Special Issue on Government Funding of Faith-Based Services

The current administration is aggressively inserting its faith-based initiative into government programs. This issue of the Policy Briefing will focus exclusively on the nature of the initiative, its potential impact on services to the poor and recent research on the subject.

Public Funding for Religious-Run Services Gaining Ground on Many Fronts

As part of the Bush administration’s Faith-Based Initiative, religious groups are being encouraged to access public funds in a broad range of federal programs, and civil rights protections against religious discrimination are being affected in many ways.

In his first week in office, President Bush issued an Executive Order creating the federal Office of Faith-Based Initiatives, and introduced legislation to fund the initiative. When the legislation failed to make its way through Congress, he issued a series of Executive Orders that seek to achieve his goals without congressional approval.

Below is a review of some of the actions taken by and/or supported by President Bush to implement his faith-based initiative:

- Originally a minor provision in the 1996 welfare reform legislation, Charitable Choice has become a priority in Department of Health and Human Services (HHS) programming. On September 22, HHS finalized regulations implementing the Charitable Choice laws for TANF, the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Community Services Block Grant (CSBG), providing access for faith-based organizations to nearly $20 billion in social service grants. The regulations restate the principles of Charitable Choice and clarify the right of religious groups to maintain their individual identity through hiring. According to the Roundtable on Religion and Social Policy, TANF and Welfare-to-Work are the largest sources of direct funding for faith-based organizations. Other HHS actions include:

  - The Compassion Capital Fund (CCF) was established by HHS in January 2001 and has a $35 million budget for the current fiscal year. President Bush’s budget proposal would increase the program’s allotment to $100 million in fiscal year 2004. CCF is described by HHS as being “designed to help build the capacity of faith-based and community organizations to enable them to provide increased services to low-income and other vulnerable populations,” and to help the organizations compete for private and federal funds. CCF provides one-time $50,000 grants for direct services to faith-based and community organizations, and larger grants to “intermediary” organizations to make their own sub-awards

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to organizations and to provide training and technical assistance. See http://www.acf.hhs.gov/programs/ccf/index.html.
Among the CCF intermediary grantees is Christian Broadcasting Networks preacher Pat Robertson’s organization Operation Blessing, which received a $500,000 grant. According to the Americans United for Separation of Church and State (AU), Robertson has launched repeated attacks on Islam, calling the Prophet Muhammad a killer. In 1991, he stated that Methodists, Presbyterians and Episcopalians reflect “the spirit of the Antichrist.”
- The HHS Faith-Based and Community Initiative website lists government funding opportunities for which faith-based organizations are eligible. A few special programs in which faith-based organizations may be particularly interested are listed. They include discretionary programs such as Adoption Opportunities, Assets for Independence Demonstration, Head Start, Urban and Rural Community Economic Development, and mandatory (formula) grants such as Child Support Enforcement, Child Welfare, and TANF grants. See Funding Opportunities at www.acf.hhs.gov/programs/fbci/.
- The Center for Disease Control (CDC) has designated a Faith-based and Community Initiatives Coordinator to facilitate work with faith-based and community organizations. The CDC states that its goal is to “increase the applicant pool to include more organizations such as those that are faith-based for CDC’s funding opportunities and to provide applicants additional time to plan and prepare their application.”
- The Bureau of Primary Health Care’s (BPHC) Faith Partnership Initiative is a strategy designed to foster and build partnerships between its federally funded community health centers and faith-based (not secular community) organizations in an effort to increase access to primary and preventive health care. The Bureau states that it is actively pursuing relationships with new faith institutions, because “we must continue to stimulate and build partnership networks with faith-based organizations in order to create healthy communities in a dramatically changing social and economic environment.” See http://bphc.hrsa.gov/programs/FaithProgramInfo.htm.

• The Department of Labor (DOL) has announced two regulations that will increase funding for religious organizations. The Employment and Training Administration (ETA) Proposed Rule would amend final regulations to the Workforce Investment Act of 1998 (WIA) to lift a prohibition on all types of WIA funding for the employment and training of participants by religious organizations. The Employment Standards Administration (ESA) Final Rule implements an Executive Order from President Bush that exempts religious organizations from current nondiscrimination requirements that prohibit government contractors and subcontractors from discriminating in employment based on religion. See www.dol.gov/cfbcii/.
• The Department of Housing and Urban Development (HUD) issued a final rule requiring equal treatment for faith-based organizations in government grant-making. It also confirms that religious organizations can consider job applicants’ religion when hiring. In addition, the rule allows HUD funds to be used for the renovation of rooms in structures that are used for inherently religious activities, as long as the HUD funds do not exceed the cost of those portions of the acquisition, construction or rehabilitation that are attributable to eligible activities.
• In what might be considered a puzzling plan to meet a presidential challenge to increase minority homeownership by 5.5 million families by the end of the decade, HUD has created the Reaching the Dream Initiative, which is designed to remove barriers that exclude faith-based and community organizations from federal grant programs. As part of the initiative, HUD has published a brochure for faith-based and community
organizations entitled "5 Steps to Becoming a HUD-Approved Housing Counseling Agency" to assist these organizations in seeking to qualify for the grant program. See http://www.hud.gov/initiatives/fcbi/index.cfm.

- The Department of Education (DoEd) proposed rules would amend regulations to clarify that faith-based organizations are eligible to participate in the department's direct grant programs administered by states, local governments, higher education institutions, hospitals and other nonprofit organizations, and to retain their religious identity, including the display of icons, symbols, and selection of board members on a religious basis.
- The Department of Justice (DOJ) proposed rules would also clarify that religious organizations can receive DOJ grants while retaining their religious identity, displaying icons and symbols and selecting board members on a religious basis. DOJ would change its asset forfeiture policy under which the government gives forfeited assets of $50,000 or less in value to community groups for social services, to allow religious groups that receive such property to limit the use of the property to non-religious purposes for a period of 5 years instead of the current permanent limitation on the property's use.
- The Department of Veteran’s Affairs (VA) rules would open homeless services to religious organizations, and remove a prohibition against employing based on religion. Religious organizations receiving VA funds would no longer be required to certify that they will exert “no religious influence” on clients.
- An Executive Order issued on December 12, 2002, establishes Centers for Faith-Based and Community Initiatives at the Department of Agriculture and the Agency for International Development, directing them to undertake an audit of existing faith-based community efforts in their programs.
- All federal executive departments and agencies have been instructed by Executive Order to designate an agency employee to serve as the liaison and to cooperate with the Office of Faith-Based Initiatives.
- In January, President Bush announced a 3-year, $600 million federal addiction treatment initiative that would enable eligible individuals to use federal alcohol and drug abuse vouchers to obtain help at all effective treatment organizations, including faith-based and community-based organizations. A Whitehouse fact sheet, Providing Help to Heal Americans Struggling with Addiction, makes the following statement:

For many Americans seeking treatment, the transforming power of faith will now be available to heal those suffering from alcohol and drug abuse. This new program will serve as a model for states in administering other Department of Health and Human Services alcohol and drug abuse grant funding permissible under proposed Charitable Choice regulations.

- The Department of Health and Human Services recently awarded $7 million in grants to 11 faith-based groups who support abstinence education. One of the grants, for nearly $500,000, went to A Woman's Concern, a group of faith-based health centers with the motto “Encouraging healthy choices and life-affirming relationships.” Bush is proposing an increase from $70 to $135 million for abstinence education in his current budget proposals. The fiscal year 2003 appropriations bill provides new funding directly to abstinence education programs through individual ‘earmarks’. Thirty-one programs received $3.15 million this way, including a $700,000 grant (the largest earmark in the appropriations bill) to a faith-based abstinence education program, the Silver Ring Thing. See the Policy Updates at the Sexuality Information and Education Council of the United States (SIECUS): www.siecus.org/policy/Pupdates.

For more information, see www.whitehouse.gov: Executive Order: Equal Protection of the Laws for Faith-based and Community Organizations and Executive Order: Responsibilities of the Department of Agriculture and the Agency for International Development with Respect to Faith-
Among pending legislation that would further the goals of the Faith-Based Initiatives:

- The House version of the Workforce Investment Act reauthorization bill (H.R. 1261), supported by President Bush, includes a provision that allows faith-based organizations to receive WIA federal funds even if the organization hires its employees based on religious affiliation. Democrats attempted to restore civil rights protections to the bill but Republicans barred their amendments from consideration in a floor vote. The Senate version does not contain this provision. The administration is also proposing rules to implement these changes.
- The House passed a Head Start re-authorization bill (H.R. 2210), supported by President Bush, in June that critics say would remove current civil rights protections, allowing religious organizations involved in Head Start to discriminate in hiring based on religious grounds. A Senate version of the bill has passed out of the Senate Health, Education, Labor and Pensions Committee and does not contain this provision, leaving the outcome uncertain pending the compromise language that will be worked out between the Senate and House.
- The House version of the Community Services Block Grant (CSBG) reauthorization (H.R. 3030) fails to clarify the activities that would fall under civil rights protection, thereby enabling organizations funded under the block grant to conduct inherently religious activities using CSBG funds, according to the American Civil Liberties Union.

For more information, see www.aclu.org; www.ombwatch.org; www.nea.org, and www.au.org.

Americans United for Separation of Church and State provides the following analysis of President Bush’s faith-based initiatives:

- The actions taken by Bush violate the constitutional separation of church and state, forcing taxpayers to fund religious institutions. Distinguishing between funding of religious groups and funding explicitly religious activities is not possible, since subsidizing any activity frees up funds for other more religious activities.
- Allowing faith-based organizations to discriminate on the basis of religion when hiring means that organizations would be legally entitled to take government funding and then refuse to hire individuals who practice any religion different than their own.
- Religious organizations would be free to use government funding for services and still proselytize, using private funds, to people seeking assistance. This could place people in need in the position of submitting to religious coercion or going without basic needs such as shelter or food.
- Government funding of religious organizations will change the nature of their work, forcing them to meet government regulations, and diminishing the voluntary nature of religious service and contributions.
- Laws have been in place for years that work well to allow religious organizations to provide social services and obtain government funding under strict safeguards that protect the religious liberties of those receiving assistance.

See www.au.org.

Study Questions Effectiveness of Faith-Based Employment Services And Ability to
**Draw Line on Proselytizing**

A recently released interim report, *Faith-Based Social Service Provision under Charitable Choice: A Study of Implementation in Three States*, is part of a three-year study being conducted by the Center for Urban Policy and the Environment at Indiana University at Purdue. The study looks at social service provision by faith-based organizations under the Charitable Choice law of the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) of 1996, and provides timely information given the current push toward religious funding by President Bush. Implementation of charitable choice provisions in three states, Massachusetts, North Carolina and Indiana were evaluated over three years to:

- Document the methods by which states work with faith-based organizations
- Compare outcomes between faith-based and secular providers
- Analyze contracting and monitoring of faith-based organizations
- Investigate accountability and adherence to First Amendment boundaries, and
- Study the effects of government contracts on organizations

Among the report’s preliminary findings:

- States do not appear to have the resources to monitor providers for complying with constitutional safeguards separating church and state. Many if not most of the “strongly faith-influenced” (SFI) providers lack the constitutional knowledge and competence to assure constitutionally appropriate program implementation.
- Sixty-seven percent of respondents to a study survey did not know that tax dollars cannot pay for religious activities like prayer and bible study.
- Faith-based and secular providers had the same rates of placement into jobs, but clients of faith-based providers obtained jobs with fewer hours per week and were less likely to be offered health insurance. Clients of faith-based programs were placed into full-time employment at a rate of 31%, compared to 53% for secular job-training programs.
- Relatively few new faith-based providers in the states studied responded to new opportunities for government funding through the Charitable Choice provisions. In Indiana, significant resources were committed to actively recruit religious organizations, but only six new providers began contracting with the state during the study period.

The study is available at [www.urbancenter.iupui.edu/pubpages/char_choice.htm](http://www.urbancenter.iupui.edu/pubpages/char_choice.htm).

**Lawsuit Settlement Could Bolster Other Legal Challenges to Religious Discrimination in Employment**

An employment protections lawsuit, recently settled in Georgia, could serve to discourage discrimination among religious organizations that receive federal funds and could also diminish the interest in pursuing government funding among religious organizations that want to maintain practices of discriminating in hiring.

The case *Bellmore v. United Methodist Children’s Home and Department of Human Resources of Georgia*, was filed when the United Methodist Children’s Home in Decatur, Georgia fired a counselor despite superior performance reviews when it was learned that she was lesbian. Also joining the lawsuit was an applicant whose interview was abruptly ended when it was learned that he was Jewish. The home received 40% of its budget from the State of Georgia. Under the settlement, the state agreed that no child welfare agencies with which it contracts would discriminate in employment based on religion or gender. The children’s home agreed to conform to the state policy and is restricted from discouraging staff, volunteers or clients from their personal views on sexual orientation.
For more information, see www.lambdalegal.org, where the home’s practices of requiring youth to attend Methodist services and Sunday school each week, regardless of their faith or wishes, and of training staff to withhold appropriate supportive services to gay and lesbian youth, and to send them to psychological intervention therapy, in line with the Home’s anti-gay religious beliefs, are described.

Prison Ministries Gaining Ground and Funding

An evangelical program created by Charles Colson’s Prison Fellowship Ministries (PFM), the Innerchange Freedom Initiative (IFI) is gaining ground in several states. President Bush has directed Attorney General John Ashcroft to pursue the establishment of the program in federal prisons. The program recruits prison inmates who agree to convert to Christianity and provides them with services and benefits not available to the general prison population. The program is funded by a variety of sources that include state government contracts, phone usage fees charged to the general prison population, and prison canteen profits. Colson is a former Nixon aide convicted for his role in Watergate who converted to Evangelical Christianity while in prison. In an interview with PBS, Mr. Colson stated, “There is a great danger in the prisons, and I have seen this first hand, of radical Islam taking a real hold. People in prisons are very alienated from society, very angry, most of them. If they can get a Christian influence, where we’re taught to love the Lord with all our heart and mind and soul, to love our neighbor as ourself, I think that’s a great thing.”

Benefits afforded prisoners who participate in the IFI program include:

- At a time when state-run programs in prison are experiencing severe cutbacks, IFI services are expanding. IFI “membership” benefits include GED preparation, substance abuse treatment, vocational programs and more spacious living arrangements with greater freedom of movement. For the general population in Kansas, the GED program was cut in half, substance-abuse treatment was eliminated and vocational programs are almost non-existent.
- Work release privileges in Kansas are almost exclusively available to IFI graduates.
- In Kansas, inmates who complete the program are attracted to the prospect of better chances of positive outcomes with the Parole Board. The IFI Program Manager says that “We have a very positive relationship with the board. Sometimes they just give our inmates a green light and say, ‘See you at work release.’
- In Iowa, inmates who participate in IFI have private toilets, are not locked down at night and have use of computers that are unavailable to the general prison population.
- IFI members have more frequent and sociable visitation privileges with their families than does the general prison population.
- IFI members wear a necklace with a “What Would Jesus Do?” card that identifies them as members and entitles them to the program’s special privileges.

IFI is attempting to include treatment for sex-offenders among its services, getting exemptions for offenders from aversion therapy and other established counseling processes, in order to cure offenders through prayer and conversion. According to an IFI manager, “We already offer GED, substance-abuse, and pre-release programs. If we get sex-offender treatment, we’ll have the whole ball of wax for the state at a bargain-basement price.”

The first such prison ministry program was started in Texas by then-Governor George W. Bush. President Bush has supported expanding the program to include additional states, and has directed the Attorney General to investigate the possibility of introducing the program in federal prisons.
In a related development, Wisconsin legislators have backed a proposal to sell a $5.8 million women’s prison being built in Milwaukee to a group of three organizations, two of which are churches. The newly-formed group, the Opportunities Redevelopment Corporation (ORC), is a for-profit business. Under the plan, the state would spend about $450,000 more to rent the prison back from the buyers than if it paid off its construction debt and kept ownership of the building. In return, ORC would get state contracts to provide inmate services such as substance abuse counseling, job training and life skills. State Senator Bob Welch, a Republican supporter of the proposal, expects the prison would offer voluntary faith-based services as well. The Associated Press quotes Senator Welch as saying, “The faith-based industry is still in its infancy. It’s things like this that will help kick-start it.”

For a report on the IFI program in Kansas, see the November/December issue of Mother Jones, available only in part on-line at www.motherjones.com.

A report on the Texas-based IFI program is available at www.pbs.org/wnet/religionandethics/week640.

A lawsuit challenging the Iowa IFI program has been filed by the Americans United for Separation of Church and State (AUSCS v. Warden Terry Mapes, Prison Fellowship Ministries, InnerChange Freedom Initiative, et. al. U.S. District Court, Southern District of Iowa, 2/12/03)

The Prison Fellowship Ministry website is informative and includes a link to the IFI website: www.pfm.org.

For a particularly alarming description of one IFI member’s experience, see the March/April 2003 Newsletter, page 6. The newsletter portrays the prisoner’s ‘conversion’ from homosexuality, using explicit language, such as “…the power of God’s Word has cut away the filthy garments of what was once a desired homosexual lifestyle,” and “Satan had trapped [him] in a homosexual lifestyle for more than 15 years.”

An article at http://slate.msn.com describes a study from University of Pennsylvania’s Center for Research on Religion and Urban Civil Society (at www.sas.upenn.edu/crrucs), The InnerChange Freedom Initiative: A Preliminary Evaluation of a Faith-Based Prison Program, that found that inmates who complete a two-year rehabilitation program immersed in bible study and Christian worship had a better chance of staying out of jail, once released, than members of the general prison population. The study was promoted by IFI and President Bush in a variety of mediums. In fact, when selection bias was controlled for, IFI members had very similar but slightly higher rates of rearrests, and higher rates (24% v. 20%) of reimprisonment than did a control group. This in spite of the fact that IFI members received many services not available to the control group.

(This report was originally summarized for an earlier Policy Briefing.)

Texas Experience with Bush Faith-Based Initiatives Precursor to National Trend

A report from the Texas Freedom Network describes the consequences of President Bush’s faith-based initiatives on services to the poor in the state. Texas was subject to a strikingly similar and aggressive implementation of the Faith-Based Initiative which then-Governor Bush launched once welfare reform passed in 1996. As president, Bush has pursued the Texas model on a federal level, making the experience in Texas pertinent nationally. With both initiative: Bush has sought to deregulate faith-based providers and increase funding available to them. The