally exempt from capital gains taxes so long as they held their investments for more than five years.

In other words, on the tax break issue at least, Democrats and Republicans are not worlds apart.

"The president looks forward to working with Congress to map out something here," said White House spokesman Julie Goldberg.

Watts' spokesman, Bill Shapard, said Republicans are open to compromise, too.

"We're not that far apart in terms of the tax benefit," Shapard said. "I think these things can be solved."
Other parts of Clinton's initiative -- and Watts' -- appear to be more difficult to implement.

Clinton's plan, which requires congressional approval, also calls for creating new private investment partnerships, overseen by the federal government, that would invest in large businesses that expand in, or relocate to, impoverished areas. That and other new Washington-based programs prompted Watts to decry Clinton's plan as a return to "the big-government, Great Society programs of the past."

Meanwhile, Democrats and some moderate Republicans are aghast that Watts' plan would allow "**faith**-based **institutions"** to receive federal funds for drug rehabilitation programs -- and to include religious services or instruction in those efforts.

Quinn said public employee unions object to that proposal because it would allow religious organizations to do work that government employees generally do now. Besides, the proposal appears to some to violate the constitutionally mandated separation between church and state.

Watts and several other Republicans introduced their bill four years ago, and Shapard conceded that controversy over the **faith**-based **institutions** provision is one reason it has been stalled ever since.

Now, though, it seems to have new momentum. This week, House Speaker J. Dennis Hastert, R-Ill., announced that the tax provisions of Watts' proposal will be included in a major tax-cutting bill that will be among the GOP leadership's top priorities.

That's a big step, Shapard said, because many party leaders have long been reluctant to support Watts' effort for fear that it contradicts efforts to move toward a "flat tax" system.

Hastert made it clear, though, that he wants to use the tax code to help poorer neighborhoods.

"We must give people in America's low-income communities, urban and rural, new hope and opportunity to realize the American dream," Hastert said.

Clinton, on his tour of Appalachia, agreed. "Untapped markets" exist nationwide, Clinton said, "and we have to provide incentives for people to go there. We know that government can't solve these problems alone. We know that we'll never get anywhere by leaving people alone, either."

LANGUAGE: ENGLISH

LOAD-DATE: July 11, 1999

DATE: SEPTEMBER 23, 1999

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8TH STORY of Focus printed in FULL format.


THE BALTIMORE SUN

July 29, 1999, Thursday ,FINAL

SECTION: TELEGRAPH ,2A SUN JOURNAL

LENGTH: 1195 words

HEADLINE: A melding of passion and money; Help: Two presidential candidates favor linking faith-based agencies with public funds, a proposal that is drawing mixed reviews.

BYLINE: Georgia N. Alexakis

SOURCE: SUN NATIONAL STAFF

BODY:

For 14 years, The Door, an East Baltimore nonprofit community center, has operated on faith alone.

Located in an old Lutheran church, The Door has relied on individual donors and private foundations to sustain its summer day camp, job-placement program and drug-abuse support groups. The director, Jim Davenport, and his staff say they adhere to their fundamental belief that "Jesus Saves" -- as a banner in the building proclaims -- to carry them through long and underpaid workweeks.

"The carrying force, the passion to do our work," Davenport says, "comes from faith."

Now, after years of operating on a tight budget, The Door and other faith-based groups like it have become a plank in the presidential platforms of Gov. George W. Bush of Texas and Vice President Al Gore. Both have pledged, if elected, to link government and religious institutions to improve social-service programs.

Last week, 10 days after visiting The Door's North Chester Street site during a visit to Baltimore, Bush vowed to spend $8 billion in his first year in office to aid private groups that, among other things, work with children of prison inmates, offer after-school programs, treat drug addicts and provide homes for unwed mothers.

The reaction of faith-based groups has been mixed. With the lines between church and state blurring, some organizations have joined the American Civil Liberties Union in warning that government aid could threaten the autonomy of religious institutions and the secular nature of state-run agencies.

Yet more and more faith-based groups -- Davenport's among them -- say they are willing to set aside such niceties. Proposed tax incentives could elicit more private donations; direct government aid would strengthen the resources of nonprofit groups. State agencies no longer would have to turn away faith-based groups that are willing to share staff.

" Maybe it's because I'm right in the middle of it, and maybe I don't see the forest for the trees, but it seems so simple," Davenport says. "There's a problem, and we -- government and church -- need to solve it. Maybe we'll have some problems working together, but we'll get the hang of it."

Throughout the country, other faith-based programs are showing similar willingness to accept federal aid, which most legal scholars say is constitutionally permissible so long as the programs do not actively promote religion.

For the past 30 years, Freddie and Ninfa Garcia of San Antonio, Texas, have run a Christian-based drug-rehabilitation program that has benefited from state involvement. In 1996, Bush signed an executive order that barred secular agencies from discriminating against religiously affiliated groups. The order exempted the Garcias' Victory Fellowship, which they say has helped more than 13,000 addicts since 1966, from a state requirement that rehab centers have licensed counselors on staff.

The Garcias say the government can help in other ways, too. With a bigger budget, Victory Fellowship could better feed and house its clients. With more contacts in the public sector, addicts in recovery could be placed in better jobs.

The benefits of a church-state partnership do not escape Tom Lewis, either. The founder of the Fishing School, a faith-based social-service agency for children in Washington, says increased public aid might help reduce the time he spends as a "beggar" for private funding or buried under mountains of paper.

"They murder you with the paperwork," Lewis says. "I don't think the government understands that small ministries like ours don't have the money to hire extra staff to do everything they ask us to. Maybe if we work together, we can understand each other better."

Collaboration between church and state has gradually expanded since the 1996 passage of the welfare-reform law. That bill's Charitable Choice provision permits states to join with faith-based groups to provide government-funded welfare services.

Twenty states have taken advantage of the provision, establishing financial and other partnerships with faith-based groups, according to the Manhattan Institute for Policy Research.

A survey last year of 1,200 religious groups showed that while only 3 percent of them receive government funding, 36 percent would consider applying for it under Charitable Choice.

Not every faith-based group has expressed unqualified support for the proposed partnerships. Many worry that government money would also mean government meddling. Can a priest, for example, mention Christ in the course of counseling a drug addict? Or would that cross the line into outright proselytizing? The answers are still unclear.

"Initially, the idea that we are hearing falls on our ears in a positive way," says Melissa Rogers, associate general counsel for the Baptist Joint Committee. "But the pitfalls appear later -- the entangling alliances that happen when you have tax dollars flowing to religious groups."

Jeremy Reynalds, director of Joy Junction, an emergency homeless shelter in New Mexico, says that accepting public aid could mean sacrificing what he calls a key to his program's success -- a rule that everyone attend religious services once a week.

"It has the potential to be a disaster," Reynalds says. "The religious factor is at the core of what we do. Taking government funds means taking out the cornerstone of what makes you effective."

That is a frightening prospect for many faith-based groups, one that causes them to seriously consider how much funding to accept and how much autonomy to forgo. Most stress the importance of not becoming overly dependent.

The Door, for example, used state money to add drug prevention classes to its after-school programs. But the core of the after-school program is funded by private donations, and Davenport says it could easily survive without public dollars.

The Greater Dallas Community of Churches navigated the same murky waters when it joined with Texas Family Pathfinder, a statewide agency that pairs outside sponsors with families that are moving from welfare to work. Though the volunteer sponsors need not be affiliated with a congregation, many are. Yet training and support come through the decidedly secular Texas Department of Human Services.

MarySue Foster, who works with both the congregations and Family Pathfinder, says the groups have found a delicate way to balance church and state.

"We don't ask someone to forget their faith," she says. "But when we train the teams, we ask them to be sensitive about inviting other people to participate. Practice your faith -- that's fine -- but be careful about assumptions you make about the faith of others."

Could every faith-based group handle a similar juggling act? The Door's Davenport says the presidential proposals of Gore and Bush won't appeal to everyone.

"There always needs to be accountability -- an understanding that if you accept funds from someone, you need to work with that person to accomplish certain goals," he says. "If some groups don't want that person to be the government, then it's probably best for them not to accept the government's money."

GRAPHIC: PHOTO(S) 1. Shortfall: Tom Lewis of the Fishing School in Washington chats with Miesha Murphy, 10. Lewis says increased public aid could help free him from having to plead with private organizations for funding.
2. Combination: The Fishing School is an agency for children in Washington that combines social services with faith-based elements.

LOAD-DATE: July 30, 1999

DRAFT

## Eligibility for HUD Funding - Religious Organizations

Faith-based organizations (FBOs) have long been leading practitioners and advocates on behalf of the poor because of the consonance of those objectives with the their own religious beliefs. As a result, the Department is going to great lengths to intensify and focus its interaction with congregations and FBOs. However, all efforts need to be in concurrence with the law. The purpose of this document is to provide a general legal framework so that Community Builders are prepared to deal with the issue of eligibility when it is raised by congregations and religious organizations in their community.

While regulations regarding the eligibility of religious organizations for HUD funds vary by program area, the law is generally clear concerning the scope of eligible activities funded through the HUD SuperNOFA. The Establishment Clause of the First Amendment of the United States Constitution mandates that Federal grant assistance may not be used for any kind of religious activities. In order to ensure evenhanded treatment to the entire population, HUD funds cannot be used to:

- **provide assistance where recipients were restricted to a specific religion;**
- **fund an organization for which employees were limited to a specific religion (including Board members); and**
- **proselytize. In other words, religious influence can not be exerted in conjunction with the provision of services.**

To ensure that these regulations and others are met, congregations and religious organizations are required to form a **non-profit entity (501c3)** to be eligible for HUD funds.

Unfortunately, a tremendous amount of confusion exists regarding these regulations and the requirement of non-profit status as a result of the **Charitable Choice provision** signed into law in 1996 as part of welfare reform. Essentially, Charitable Choice allows congregations, without forming independent 501c3s, to receive funds for the provision of services related to welfare reform. The Charitable Choice provision applies only to welfare reform and TANF funds issued by the Department of Health and Human Services. Despite the fact that candidates Gore and Bush have proposed extending the Charitable Choice model to homeless grants and other areas, Charitable Choice does not currently apply to homeless funds or any other grant program through the HUD SuperNOFA.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

9/23/99

Lisa —

The enclosed information, per your request.

Am not sure how useful it will be.

If I can be of more assistance, please call.

Peace,

M. Lee Hancock, Jr.

# The Welfare Information Network

## Faith-Based Involvement

Federal welfare reform legislation may affect the extent and nature of relationships between organizations of faith and governmental agencies. Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), the so-called "Charitable Choice" provision, specifically addresses the use of contracts, vouchers and other funding to arrange for "charitable, religious or private organizations" to provide services under Temporary Assistance for Needy Families, Medicaid, Supplemental Security Income and Food Stamps (and has been interpreted as applying to certain other programs as well). The statute also requires that religious organizations be permitted to receive such funding "on the same basis as any other non-governmental provider." In addition, the interim regulations for the new Welfare-to-Work Program explicitly permit faith-based organizations to apply for and receive competitive grants. Private Industry Councils and other entities administering the formula Welfare-to-Work grants are required to coordinate those activities with faith-based organizations.

Nationally, much of the debate around Section 104 has centered around the financial ties between government and religion. While Charitable Choice has not yet resulted in a dramatic increase in contracting with religious organizations, its supporters argue that the statute was not intended to restructure service delivery systems but instead to provide new opportunities to the faith community. The more immediate impact of Charitable Choice has been to highlight the issues of how state and local agencies can involve congregations and faith-based organizations in welfare reform, and how congregations can respond to the changing needs in their communities.

Related WIN web pages include privatization and community-based strategies.

This web page is arranged in the following order:

- WIN On-Line Products Related to Faith-Based Involvement
- Organizations
- Publications
- State and Local Program Examples
- Providers

### From the Welfare Information Network

"Frequently Asked Questions" from State and Local Agencies About Involving the Faith Community in Welfare Reform, by Jessica Yates, November 1998

Partnerships with the Faith Community in Welfare Reform, Issue Note, March 1998

### Organizations

Alliance for Redesigning Government

American Civil Liberties Union, Church and State Site

American Jewish Congress

American Muslim Council, (202) 789-2262

Americans United for Separation of Church and State

Aspen Institute Nonprofit Sector Research Fund

Aspen Institute Faith and Public Policy Program

Call to Renewal

Catholic Charities

Center for Community and Interfaith Partnerships, U.S. Department of Housing and Urban Development (HUD), (202) 708-3630

Center for Public Justice

Center on Nonprofits and Philanthropy at the Urban Institute

Churches at Work, a web site sponsored by World Vision

Congress of National Black Churches

Faith Community Forum of Healthy Cities

Information Services Clearinghouse, Howard University Divinity School, (202) 806-0736

Independent Sector

Interfaith Community Network: provides training, holds conferences and issues publications for community ministries. 1-888-529-5254.

International Union of Gospel Missions

Jim Castelli, Independent Writer/Researcher

J.M. Dawson Institute of Church-State Studies

Pew Charitable Trusts Religion Project

Presbyterian Church (USA) Washington Office, (202) 543-1126

## Special Events

"National Summit on the Churches and Welfare Reform," convened by Call to Renewal, February 1-3, 1999, in Washington, D.C., (202) 328-8745

## Publications

A Guide to Charitable Choice: The Rules of Section 104 of the 1996 Federal Welfare Law Governing State Cooperation with Faith-based Social-Service Providers. From the Center for Public Justice and the Christian Legal Society's Center for Law and Religious Freedom. January 1997. (410) 263-5909.

Americans United for Separation of Church and State - Legislative Information on Charitable Choice

Arise, Take up Thy Mat, and Walk, By Rev. Stephen Burger, International Union of Gospel Missions

Can churches save America? Some politicians say faith-based programs cure social ills. But the needs are huge and backlash grows, by Joseph P. Shapiro with Andrea R. Wright, U.S. News and World Report, Special Report, date unknown.

Can the Churches Save the Cities? Faith-Based Services and the Constitution, by Isaac Kramnick and R. Laurence Moore, The American Prospect no. 35 (November-December 1997): 47-53

Charitable Choice Expansion Act of 1998 (Introduced in the Senate), S 2046, May 1998, Pending Legislation, introduced by Sen. John Ashcroft (R-MO) on May 7 to expand 'Charitable Choice' to most federally-funded social services, including substance abuse prevention and treatment, housing, abstinence education, and juvenile and child welfare services.

Charitable Choice, from the Public Religion Project, January 1998

Charitable Choice: Will This Provision of Welfare Reform Survive Constitutional Scrutiny? , Perspectives, by Joel Weaver, T.C. Williams School of Law, University Of Richmond, Spring 1997.

"Church-Based Mentoring: A Program for Mentoring Ministries," United Way of Southeastern Pennsylvania, 1994. Contact the Points of Light Foundation, (800) 272-8306.

* Churches at Work in Communities: Strategies to Improve Local Job Opportunities, World Vision, 1996. Covers each element of a comprehensive and integrated community-based strategy for helping people find and keep jobs while boosting the local economy. ($15.50; Order from World Vision, U.S. Ministries, Dept. 812, 919 West Huntington Drive, Monrovia, CA 91016.)

Churches Help Make Welfare Reform Work, Hudson Institute Welfare Policy Center

**Coats Human Services Reauthorization Act of 1998** (Enrolled Bill (Sent to President)), S. 2206, Signed by President Clinton Oct. 27, 1998. Among other things, this law has specific provisions (Section 679) for awarding grants and contracts to religious organizations under the Community Services Block Grant (CSBG) Program. It differs from several Section 104 "Charitable Choice" provisions of PRWORA, including a statement requiring that the "the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution" and that religious organizations segregate government funds provided under CSBG into a separate account to be audited. Search at http://thomas.loc.gov for the enrolled bill S. 2206.

Constitutional and Policy Problems with Senator Ashcroft's "Charitable Choice" Provisions, from Americans United for Separation of Church and State

Cross Purposes: Will Conservative Welfare Reform Corrupt Religious Charities?, by Amy Sherman, Heritage Foundation Policy Review, Fall 1995

Cuomo Calls on Faith-Based and Community Groups to Form New Partnership with HUD, March 6, 1998

D.C.-Area Ties to Religious Congregations, by Eric C. Twombly and Carol J. De Vita, Urban Institute, Center on Nonprofits and Philanthropy, Number 3 in Series, "Charting Civil Society," May 1998

Faith Based/Church Programming for Disadvantaged Youth, Description of Project from Public/Private Ventures. Also see Public/Private Venture News, Fall 1997, Vol.13, No.1, for more information about the project and related research.

Faith-Based Service Providers in the Nation's Capital: Can They Do More?, by Tobi Jennifer Printz, The Urban Institute Charting Civil Society Project, April 1998

"Faith-Based Social Services: A Blessing, Not a Miracle," by Jim Castelli, for the Progressive Policy Institute, December 1997, (202) 547-0001

"Faith and Philanthropy in America," by Robert Wuthnow, Virginia A. Hodgkinson and Associates, 1990. Contact the Independent Sector at (202) 223-8100.

Government Funding & Homeless Shelters Operated by Faith-Based Organizations, a February 1995 survey by the International Union of Gospel Missions

"Government Promotion of Faith-Based Solutions to Social Problems: Partisan or Prophetic," by Thomas J. Harvey, President Emeritus, Catholic Charities USA, Practioner Viewpoint Series of the Aspen Institute Nonprofit Sector Research Fund, July 1997. (410) 820-5236.

Guide to Effective Rescue Mission Recovery Programs: A twelve tape staff training resource with supporting materials, by Rev. Michael Liimatta, Director of Education, International Union of Gospel Ministries.

Guidelines for Constitutional Implementation of Welfare Reform by Religious Organizations, from Americans United for Separation of Church and State

Heritage Foundation's Page on "Faith Based Solutions"

"How to Think About Public Partnerships with Religious Organizations," by Jim Castelli, FORTHCOMING for the Alliance for Redesigning Government's Public/Nonprofit High Performance Partnerships Program. (202) 347-3190.

HUD Press Release: Cuomo Creates New HUD Center to Foster Partnerships with Community and Faith-Based Groups, November 1997

"Implementation of Charitable Choice," Presbyterian Church (USA) Washington Office, 1998. Contact Douglas Grace at (202) 543-1126.

Implementing the Charitable Choice Provisions of Welfare Reform: Report of the Texas Department of Human Services "Charitable Choice" Workgroup, May 1, 1997

International Union of Gospel Missions & the Welfare Reform Debate

Internet Resources for Religious Charities, from the Chronicles of Philanthropy

New Hope for Gospel Missions? Devil's in the Details, by Rev. Stephen E. Burger, International Union of Gospel Missions

Not by Bread Alone: The Role of the African-American Church in Inner-City Development, by Glenn C. Loury and Linda Dathcher Loury, The Brookings Review, Winter 1997, Vol. 15, No. 1, Brookings Institution.

Notes on Church-State Affairs, from the Journal of Church and State, J.M Dawson Institute for Church-State Studies, Baylor University

Organizational Development Tools from the Center for Community Change. Includes how-to guides on fund-raising, working with a board of directors, self-evaluation, running meetings and sample by-laws for 501(c)(3)s.

Q&A on "Charitable Choice" in Welfare Reform (Section 104 of P.L. 104-193), by John Horejsi, Office of Family Assistance, ACF, DHHS. Includes summaries of initiatives.

'Partnership' With Strings Attached?, by William Raspberry

* Rebuilding our Communities: How Churches Can Provide, Support and Finance Quality Housing for Low-Income Families, by Alice Shabecoff, World Vision, 1992.

Religion-Sponsored Social Service Providers: The Not-So-Independent Sector, by Jim Castelli and John D. McCarthy, Working Paper Series of the Aspen Institute Nonprofit Sector Research Fund, 1997. (410) 820-5236.

"Responding to Welfare Reform: A Report from Catholic Charities USA," by Michael Brogioli, September 1998. (703) 549-1390

"Services and Capacity of Religious Congregations in the Metropolitan Area," Center on Nonprofits and Philanthropy, The Urban Institute, 1998. (202) 857-8687 or (202) 828-1821.

"Social and Community Involvement of Religious Congregations Housed in Historic Religious Properties: Findings from a Six-City Study," Final Report to Partners for Sacred Places, by Ram A. Cnaan, School of Social Work, University of Pennsylvania, Dec. 2, 1997. (215) 898-5523.

Spiritual Capital Can Save Inner-City Youth, by John J. DiIulio Jr., Brookings Institution, December 11, 1997, from Intellectual Capital.Com.

Steps-To-Success Mentoring Program, Four Principles Guiding Benevolent Mentoring Ministries, from the Christian Hope Association, Lynden, Washington

"Summary of H.R. 3314, Fathers Count Act of 1998," by the American Public Human Services Association, A Summary of Pending Legislation. (202) 682-0100. Includes provisions for contracting with religious organizations.

Take It on Faith? Religion and Public Policy in Contemporary America, by David Devlin-Foltz, A Report on the Aspen Institute Society of Fellows Winter Symposium, February 1997. (410) 820-5326.

Tough Medicine for Welfare Moms, by Barbara von der Heydt, Heritage Foundation's Policy Review, May-June, 1997 -- Number 83

Worker Training and Assistance Program (WTAP) Training Guide, Volume III Transition Skills, Employment and Training Administration, U.S. Department of Labor. While this guide is designed for federal employers, other mentoring programs may find it useful. See Sections 5-7 on training mentors and mentees and establishing mentoring agreements.

Wichita's Medical Missionaries, by Steve Rabey, Heritage Foundation Policy Review, Nov.-Dec., 1997

## Programs

In addition to the programs described below, see WIN's Issue Note "Partnerships with the Faith Community in Welfare Reform" for information on programs in **San Diego California; Anne Arundel County, Maryland; Ottawa County, Michigan; Raleigh, North Carolina; Cuyahoga County, Ohio; Texas; Fauquier County, Virginia** and other states.

### Arkansas

The Department of Human Services' Division of County Operations has established the Arkansas Mentors Program to link religious congregations with both current welfare recipients and those leaving the rolls. The DHS has held regional conferences to help congregations get started. The Arkansas DHS is emphasizing that the mentoring should focus on the development of "life skills" and working with the entire family, not just the head of household. Contact Carol Brown, DHS, Division of County

Operations, Transitional Employment Assistance Support Sections, (501) 628-8251.

### California

Shasta County: FaithWORKS! has a $125,000 TANF-based contract with the county to provide mentoring and post-employment support services to welfare recipients and welfare aid applicants. The program began operating mid-August, 1998. FaithWORKS! began as a coalition of congregations providing emergency food services. Last year, the coalition, businesses, county agencies, non-profits and others began meeting as the Welfare Reform Management Council to organize the county's response to welfare reform. The FaithWORKS! program is envisioned as a way to support transitions from welfare to work and support those who are diverted from applying for aid. Congregations are recruited to provide volunteers to mentor applicants and recipients, and FaithWORKS! coordinates the volunteer effort and publicizes the program's availability through presentations to job readiness classes, written material and other means. More than 30 congregations currently participate. For more information, contact Mike Evans at 530-242-1492 or by e-mail at mikeevans@faith-works.org

Oakland: See Site Visit: East Oakland Faith-Based Community Development, National Community Building Network May 1998 Conference in Oakland, Calif.: Description of church-driven community development efforts.

Los Angeles County Department of Public Social Services held a conference in May 1998 for faith community outreach. The purpose of the meeting was both to inform religious congregations about welfare policies and programs, give the faith community an opportunity to ask questions and suggest ways that congregations and faith-based organizations could get involved. The county plans to issue RFPs later this year for the provision of support services. The faith community will be invited to respond to the RFPs.

San Diego County's All Congregations Together (ACT) Program: See WIN's Issue Note or contact the Rev. Rolland Slade, Faith Community Mobilization Coordinator, at (619) 338-2132.

Also see Churches Convert--From Opponents to Collaborators in Welfare Reform, by Joan Walsh, Pacific News Service, Aug. 4, 1998.

### Colorado

The state TANF regulations address contracting with religious organizations by incorporating client protections at 3.629.5.

### Florida

See Families in Need Turn to Charities: Welfare Reform Spurs Move, by Sally Kestin, Sun-Sentinel (Fort Lauderdale, FL), August 13, 1998.

### Georgia

Antioch Ministries in Augusta-Richmond County: According to HUD's "Spotlighting What Works," Vol. 2, No. 3, Antioch Ministries is assisting other non-profits in Georgia, Florida and Louisiana in establishing rental rehabilitation programs. The city is considering using Antioch as a "mentor" to other faith-based organizations getting involved in housing programs.

### Michigan

As part of the Project Zero pilot, Ottawa County, Michigan, contracted with Good Samaritan Ministries – a religious non-profit service provider – to recruit, train and monitor congregations that "adopt" families on welfare.

Religious institutions helped Detroit's Work Place, a Welfare to Work program, to publicize its services.

See Ideas That Work, from the Employment and Training Administration, U.S. Department of Labor. See Issue 2, November 1998, for an article on partnering with the faith community.

### Minnesota

Hennepin County's Congregations at Work initiative, part of the Children and Family Services Department, helped create the HopeMakers Program. HopeMakers, with support from World Vision and Twin Cities Urban Reconciliation Network, piloted in 1997. Volunteers from partner congregations work with low-income individuals through a Christian-based curriculum to provide meals and mentoring, pre-employment (instructional) services and child care. The county's Training and Employment Services and local employers work as partners in providing employment services. In addition to HopeMakers, the Congregations at Work initiative worked with community partners to publish an interfaith newsletter and metropolitan church directories to provide additional referral services and increased access to community resources. Consultation, information services and workshops are also being provided to congregations interested in working with community families and community development. The county provides in-kind services and some staff resources. For more information, contact Waverly Hanson, (612) 821-4522.

The St. Paul Area Council of Churches is working to educate area congregations and help them become involved in welfare reform and community need more generally. The Council recognizes model programs and facilitates congregations' mentoring one another in offering services. A current project of the Council is to publish a manual entitled "The Role of Churches in Support of Welfare Reform" and plans for workshops on congregational involvement later this year.

In Washington County, Minnesota, four churches, a non-profit and a business have started the "Rivertown Car Care Clinic," which uses volunteers to help repair the cars of low-income people for free. For more information, contact Margy Mattlin at Ascension Episcopal Church, 612-439-2609. Source: The McKnight Foundation's "Welfare to Work" newsletter, March 1998. Contact 612-333-4220 for the newsletter.

### Mississippi

Mississippi's Faith and Families Program preceded federal welfare reform programs. For an article, see: Delta Force, by Joe Laconte, Heritage Foundation, Policy Review Journal, January - February 1996, Number 75.

### New Jersey

On Dec. 3, 1998, New Jersey held a statewide conference, sponsored by the New Jersey Department of Human Services in partnership with the Work First New Jersey Faith-Based Organizations Task Force. For more information, call (609) 588-7914.

Also see "37 church groups get state grants," by Herb Jackson, The Record, Wednesday, December 23, 1998.

### North Carolina

JUBILEE's Families First Program: JUBILEE (a project of the N.C. Council of Churches) is providing technical assistance to congregations who want to organize a mentoring program. Staff assist congregations in forming faith teams, contacting their local DSS offices and being matched up with Work First clients. The project has created a brief manual, "Families First: An Adopt-a-Work First Family Initiative." Project JUBILEE is also working with counties to help them hold community forums and "resource fairs," survey faith-based organizations on their services, and create faith community coordinator positions. (919) 460-7666; for the manual, (919) 489-5839. (A new manual on health care ministries will be published in 1999.)

In Forsyth County, Living Water Family Resource Center is a collaboration between First Start Inc. (a coalition of four churches) and Forsyth Early Childhood Partnership, this community's non-profit Smart Start agency. Services include preschool, prenatal care, dental care and parent education. (336) 650-0633.

The Jobs Partnership of Raleigh is a non-profit alliance of congregations and businesses, and currently does not receive government funding. Individuals can participate in the 12-week program by their own volition or through referral from the local welfare agency.

The N.C. Association for Community Development Corporations offers a range of training and capacity-building assistance to pastors and faith-based organizations. The Z. Smith Reynolds is supporting the Church and CED Project, which began in 1997.

Forsyth County (Winston-Salem) held a "Faith Acts as Welfare Changes" conference to help mobilize the faith community's efforts in responding to welfare reform. While the county Department of Social Services provided logistical support, members of the steering committee that planned the conference were almost entirely from the faith community. The conference, held Nov. 5, 1998, featured innovative faith-based programs dealing with child care, transportation, employment and training, mentoring, and other issues. Workshops were held to help participants plan their own strategies and program ideas for their congregations. Contact WIN for more information, 202-628-5790, ext. 25.

**Ohio**

"Habitat for Children is a unique collaborative effort between the Lorain County Public Children Services Agency and Compassion Baptist church. Church volunteers participate in child protective activities by facilitating and supervising visitation, transporting children and families to appointments, mentoring families involved with the child protection systems, and other types of supportive services." Source: "101 Brilliant Ideas for Local Partnerships," by the Ohio Works First Linkages Committee, June 1998. Contact the Lorain County PCSA, (440) 329-5340, for more information.

**Pennsylvania**

Pennsylvania Faith-Based Organizations to Reach Out to Welfare Clients, from the Pennsylvania Department of Public Welfare, through PRNewswire, Dec. 7, 1998.

**Texas**

Starting with a December 1996 executive order from the governor encouraging state agencies to use this provision, the Texas Department of Human Services (DHS) established a workgroup to examine the agency's current extent of contracting with the faith community, identify barriers to doing so and suggest ways to best implement Charitable Choice. The workgroup held a state-wide conference in 1997 and used recommendations from participants to issue a report.

Texas DHS described its follow-up efforts to that report in an August 1998 newsletter. Among the partnerships initiated are a Memorandum of Understanding between the Tyler DHS office and PATH (People Attempting to Help), DHS technical assistance and in-kind support for the Job Partnership of Washington County, and a volunteer program between DHS in San Antonio and Lutheran Social Services of the South. For more information, contact Sharon Zambrzycki at shazam@dhs.state.tx.us.

Family Pathfinders links certain Texans receiving public assistance with a wide range of civic clubs, churches, synagogues and other community organizations throughout the state. The program complements the work these organizations already do by helping them target specific families on public assistance and focus on their immediate needs.

From the Food Research and Action Center: "The Greater Dallas Community of Churches has been a leader in a multi-year effort to expand access to and participation in the Summer Food Program through collaborating with such institutions as the Dallas schools, Dallas Parks and Recreation Department, churches, Boys and Girls Clubs, AmeriCorps, and local corporation volunteers."

## Vermont

The Good News Garage helps low income residents of Chittenden County and surrounding areas of Vermont with affordable transportation. A program of Lutheran Social Services of New England, it reconditions donated cars and gives them to people in need. Good News Garage also offers auto repairs at an affordable rate and van pooling connecting bus routes and job sites.

## Virginia

In **Fairfax County**, a coalition of religious congregations, community-based non-profit agencies, the Fairfax County Board of Supervisors and the county Department of Family Services began a partnership in 1996. That was the same year the state's welfare reform program began in the county, which has a population of more than 900,000. Faith Communities in Action (FCIA) gathered information on community services offered by individual congregations and grouped them in a directory by the type of service offered and the geographic area of the congregation. FCIA recently held its second conference, which featured innovative ways the faith community can respond to welfare reform, speakers from the governmental, non-profit and religious communities, and workshops that gave participants a made-up "family case" and challenged them to find ways to help the "family" through county, non-profit and congregational resources. Leadership of FCIA alternates each year between a governmental official and a leader of the faith community. Contact FCIA at St. Matthew's United Methodist Church at (703) 978-3500 or Marilyn Bursch at the County Department of Family Services at (703) 324-5465.

In **Alexandria, Virginia**, ALIVE! (ALexandrians InVolved Ecumenically) has a new Family Independence Program through which volunteer mentors from congregations, community groups and businesses are paired with low-income individuals struggling to make the transition to work. ALIVE!, a 28-year-old service organization, provides training for the volunteer mentors and conducts follow-up meetings with them. A full-time program director and case manager are available to provide back-up support, and those staff ensure that clients are referred to the appropriate city services. The program works with the city's Office of Employment Training and local community-based service providers. The program is funded by the Robert Wood Johnson Foundation, other local foundations, the United Way and the City of Alexandria. Contact (703) 548-6144 for more information.

## Washington

The Christian Hope Association, a community development organization in Lynden, Washington, has implemented assistance, work experience, mentoring and other programs. See the organization's web site for more information.

**Welfare to Work Competitive Grantees**: The Employment and Training Administration, DOL, announced first round winners for competitive WtW grants on May 27, 1998. These two organizations were among the winners:

Catholic Social Services of Albuquerque, N.M., received a $1.3 million grant to offer services to welfare recipients with multiple barriers to employment. (505) 247-9521.

Bethel New Life in Chicago received a $2.7 million grant to offer services to hard-to-employ welfare recipients through a holistic approach. Partners include Lutheran Family Mission and Gateway Foundation. (773) 826-5540.

## Other Innovative Practices Sites:

See the Churches at Work web site sponsored by World Vision, which is building a database of examples church-operated social services.

The Interfaith Community Ministry Network site also summarizes faith-based programs from Illinois, Kentucky, Texas and other states.

## Service Providers

*For information on providers of certain services, please click on the relevant program area from WIN's index of program and management issue areas or from the list of providers. WIN would like to list organizations/individuals who are available to provide technical assistance to government agencies, community-based organizations and religious entities for the purpose of addressing the involvement of the faith community in welfare reform. WIN lists organizations and vendors as an informational service only. These lists are not exhaustive, and WIN does not endorse any particular vendor or service provider, nor does WIN vouch for the quality or effectiveness of the services provided. As with any procurement, potential purchasers will want to carefully check the experience and references of interested providers. Organizations and vendors interested in being included in future listings are invited to contact WIN at the e-mail address shown above or by mail at 1000 Vermont Ave, NW, Suite 600, Washington, DC 20005.*

Interfaith Community Network: provides training, holds conferences and issues publications for community ministries. Program development consulting services include: Domestic violence, Employmnent services, Medical clinics, Homeless support. Organizational development and funding consulting also is available. 1-888-529-5254.

If you have any questions, comments or additions, please e-mail welfinfo@welfareinfo.org

Welfare Information Network Home Page/WIN-Site Update/WIN-Hot Topics /WIN Publications/Program and Management Issue Index/Welfare Related Links/Search WIN's Site

WELFARE INFORMATION NETWORK

FAQ Frequently Asked Questions

| Special Edition | November 1998 |
|---|---|

# "Frequently Asked Questions" from State and Local Agencies About Involving the Faith Community in Welfare Reform

by Jessica Yates

This "Frequently Asked Questions" guide describes some of the issues that state and local officials have encountered as they address how the faith community can be involved in welfare reform efforts. It is based on issues raised by state officials in a small discussion group convened by the Welfare Information Network on July 22, 1998, in Washington, D.C. WIN has heard many of these questions from local officials as well.

The guide does not attempt to provide authoritative answers for any of these questions, as a "one size fits all" approach is not appropriate for issues that are so dependent on the historical relationships between the faith community and the government in each jurisdiction. However, this guide does outline ways that some of your peers have approached a particular question or issue, and offers some of the lessons they have learned. WIN welcomes your comments on this guide. Please contact Jessica Yates at (202) 628-5790, ext. 25, or e-mail her at yateswin@welfareinfo.org.

WIN has other related resources available, such as program examples, research and policy analyses, and state and national contacts related to faith-based initiatives. To access this information, see:

WIN's web site on faith community involvement,
*http://www.welfareinfo.org/faithbase.htm*

WIN's Issue Note, *Partnerships with the Faith Community in Welfare Reform*, by Jessica Yates, March 1998 or contact WIN by phone or e-mail.

## *Planning Outreach*

**Q: Officials in my state are interested in increasing the involvement of the faith community in welfare reform. As a state official or staff person, what are my first steps?**

**A:** That depends on your state's goals for faith community involvement and the roles that your state will be playing in achieving those goals. State policy-makers and officials interested in this issue may find it helpful to outline the objectives and some of the roles they would like your state to take in involving the faith community. Even if these roles have not been decided by state leaders, program staff can help state agencies think through the potential roles, which include:

Conducting outreach and providing information

Providing organizational education and training (including capacity-building)

Removing "barriers" to greater faith community involvement

Including faith community representation on task forces

Creating specific task forces for faith community involvement

Providing volunteer education and training

Providing funding through grants, contracts or vouchers for welfare recipients to use in purchasing their own services

Working with local agencies to involve the faith community

States may want to consider implementing such activities incrementally, so that a productive dialogue can be established with the faith community before formal programs or funding mechanisms are put in place to "involve" them.

**Q: I am with a local agency that is interested in increasing the faith community's involvement in my area. What steps can I take at the local level?**

**A:** Local agencies, especially those in states with county-administered welfare systems, have considerable discretion to initiate faith community outreach and programs. But regardless of state and local responsibilities, the involvement of individual congregations and small faith-based organizations will likely be at the local level. Local agencies interested in involving the faith community can use the same approaches identified for state officials in the preceding question. Much of this "Frequently Asked Questions" guide can be applied to local decision-making.

**Q: Local agencies in my state have a high degree of autonomy in pursuing and structuring partnerships around welfare reform. What are some state strategies for involving the faith community given the desire to maintain these roles?**

**A:** In either county-administered welfare systems or where states have opted to emphasize locally-driven initiatives, state agencies still can take steps to involve the faith community. Examples include:

providing leadership by holding state-wide conferences focused on faith community involvement;

clarifying federal and state rules that may affect how local agencies partner with the faith community;

providing technical assistance to local agencies, such as "promising practices" for program design or needs assessments to better match the faith community's resources with local needs;

promoting local initiatives on state web sites and publications; and

identifying potential funding sources for initiatives with the faith community.

**Q: We're planning to hold a conference or outreach meeting with members of the faith community. What are some of the steps we need to take to avoid offending someone, to maintain appropriate church/state roles, and to be successful in engaging the faith community?**

**A:** State and local officials who are planning the agenda and inviting participants may want to start by learning about their jurisdiction's faith community. Specifically:

How many "faith communities" are in your jurisdiction? The term "faith community" can be misleading, since the congregations and organizations that constitute the faith community are highly diverse.

Who are the "key players" in your state or community?

What are the "turf" issues that often surface among these key players?

What are religious congregations and other organizations already doing? In terms of advocacy? Political activities? Services?

What role do faith-based organizations want to play at the state and local levels?

What is the capacity of these organizations to network with other community partners? To expand existing programs? To bid on and administer government contracts?

To avoid perceptions of "favoritism," officials may want to have many different faiths and denominations represented at meetings. Geographic representation also is important. Part of the challenge is to become familiar with the protocols of different congregations, denominations and faiths so you will know who is the appropriate invitee. Many communities have inter-faith organizations who may already be involved in welfare reform. The participation of inter-faith alliances in agency outreach is important, but agencies will need to look beyond such groups to get an accurate picture of the community's religious makeup. Experienced state officials suggest that the first invitation be extended to the senior clergy person of the denomination.

Anticipate that participants will lack information or have mis-information about welfare reform, and be prepared to educate participants about welfare reform through presentations and publications. In addition, an outreach conference should suggest innovative ideas, model programs and resources for members of the faith community who are ready to become more involved in welfare reform, and an action plan for following up with those members after the conference.

**Q: How do I learn about the leaders, protocols, objectives and services of different denominations and faiths?**

**A:** Many religious leaders have additional leadership roles in their communities. Look to elected officials, business leaders, board members of non-profit organizations and other venues to identify potential contacts with members of the faith community.

Staff from other offices in your state or local government who have experience in refugee resettlement, child care or other services may be able to help. Peers from neighboring states or jurisdictions who also are trying to facilitate greater faith community involvement may be able to share ideas for approaching particular denominations or faiths. For example, New Jersey conducted a state-wide survey of religious congregations to gather base-line data on services they already are providing.

**Q: What should we expect from the faith community when holding an outreach meeting or conference?**

**A:** The faith community is diverse, so it will not respond "as a whole." Instead, some organizations will be interested in getting more involved in welfare reform, and some will not. Some may want to be service providers, some may offer volunteers or facilities, and others will want to be advocates for the clients. In addition, some may ask state or local government to change its policies. It may be helpful to identify major issues and concerns in advance in order to effectively respond to conference participants who recommend changes in welfare policies.

Participants may have many positive ideas as well. In particular, invite suggestions from members of the faith community on how they want to be involved, and on how state or local government can reduce barriers to their involvement.

Meeting organizers may want to prepare other state and local officials for talking with the faith community participants. For example, officials likely will hear religious and spiritual messages from some participants.

**Q: What if the faith community doesn't respond in the way we expected to our call for greater involvement?**

**A:** Governmental surveys and academic research have documented the significant work faith-based organizations already do for their communities, and many religious leaders may already feel highly "involved" in welfare reform. If the primary goal – in reality or through perception in the faith community – is that congregations are expected to start providing services that were provided by the government prior to welfare reform, or that the faith community is needed to help families who are about to be dropped from the welfare rolls, the faith community may react strongly against efforts to "involve" congregations in welfare reform. In addition, if a government official or agency asks the faith community to do "more," it may be interpreted as a criticism that congregations are not doing enough.

One approach to avoiding such negative perceptions is to ensure that congregations and local organizations are recognized for their current contributions to the community, and that they feel appreciated by state and local officials. In addition, less formal communication with members of the faith community prior to holding a formal meeting or conference may help reveal potential areas of mistrust or misunderstandings. Also, the state or local agency's objectives for involving the faith community may need to be revisited after learning from members of the faith community what they want to achieve through their involvement.

### *Developing Partnerships*

**Q: We believe that some congregations and other faith-based organizations need to build their capacity, in terms of both volunteering arrangements and financial arrangements, in order to bring more to our partnerships. What can we do to facilitate that?**

**A:** State and local agencies can strengthen the capacity of faith-based organizations and other small non-profit providers through several approaches:

- training in mentoring and working with welfare recipients, which should include issues related to proselytization if the recipients will be referred to those organizations by welfare agencies
- training in risk management, liability laws and other organizational issues
- training in obtaining non-profit 501(c)(3) designation
- training in grant writing, responding to RFPs and other funding opportunities
- examining state and local policies that may impose disproportionate administrative burdens on small organizations

examining procedures for publicizing funding opportunities

The impact of state and local training and outreach funds can be maximized by broadening the audience to include both faith-based organizations and other small non-profit providers.

Training related to grants and contracts must be done in a way that does not violate procurement regulations or procedures. It is important that the training be timed so that it does not appear to be related to a specific grant or contract opportunity. For example, once an RFP is issued for a welfare-related contract, it may not be appropriate to provide advice or training to faith-based organizations who may be bidding on the contract.

**Q: We are considering a partnership with a religious organization to provide voluntary services to welfare clients. The social services agency will refer clients to the organization. What are some of the things we need to address in forming this partnership?**

**A:** These types of partnerships, which frequently aim to provide mentoring and support to welfare clients as they transition to work, do require the social services agency that is referring the clients to take an active role in the partnership. The agency sets explicit criteria for who can be referred to the program, including whether harder-to-serve clients (e.g. with substance abuse or mental health problems) are appropriate referrals. In addition, it is important to communicate:

to the client, the expectations of participating in the program and what aspects of it are voluntary versus mandatory;

to the religious organization, the expected length of the commitment to the client;

to the religious organization, about client confidentiality issues;

with the religious organization, about what types of activities are appropriate and what may be inappropriate, including guidance on proselytization, involvement in congregational activities, etc.; and

with the religious organization, about what to expect from the client and the potential progress of the client.

Many agencies have found that it helps to have the religious organization and client outline a written plan for the client's progress, so all parties are clear on expectations. A "trouble-shooting" mechanism to help both clients and volunteers with problems also helps to ensure a smoother partnership. This can be in the form of case worker discussions with both parties individually and together to resolve disputes.

Volunteers will be in a better position to assist clients if they are aware of the range of resources available in the community. Agencies can help by providing volunteers with lists of resource organizations, ideas and "best practices" for arranging transportation and child care, and information about what services the client already can access from the agency.

**Q: We are considering having a program to establish a variety of partnerships with religious organizations to provide voluntary services. What are some of the options for setting up this program?**

**A:** When a state or local agency wants to establish a program to foster and manage partnerships, agencies can either dedicate staff for the purpose of the program or contract with a third party. The latter arrangement often is with an established, religiously affiliated non-profit organization that has the capacity to manage the administrative requirements of a large volunteer program, but is also sensitive to the religious missions and capacities of congregations who are volunteering.

Whether agency staff or a third party administers the volunteer program, issues will arise over how sensitive the program administrator is to the cultural and religious differences of the various faith communities who want to be involved. Some states have felt that a religiously affiliated third-party administrator is better suited to bridge those divides than agency staff. This will depend on how the third-party organization is perceived by others in the faith community.

**Q: What do words like "religious organization" and "proselytization" mean in the context of the partnerships we're considering?**

**A:** State or local jurisdictions should consider these terms when working on contracting arrangements that are covered by Section 104 of the federal welfare reform law, P.L. 104-193, also known as the "Charitable Choice" provisions. Contracting with funds under the Temporary Assistance to Needy Families Program is covered by Section 104. The law does not offer definitions of "religious organization" and "proselytization," and although some states may have defined these terms in case law related to schooling or other issues, they are not familiar to many contract officers.

Given the lack of precedents, states and local jurisdictions generally have avoided legally binding definitions in their contracts, especially as to what constitutes proselytization. Instead, dialogue and "gut instinct" are guiding the implementation of the ban on proselytization when contracting with federal funds. This approach could include: ensuring that organizations bidding on a contract know in advance about the prohibition on using the contract funds for proselytization; talking with the contracting organization about the state or local agency's expectations, and the consequences of any problems reported with proselytization; and ensuring that participants are aware of the ban and what steps they can take if they feel uncomfortable receiving services from a religious provider. For example, Section 104 provides welfare recipients the right to seek alternative providers. Religious organizations have certain rights under Section 104 as well. (For more details on the law, contact WIN or see WIN's web site at *http://www.welfareinfo.org/faithbase.htm.*

**Q: Do I need to be concerned with such issues when the religious organization is providing mentoring or other services on a non-reimbursable basis?**

**A:** States and localities have more discretion in this area. Although Section 104 pertains strictly to the expenditure of funds, some state and local agencies have policies prohibiting proselytization where the clients are referred from the welfare agency to the religious organization for support, mentoring or other activities that are not reimbursed. Some jurisdictions feel it is inappropriate for the welfare agency to be involved in religious messages to clients. Some agencies also want to make sure that the organization is adequately focused on helping clients achieve self-sufficiency.

In addition, the religious rights of clients should be considered. Some advocates are concerned that even where clients are notified of their right to decline services from a religious organization, they may not out of a fear of losing their benefits. Where agencies choose not to have a policy on proselytization for their volunteer programs, they may wish to anticipate how they would respond to client questions or complaints about religious messages. Another approach is to refrain from making a direct referral to a particular religious organization and instead provide the client with a list of community resources.

## *Managing Partnerships*

**Q: We currently are partnering with a religious organization that provides voluntary**

**services to welfare recipients. The volunteers are discouraged by the progress of the clients we have referred to them. What can we do to address this situation?**

**A:** Many mentoring and other voluntary service programs through which the volunteer has a long-term commitment to a client incorporate both initial training and periodic training for volunteers. Volunteers often need to be reminded that small successes count and can lead to significant progress in the long run. Volunteers also need access to case workers and other professionals who can provide advice, suggestions and support.

Agencies can further encourage volunteers by establishing "support groups" – either with or without an agency representative present – that provide a regular forum for volunteers to share their experiences and offer each other suggestions.

**Q: We have a partnership with a religious organization to provide mentoring services to welfare clients on a voluntary basis. We would like to expand this program and provide reimbursement to the organization. What are our options?**

**A:** An advantage to considering financial partnerships after having established voluntary partnerships is that the welfare agency and religious organization will already have a relationship and open communication to assess what type of financial arrangement is best. Contracts with TANF funds are covered by Section 104 of the federal welfare reform law (see above). In addition to the provisions of Section 104, the agency and religious organization will need to follow state and local procurement procedures. While the agency may be knowledgeable about the relevant laws and procedures, the religious organization may not. Sometimes organizations interested in government funding become less interested when informed of the full implications. Some agencies have been wary as well, since Section 104 provides welfare recipients the right to request an alternative to the religious provider – a scenario with cost implications.

Vouchers using TANF funds also are covered by Section 104, but the ban on proselytization does not apply to expenditures with vouchers. Generally, voucher arrangements require many different providers, which some jurisdictions may not have, and may be more difficult to manage if performance reporting is required.

A third option is to consider privately funding the religious organization's services through foundation support, support from the business community or other sources. While this may be perceived as "less secure" than government funding, it may give the faith-based provider more flexibility in service delivery. In this case, the state or local welfare agency can play a role in identifying potential funders, providing technical assistance in program development, and helping the religious organization develop relationships with other providers.

**Q: As part of our program rules, we have required that religious organizations do not proselytize to welfare clients or try to pressure them to attend religious services. We are getting some complaints from clients. What do we do?**

**A:** If you have a contract with a religious organization, this should be looked at primarily as a contract issue, because that is the legal instrument governing the partnership. Any service contract should provide for the steps an agency will take due to non-compliance with contract provisions, and those should be followed. Especially in a first-time contract with a religious organization, it may be appropriate to provide for graduated steps, starting with technical assistance or guidance around the issue, a discussion or written warning, or increased oversight or site visits. Generally, contract termination or failure to renew are options that are considered last. Another preventive or anticipatory measure for first-time contracts is to make the contract term no longer than 12 months, so that both the government agency and religious organization will have a "pilot time" to assess the relationship.

If you have a formal but non-financial arrangement with a religious organization – for example, through volunteering or mentoring – a discussion of rules and expectations may help clarify what is appropriate when that organization's volunteers want to provide moral support to clients. Some organizations may see proselytizing as integral to any communication they should have with welfare clients, and there may be situations where it is best to find alternative ways for that organization to be involved in welfare reform.

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**See WIN's web site for links for further information**

**on faith-community involvement, including initiatives,**

**events and resource contacts.**

**www.welfareinfo.org**